

ANNUAL REPORT
2024



Knusford
Berhad 199601007754 (380100-D)

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Proxy Form

What's

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Corporate

INFORMATION

CHAIRMAN

DYAM Tunku Ismail Ibni Sultan Ibrahim
Non-Independent Non-Executive Director

DIRECTORS

Lim Chen Heng
Executive Director

Lim Chen Thai
Executive Director

Lim Sew Hua
Executive Director

Bernard Hilary Lawrence
Senior Independent Non-Executive Director

Dato' Avinderjit Singh A/L Harjit Singh
Independent Non-Executive Director

Lee Wai Kuen
Independent Non-Executive Director

Lim Foo Seng
Independent Non-Executive Director

Mohd Salleh Bin Othman
Independent Non-Executive Director

Datuk Mohamad Jaifuddin Bin Bujang Mohidin
Alternate Director to DYAM Tunku Ismail Ibni Sultan Ibrahim

CHIEF EXECUTIVE OFFICER

Heng Hock Lai

CHIEF FINANCIAL OFFICER

Lee Mong Fang

COMPANY SECRETARIES

Lim Thiam Wah, ACIS
Lim Aik Yong, ACIS

REGISTERED OFFICE

#C-G-03, Blok C, Tropez Residen
Persiaran Danga Perdana
80200 Johor Bahru, Johor
Tel : 07-296 5555
Fax : 07-296 5599
Email : enquiries@knusford.com

PRINCIPAL PLACE OF BUSINESS

#C-G-03, Blok C, Tropez Residen
Persiaran Danga Perdana
80200 Johor Bahru, Johor
Tel : 07-296 5555
Fax : 07-296 5599

REGISTRAR

Insurban Corporate Services Sdn Bhd
149, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel : 03-7729 5529
Fax : 03-7728 5948
Email : insurban@gmail.com

AUDITORS

KPMG PLT
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya, Selangor
Tel : 03-7721 3388
Fax : 03-7721 3399

PRINCIPAL BANKERS

AmBank (M) Berhad
Malayan Banking Berhad

LISTING STATUS

Listed on Bursa Malaysia Main Market
Stock Code: 5035
Stock Code: KNUSFOR
Sector: Industrial Products & Services

WEBSITE

www.knusford.com.my

AUDIT COMMITTEE

Lim Foo Seng (Chairman)
Bernard Hilary Lawrence
Dato' Avinderjit Singh A/L Harjit Singh
Lee Wai Kuen
Mohd Salleh Bin Othman

RISK MANAGEMENT COMMITTEE

Lee Wai Kuen (Chairman)
Bernard Hilary Lawrence
Dato' Avinderjit Singh A/L Harjit Singh
Lim Foo Seng
Mohd Salleh Bin Othman

NOMINATION AND REMUNERATION COMMITTEE

Bernard Hilary Lawrence (Chairman)
Dato' Avinderjit Singh A/L Harjit Singh
Lee Wai Kuen
Lim Foo Seng
Mohd Salleh Bin Othman



Formwork Timber Products



Bricks



Roofing Solution



KL Office

Tel : 03-4023 2525
Fax : 03-4021 8499

JB Office

Tel : 07-296 5555
Fax : 07-296 5588

**Your Building Materials
One-Stop Centre**



Pipes & Fittings



Quarry Products



General Steel Products

CEMENT / CONCRETE



CONCRETE PRECAST



BATHROOM SOLUTIONS



TILES / FLOOR AND WALL DECORATIONS



PAINT



CABLES



IRONMONGERIES





LANDSCAPING



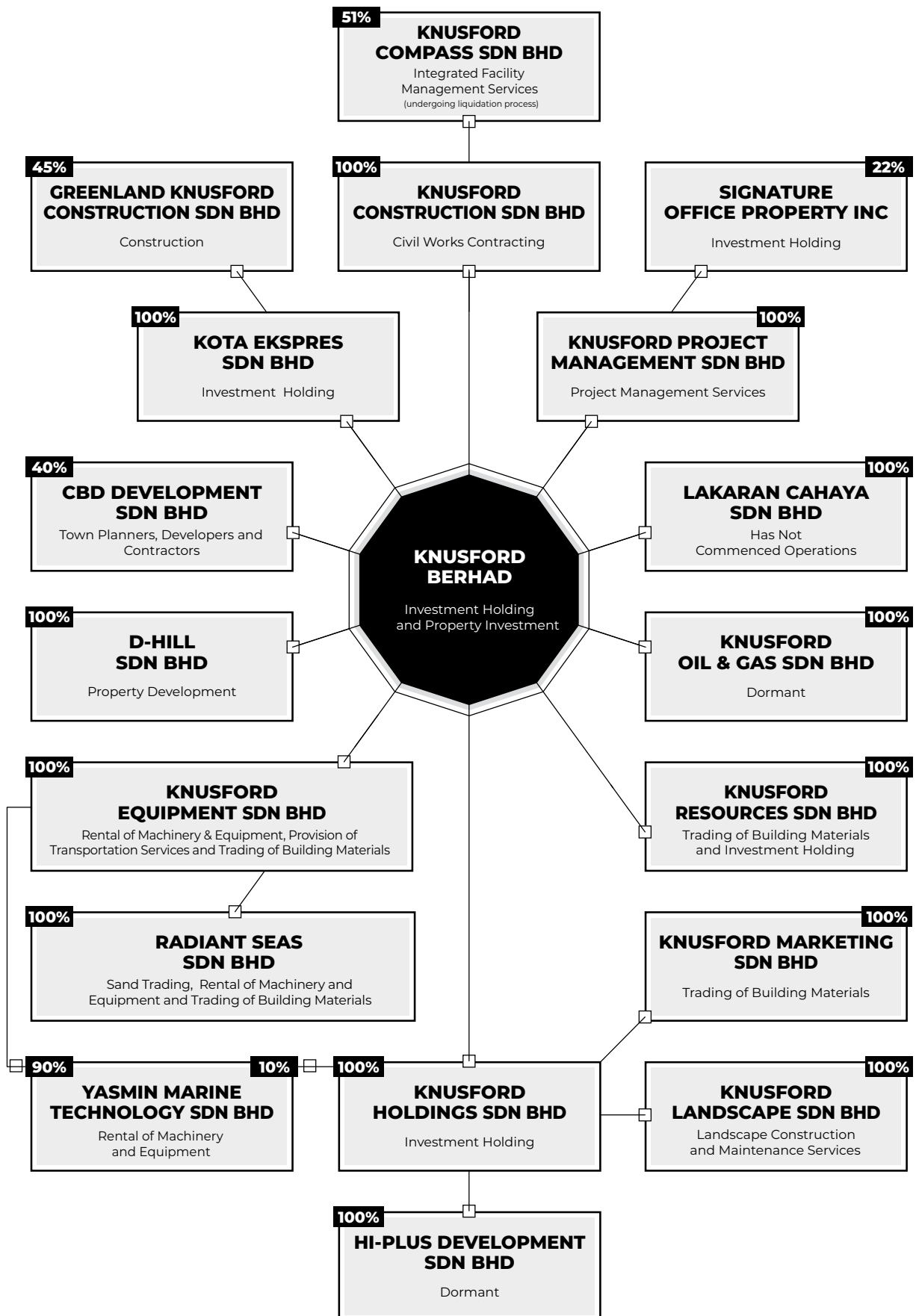
PROPERTY DEVELOPMENT



CONSTRUCTION



Corporate STRUCTURE



Notice of TWENTY-EIGHTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth Annual General Meeting of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities via the online meeting platform at <https://web.vote2u.my> on Wednesday, 25 September 2024 at 11.00 a.m. for the purpose of transacting the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors and the Auditors thereon. (Please refer Explanatory Note A)
2. To re-elect the following Directors who retire in accordance with Clause 76 (3) of the Constitution of the Company:-
 - (i) DYAM Tunku Ismail Ibni Sultan Ibrahim (Resolution 1)
 - (ii) Mr. Lim Chen Thai (Resolution 2)
 - (iii) Dato' Avinderjit Singh A/L Harjit Singh (Resolution 3)
3. To approve the payment of Directors' Fees of RM276,000.00 for the financial year ended 31 March 2024. (Resolution 4)
4. To approve the payment of Directors' Benefits up to an amount of RM300,000.00 with effect from the Twenty-Eighth Annual General Meeting until the next Annual General Meeting of the Company. (Resolution 5)
5. To re-appoint Messrs. KPMG PLT as Auditors of the Company for the financial year ending 31 March 2025 and to authorise the Directors to fix their remuneration. (Resolution 6)
6. As Special Business, to consider and if thought fit, pass the following resolutions with or without modifications:-

(I) PROPOSED AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES

"THAT subject to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer from time to time, at such price, to such persons and for such purposes and upon such terms and conditions, as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being **AND THAT** the Directors of the Company be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued **AND THAT** such approval shall continue to be in force until:-

NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company held after the approval was given;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.”

(Resolution 7)

(II) PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“**THAT** authority be and is hereby given pursuant to paragraph 10.09 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as stated in section 3.3 of the Circular to Shareholders dated 31 July 2024 with the related parties listed in section 3.2 of the Circular which are necessary for the day-to-day operations, in the ordinary course of business, made on at arm’s length basis and on normal commercial terms which are not more favourable than those normally available to the public and are not to the detriment of the minority shareholders;

AND THAT the authority conferred by this Mandate shall commence immediately upon the passing of this resolution and is subject to annual renewal. In this respect the authority shall only continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at that AGM;
- (ii) the expiration of the period within which the next AGM is to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”) but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.”

(Resolution 8)

(III) CONTINUING IN OFFICE AS SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

“**THAT** approval be and is hereby given for Mr. Bernard Hilary Lawrence who has served as a Senior Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Senior Independent Non-Executive Director of the Company.”

(Resolution 9)

NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

(IV) CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

- (i) “**THAT** approval be and is hereby given for Mr. Lim Foo Seng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company.” (Resolution 10)
- (ii) “**THAT** subject to the passing of Resolution 3, approval be and is hereby given for Dato’ Avinderjit Singh A/L Harjit Singh who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company.” (Resolution 11)
- (iii) “**THAT** approval be and is hereby given for En. Mohd Salleh Bin Othman who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company.” (Resolution 12)
- (iv) “**THAT** approval be and is hereby given for Mr. Lee Wai Kuen who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company.” (Resolution 13)
7. To transact any other matter for which due notice shall have been given in accordance with the Constitution of the Company and the Companies Act 2016.

By Order of the Board

Lim Thiam Wah (MAICSA No. 7000553) SSM PC No. 201908003868

Lim Aik Yong (MAICSA No. 7054965) SSM PC No. 202008000995

Chartered Secretaries

Johor Bahru

31 July 2024

Notes:

- The Twenty-Eighth (28th) Annual General Meeting (“AGM”) of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities via the online meeting platform at <https://web.vote2u.my>. Please refer to the Administrative Guide for the detailed steps on remote participation and vote remotely.*
- For the purpose of determining who shall be entitled to participate and vote at the 28th AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 12 September 2024. Only members whose name appears on this Record of Depositors shall be entitled to participate and vote at the AGM or appoint a proxy to participate and vote on his/her/its behalf.*
- A member entitled to participate and vote at the AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place at the AGM. A proxy may but need not be a member of the Company.*
- A member of the Company who is entitled to participate and vote at the AGM may appoint not more than two (2) proxies to participate and vote in his/her/its place at the AGM.*
- If two (2) proxies are appointed, the entitlement of those proxies to vote shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.*

NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

6. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
7. *Where a member of the Company is an exempt authorised nominee who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
8. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
9. *An instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporate member, shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.*
10. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of a poll not less than 24 hours before the time appointed for taking the poll:-*
 - (i) ***In hard copy form***

In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Registered Office of the Company situated at #C-G-03, Blok C, Tropez Residen, Persiaran Danga Perdana, 80200 Johor Bahru, Johor.
 - (ii) ***By electronic form via facsimile***

In the case of an appointment made by facsimile transmission, the Proxy Form must be received via facsimile at 07-296 5599.
 - (iii) ***By electronic form via email***

In the case of an appointment made by email transmission, the Proxy Form must be received via email at proxyform@knusford.com

For options (ii) and (iii), the Company may request the member to deposit the original executed proxy form to its registered office before or on the date of the meeting for verification purposes.
11. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company situated at #C-G-03, Blok C, Tropez Residen, Persiaran Danga Perdana, 80200 Johor Bahru, Johor not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of a poll not less than 24 hours before the time appointed for taking the poll. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
12. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*
13. *Last date and time for lodging proxy form is on Monday, 23 September 2024 at 11.00 a.m.*
14. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of AGM will be put to vote on a poll.*

NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

Explanatory Notes:-

Note A

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 ("the Act") and are meant for discussion only as the Audited Financial Statements do not require shareholders' approval under the provision of Section 251(1) of the Act. As such, this Agenda item is not to be put forward for voting.

Resolutions 1 to 3

Clause 76 (3) of the Constitution of the Company ("Constitution") expressly states that at the Annual General Meeting ("AGM") in every subsequent year, one-third of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then, the number nearest to one-third (1/3) shall retire from office and be eligible for re-election.

Pursuant to Clause 76 (3) of the Constitution, DYAM Tunku Ismail Ibni Sultan Ibrahim, Mr. Lim Chen Thai and Dato' Avinderjit Singh A/L Harjit Singh are standing for re-election at this AGM.

The profiles of the Directors standing for re-election are set out in their respective profiles in the Annual Report.

The Nomination and Remuneration Committee ("NRC") of the Company has assessed the criteria and contribution of DYAM Tunku Ismail Ibni Sultan Ibrahim, Mr. Lim Chen Thai and Dato' Avinderjit Singh A/L Harjit Singh and recommended for their re-election. The Board endorsed the NRC recommendation that DYAM Tunku Ismail Ibni Sultan Ibrahim, Mr. Lim Chen Thai and Dato' Avinderjit Singh A/L Harjit Singh be re-elected as Directors of the Company.

Resolutions 4 and 5

Section 230(1) of the Act provides amongst others, that the fees of the Directors, and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board wishes to seek Shareholders' approval for the following payments to the Directors of the Company at the AGM in two (2) separate resolutions as below:

Resolution 4 seeks approval for the payment of Directors' Fees of RM276,000.00 for the financial year ended 31 March 2024.

Resolution 5 seeks approval for the payment of Directors' Benefits up to an amount of RM300,000.00 with effect from the Twenty-Eighth AGM until the next AGM of the Company.

In determining the estimated total amount of Directors' Fees and Benefits payable for the Directors of the Company, the Board has considered various factors including the number of scheduled meetings for the Board, Board Committees, Board of Subsidiaries and Management Committees as well as the number of Directors involved in these meetings based on the current number of Directors and has included additional provisional sum for future appointment of Directors of the Company.

In the event where the Directors' Benefits payable exceeds the estimated amount sought in the AGM, a shareholders' approval is to be sought in the next AGM of the Company in 2025 on the payment of the exceeded amount.

Resolution 6

The Audit Committee and the Board have considered the re-appointment of Messrs. KPMG PLT ("KPMG") as Auditors of the Company and collectively agreed that KPMG has met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

Explanatory Notes to Special Business

Resolution 7

The proposed resolution, if passed, will empower the Directors of the Company to allot shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer from time to time, at such price, to such persons and for such purposes and upon such terms and conditions, as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company. The general mandate will provide flexibility to the Company for any possible fund raising activities.

The Company had not issue and allot any shares under the general mandate granted to the Directors at the last AGM of the Company held on 27 September 2023.

Resolution 8

The proposed resolution, if passed, will enable the Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business made on at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. Details of the Proposed Mandate are set out in the Circular to Shareholders dated 31 July 2024.

Resolutions 9 to 13

The proposed resolutions 9 to 13, if passed, will approve and authorise Mr. Bernard Hilary Lawrence, Mr. Lim Foo Seng, Dato' Avinderjit Singh A/L Harjit Singh, En. Mohd Salleh Bin Othman and Mr. Lee Wai Kuen to continue to act as Independent Non-Executive Directors of the Company.

The Malaysian Code on Corporate Governance states that if the board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process.

The NRC has assessed the independence of Mr. Bernard Hilary Lawrence, Mr. Lim Foo Seng, Dato' Avinderjit Singh A/L Harjit Singh, En. Mohd Salleh Bin Othman and Mr. Lee Wai Kuen who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

- (a) their expertise in finance, corporate, legal and project management matters, which had significant contributions to the effectiveness of the Board and the Committees;
- (b) they have exercised their due care during their tenure as Independent Non-Executive Directors of the Company and have carried out their duties in the interest of the Company; and
- (c) long service with the Company enhances their knowledge and understanding of the business operations of the Group which enable them to contribute actively and effectively during deliberations or discussion at the Audit Committee, Risk Management Committee and Board meetings.

Statement ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Particulars of Directors who are standing for election at the Twenty-Eighth Annual General Meeting

There is no Director standing for election at the Twenty-Eighth Annual General Meeting.

Administrative GUIDE FOR SHAREHOLDERS

TWENTY-EIGHTH ANNUAL GENERAL MEETING

Date	:	Wednesday, 25 September 2024
Time	:	11.00 a.m.
Meeting Platform	:	https://web.vote2u.my
Mode of Communication	:	Typed text in Online Meeting Platform during the Twenty-Eighth Annual General Meeting

MODE OF MEETING

The Twenty-Eighth Annual General Meeting of Knusford Berhad ("AGM") will be conducted on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities ("RPV") via the online meeting platform at <https://web.vote2u.my> (collectively referred hereinafter as "Virtual 28th AGM").

The above decision is made pursuant to Section 327 of the Companies Act 2016 and Clause 52 of the Constitution of the Company.

In line with the Malaysian Code on Corporate Governance Practice 13.3, conducting the Virtual 28th AGM, would facilitate greater shareholder participation as it facilitates electronic voting and remote shareholders' participation. With the RPV Facilities, you may exercise your right as a member of the Company to participate (including the right to pose questions to the Board of Directors and/or Management of the Company) and vote at the Virtual 28th AGM. Alternatively, you may also appoint the Chairperson of the Meeting as your proxy to attend and vote on your behalf at the Virtual 28th AGM.

ENTITLEMENT TO PARTICIPATE AND VOTE

In respect of deposited securities, only members whose names appear in the Record of Depositors on 12 September 2024 shall be eligible to participate in the Virtual 28th AGM or appoint proxy(ies) to participate and/or vote on his/her behalf.

VOTING PROCEDURE

The voting at the Virtual 28th AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

Kindly follow the procedure to participate in RPV as summarised below:

BEFORE AGM DAY

A: REGISTRATION

Individual Shareholders

Description	Procedures
<p>Shareholders to register with Vote2U online</p>	<p>The registration will open from the day of notice.</p> <ol style="list-style-type: none"> a Access website at https://web.vote2u.my b Click "Sign Up" to sign up as a user. c Read the "Privacy Policy" and "Terms & Conditions" and indicate your acceptance of the "Privacy Policy" and "Terms and Conditions" on a small box. Then click "Next". d * Fill in your details (Note: create your own password). Then click "Continue". e Upload softcopy of your identification card (MyKad) (front only) (for Malaysian) or Passport (for non-Malaysian). f Login as user completed. g Your registration will be verified and an email notification will be sent to you. Please check your email. <p>Note:</p> <p>If you have registered as a user with Vote2U online previously, you are not required to register again.</p> <p>* Check your email address is keyed in correctly.</p> <p>* Remember the password you have keyed in.</p>

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

B: REGISTER PROXY

Individual Shareholders/Corporate Shareholders/Nominee Companies

Description	Procedures
Submit Proxy Form	<p>The closing date to submit your Proxy Form is on Monday, 23 September 2024 at 11.00 a.m</p> <p>a * Fill in details on the hardcopy of Proxy Form and ensure to provide the following information:</p> <ul style="list-style-type: none"> - MyKad number (for Malaysian)/Passport number (for non-Malaysian) of the Proxy. - * Email address of the Proxy. <p>b Submit/deposit the hardcopy of Proxy Form at the Registered Office of the Company situated at #C-G-03, Blok C, Tropez Residen, Persiaran Danga Perdana, 80200 Johor Bahru, Johor or lodge electronically via facsimile at 07-296 5599 or via email at proxyform@knusford.com.</p> <p>Note:</p> <p>After verification, an email notification will be sent to the Proxy and a temporary password will be given. The Proxy could use the temporary password to login to Vote2U.</p> <p>* Check the email address of Proxy is written down correctly.</p>

Shareholders who appoint Proxy(ies) to participate at the Virtual 28th AGM must ensure that the e-Proxy Form and/or hardcopy Proxy Form is submitted not less than 48 hours before the time for holding the AGM or any adjourned AGM at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

ON AGM DAY

A: WATCH LIVE STREAMING

Individual Shareholders and Proxies

Description	Procedures
Login to virtual meeting portal – Vote2U online and watch live streaming	<p>The Vote2U online portal will open for login one (1) hour before the commencement of the Virtual 28th AGM, i.e. from 10.00 a.m., Wednesday, 25 September 2024.</p> <p>a Login with your email address and password.</p> <p>b Select the General Meeting event “Knusford Berhad – 28th AGM”.</p> <p>c Check your details.</p> <p>d Click “Watch Live” button to view the live streaming.</p>

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

B: ASK QUESTION

Individual Shareholders and Proxies

Description	Procedures
Ask question during the AGM (real-time)	<p>Questions submitted online using typed text will be moderated before being forwarded to the Chairman to avoid repetition. Every question and message will be presented with full name of the shareholder or proxy raising the question.</p> <ol style="list-style-type: none"> Click "Ask Question" button to post question(s). Type in your question and click "Submit". <p>The Chairman/Board of Directors will endeavor to respond to questions submitted by remote shareholders and proxies during the Virtual 28th AGM.</p>

C: VOTING REMOTELY

Individual Shareholders and Proxies

Description	Procedures
Online Remote Voting	<p>Once the Chairman announces the opening of remote voting:</p> <ol style="list-style-type: none"> Click "Confirm Details & Start Voting". Select your voting option provided. A confirmation screen will appear to show your selected vote. Click "Next" to continue voting for all the resolutions. To change your vote, click "Back" and select other voting option. After you have completed voting, a Voting Summary page appears to show all the resolutions with your cast of votes. Click "Confirm" to submit your votes. <p>Please note that you are not allowed to change your voting options after you have confirmed and submitted your votes.</p>

NO DOOR GIFTS, E-VOUCHERS OR FOOD VOUCHERS

There will be no distribution of door gifts, e-vouchers or food vouchers at this Virtual 28th AGM.

NO RECORDING OR PHOTOGRAPHY

Strictly no recording or photography of the Virtual 28th AGM proceedings is allowed.

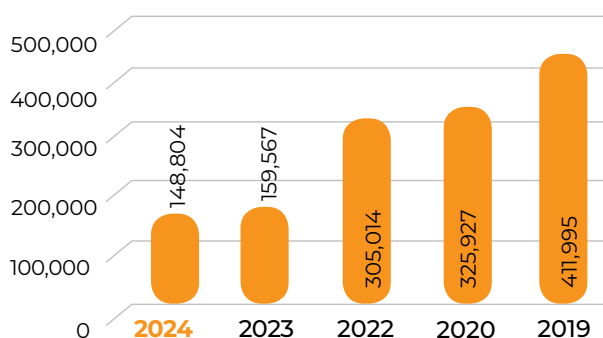
ENQUIRY

If you have any enquiry relating to the AGM Administrative Guide for Shareholders or the RPV or encounter issues with the login, connection to live streaming and online voting, kindly contact the Poll Administrator via email at vote2u@agmostudio.com.

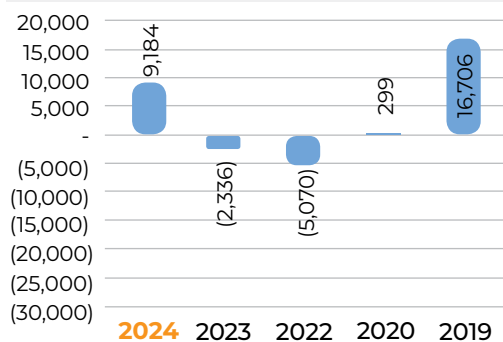
Five-Year FINANCIAL HIGHLIGHTS

	Financial Year/Period Ended				
	31 Mar 2024	31 Mar 2023	31 Mar 2022	31 Dec 2020	31 Dec 2019
Key Statement of Comprehensive Income					
Revenue (RM'000)	148,804	159,567	305,014	325,927	411,995
Profit /(Loss) Before Tax (RM'000)	13,625	2,366	(3,131)	3,186	17,753
Profit /(Loss) After Tax (RM'000)	9,184	(2,336)	(5,070)	299	16,706
Profit /(Loss) Attributable to Owners of the Parent (RM'000)	9,184	(2,336)	(5,070)	299	16,706
Key Statement of Financial Position					
Total Assets (RM'000)	445,542	441,088	439,126	435,948	407,516
Total Borrowings (RM'000)	60,303	55,941	42,092	22,007	18,910
Total Equity (RM'000)	228,530	219,346	221,682	226,750	226,450
Share Information					
Basic Earnings /(Loss) per Share Attributable to Owners of the Parent (Sen)	9.22	(2.34)	(5.09)	0.30	16.77
Net Assets per Share Attributable to Owners of the Parent (RM)	2.29	2.20	2.22	2.28	2.27
Financial Indicators					
Net Return on Shareholders' Funds (%)	4.02	(1.06)	(2.29)	0.13	7.38
Gearing Ratio (times)	0.26	0.26	0.19	0.10	0.08

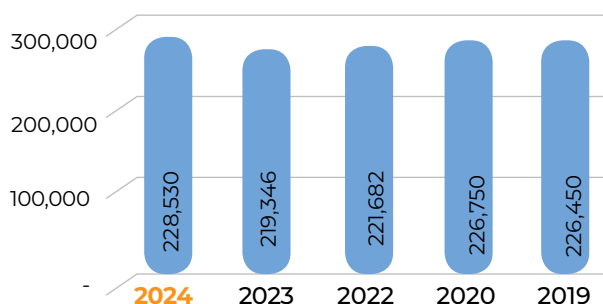
REVENUE (RM'000)



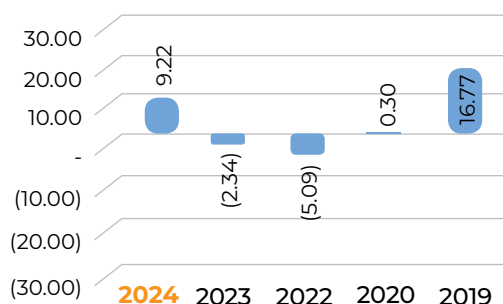
PROFIT/(LOSS) AFTER TAX (RM'000)



TOTAL EQUITY (RM'000)



BASIC EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT (Sen)



Profile of CHAIRMAN AND DIRECTORS

DYAM TUNKU ISMAIL IBNI SULTAN IBRAHIM, male, aged 40, Malaysian, was appointed as Chairman and Non-Independent Non-Executive Director of Knusford Berhad on 21 August 2013. DYAM Tunku Ismail has completed his studies in Hale School, Australia. After completing his studies in Hale School, Australia, DYAM Tunku Ismail was enrolled into the Indian Military Academy. He was appointed as Tunku Mahkota Johor in 2010. He became the Regent of Johor upon the accession of his father, Sultan Ibrahim ibni Almarhum Sultan Iskandar to the throne as the 17th Yang di-Pertuan Agong of Malaysia on 31 January 2024.

MR. LIM CHEN HERNG, male, aged 37, Malaysian, was appointed as Executive Director of Knusford Berhad on 21 August 2013. He graduated with a Bachelor of Science (Honours) in Management from Royal Holloway and Bedford New College, University of London in 2008. He has been with the family business since his graduation, with management exposure in the property development, construction, finance, oil & gas and plantation sectors. He also sits on the board of several private limited companies, most notably the master developer Iskandar Waterfront Holdings Sdn. Bhd. (“IWH”). At present, he is the Group Executive Director in IWH where he oversees the business development and investment for the Group. Besides, he is the Executive Director in Iskandar Waterfront City Berhad and an alternate Director in PLS Plantations Berhad, both of which are public companies listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

MR. LIM CHEN THAI, male, aged 30, Malaysian, was appointed as Executive Director of Knusford Berhad on 26 February 2019. He graduated with a Bachelor of Banking and Finance from Monash University (Caulfield Campus). He is currently an Executive Director in Ekovest Berhad, a public listed company, listed on the Main Market of Bursa Securities. He serves the Ekovest Group of Companies in various capacities since joining them in 2015. He also sits on the board of several private limited companies.

MADAM LIM SEW HUA, female, aged 74, Malaysian, was appointed as Executive Director of Knusford Berhad on 29 January 2020. After completing her secondary school education and several years of working experience, Madam Lim joined Knusford Holdings Sdn. Bhd., a subsidiary of Knusford Berhad, as a General Manager in 1994. She has more than 46 years of working experience in various industries, gaining exposure in the field of marketing, procurement, finance, human resource and corporate matters. She is one of the pioneer staff during the formative years of Knusford Berhad. She is also a Director of several private limited companies.

MR. BERNARD HILARY LAWRENCE, male, aged 57, Malaysian, was appointed as Independent Non-Executive Director of Knusford Berhad on 12 April 2013 and appointed as Senior Independent Non-Executive Director on 6 April 2015. At undergraduate level, Mr. Bernard holds a Bachelor Degree in Law (Hons) from the University of Warwick, Coventry, England. In terms of post graduate qualifications, he holds a Master’s Degree in Law from the University of Malaya and is a Barrister of Grays Inn, London. He is also a KLRCA empanelled CIPAA Adjudicator and actively adjudicates construction disputes.

Since graduating from the University of Warwick, England in 1990, Mr. Bernard has garnered considerable experience having served as a Head of Legal Department for a local bank, as a Legal Adviser to a subsidiary of Telekom Malaysia Berhad and as a Group Legal Adviser to the Articulate Group of Companies. Since 2001, he has been the Managing Partner of Messrs B H Lawrence & Co, Advocates & Solicitors. Mr. Bernard has more than 30 years of experience in the corporate and legal sectors.

PROFILE OF CHAIRMAN AND DIRECTORS

DATO' AVINDERJIT SINGH A/L HARJIT SINGH, male, aged 53, Malaysian, was appointed as Independent Non-Executive Director of Knusford Berhad on 21 August 2013. He has completed his education in Singapore Stamford College. He has been in the marketing industry for the past 27 years since the completion of his education. He has experience in several other industries including property development, oil & gas and auto sports industry.

At present, he sits on the board of another public listed company, Redtone Digital Berhad, and many other private limited companies namely Transwater Capital Ventures Sdn. Bhd., Lido Waterfront Boulevard Sdn. Bhd., Iskandar Waterfront Holdings Sdn. Bhd., QSR Brands (M) Sdn. Bhd., MSC Cyberport Sdn. Bhd., Iskandar Seafrost Assets Sdn. Bhd., Berjaya Assembly Sdn. Bhd. and Berjaya Waterfront Sdn. Bhd.

Further to the above, in July 2018 he was appointed to the Board of Trustees of Yayasan Sultan Ibrahim Johor (Sultan Ibrahim Johor Foundation).

MR. LIM FOO SENG, male, aged 54, Malaysian, was appointed as Independent Non-Executive Director of Knusford Berhad on 4 December 2013. He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

He started his career in Deloitte Kassim Chan, an international accounting firm, from 1989 till 1995. Thereafter, he joined Arab-Malaysian Corporation Berhad Group ("Amcorp") in 1995. During his tenure in Amcorp, he held various senior management positions and served as a board member for numerous subsidiaries of Amcorp. He left Amcorp in 2003 whereby his last position with Amcorp was a Chief Financial Officer ("CFO") of MCM Technologies Berhad, a subsidiary company of Amcorp which was formerly listed on the then MESDAQ Market of Bursa Securities.

He joined Quest Technology Sdn. Bhd. ("Quest") in 2003 as a CFO and subsequently from 2005 to 2008, he was the Executive Director cum CFO for Quest's immediate holding company, Ruby Quest Berhad, a company listed on the then MESDAQ Market of Bursa Securities. From 2008 to 2009, he was an Executive Director of Asia Bioenergy Technologies Berhad, a company listed on the then MESDAQ Market of Bursa Securities. Thereafter in late 2009, he set up and co-owned an investment holding company in which he subsequently disposed of his stakes and resigned as director in 2011. Between 2011 and 2017, he was the Head of Strategic Planning for a few established chain-stores retail companies.

In mid-2017, he joined Nova Pharma Solutions Berhad ("NPS") as Chief Strategy Officer, a company involved in the provision of engineering services for pharmaceutical and biotechnology industries and listed on the LEAP Market of Bursa Securities. He left NPS towards mid-2023 and currently acts as executive advisor for various small medium enterprise companies.

In addition, he was appointed as Non-Independent Non-Executive Director of Econframe Berhad on 1 February 2021, as well as Independent Non-Executive Director of both Iskandar Waterfront City Berhad and PLS Plantations Berhad on 11 October 2013 and 30 August 2023 respectively.

PROFILE OF CHAIRMAN AND DIRECTORS

EN. MOHD SALLEH BIN OTHMAN, male, aged 72, Malaysian, was appointed as Independent Non-Executive Director of Knusford Berhad on 4 December 2013. He graduated with a Bachelor of Science (Hons) Degree in Housing, Building and Planning from Universiti Sains Malaysia. After graduation, he joined Petroliam Nasional Berhad (“Petronas”) in 1978 as a Management Executive of the Property Department and he served in various departments and divisions for a span of approximately 15 years.

Some of the senior positions he has held include Head of Building Section of Special Project Department, Deputy Manager of Property Department and being promoted to Senior Manager of the same department in 1990.

During his employment in Petronas, he acquired skills and invaluable experience in property development, property management, property maintenance and also project management. He left Petronas in 1993 to join Kuala Lumpur City Centre Berhad as the Deputy General Manager of the Real Estate Division. He resigned from Kuala Lumpur City Centre Berhad in 1995 and thereafter, he joined Ekovest Berhad and resigned a year later. Subsequently, he also held various senior management position in various established public listed companies in Malaysia until he retired at the age of 55.

MR. LEE WAI KUEN, male, aged 58, Malaysian, was appointed as Independent Non-Executive Director of Knusford Berhad on 4 December 2013. He holds a Law Degree from London University and MBA Degree from Heriot-Watt University. He was an Executive Director of Protech Yu (Asia) Sdn. Bhd., a subsidiary of Goldis Berhad from 2007 to 2010. He was involved in the day- to-day operations of the aquaculture business, in charge of farm development, farm operating and marketing.

Prior to his involvement in the aquaculture industry, he was attached with Bumi Hiway & Selia Group of Companies as Head of Legal Department. He has numerous years of legal and corporate experience serving companies involved in the field of property development, construction and road concession. He is currently the Executive Director of Aqua Genesis Sdn. Bhd. which is involved in the aquaculture and supply chain for quality seafood. He is also the Chief Corporate Officer for GK Aqua Sdn. Bhd. and Sento Biotech Sdn. Bhd. He is also an Independent Non-Executive Director of Ekovest Berhad.

DATUK MOHAMAD JAIFUDDIN BIN BUJANG MOHIDIN, male, aged 44, Malaysian, was appointed as an Alternate Director to DYAM Tunku Ismail Ibni Sultan Ibrahim on 15 January 2015. He holds a Bachelor of Commerce from University of Western Australia. Upon graduation, he started his career with KKB Engineering Berhad as an Accounting Executive. Thereafter he joined Nationlink Group of Companies in 2003 as a Quantity Surveyor Executive, where he was exposed to 3 business divisions of the Group, namely Property Management, Construction and Development. From 2004 to 2007, he moved to Exticom Sdn. Bhd., an established company in telecommunication as Head of Business Development. Since 2008, he has been attached with the Johor Royal Household as the Special Officer to DYAM Tunku Mahkota Johor.

PROFILE OF CHAIRMAN AND DIRECTORS

Conflict of interest

There is no conflict of interest between the Directors and the Group except for the related party transactions where the Directors have interest, as disclosed in the Note 29 of the Audited Financial Statements.

Conviction for offences

None of the Directors have been convicted for any offences (except traffic offences) within the past 5 years or any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Family relationship

Save as disclosed below, no Director has family relationship with other Directors or major shareholders:-

- Mr. Lim Chen Heng is a son of Tan Sri Dato' Lim Kang Hoo, nephew to Madam Lim Sew Hua and Dato' Lim Kang Swee, and brother to Mr. Lim Chen Thai.
- Mr. Lim Chen Thai is a son of Tan Sri Dato' Lim Kang Hoo, nephew to Madam Lim Sew Hua and Dato' Lim Kang Swee, and brother to Mr. Lim Chen Heng.
- Madam Lim Sew Hua is a sister of Tan Sri Dato' Lim Kang Hoo and Dato' Lim Kang Swee, aunt to Mr. Lim Chen Heng and Mr. Lim Chen Thai.
- Tan Sri Dato' Lim Kang Hoo is a major shareholder, by virtue of his shareholdings in Kinston Park Sdn. Bhd. and Aman Setegap Sdn. Bhd. He is a brother to Madam Lim Sew Hua and Dato' Lim Kang Swee, father to Mr. Lim Chen Heng and Mr. Lim Chen Thai.
- Dato' Lim Kang Swee is a major shareholder in Knusford Berhad. He is a brother to Madam Lim Sew Hua and Tan Sri Dato' Lim Kang Hoo, uncle to Mr. Lim Chen Heng and Mr. Lim Chen Thai.

Key SENIOR MANAGEMENT

MR. HENG HOCK LAI, male, aged 64, Malaysian, was appointed as Chief Executive Officer of Knusford Berhad on 3 February 2020. He was involved in overseeing the overall operation, contractual and technical matters for the various phases of University Malaysia Sabah Project and EkoCheras Mixed Integrated Development. He has more than 37 years of experience in the construction industry. He graduated with a Bachelor of Science in Civil Engineering (Honours) from University of South Western Louisiana. He is a member of the Institution of Engineers Malaysia and a Professional Engineer who is registered with the Board of Engineers Malaysia. He does not hold any directorship in public companies.

MS. LEE MONG FANG, female, aged 56, Malaysian, was appointed as Chief Financial Officer of Knusford Berhad on 22 April 2013. She has the Chartered Institute of Management Accountants qualification and is also a member of the Malaysia Institute of Accountants. She has more than 20 years of experience in accounting and corporate finance areas. Prior to her appointment, she was a senior accountant with Iskandar Waterfront Holdings Sdn. Bhd. She does not hold any directorship in public companies.

MS. CHUA GUIT HONG, female, aged 40, Malaysian, was appointed as Head of Procurement, Contract and Administration of Knusford Construction Sdn. Bhd. on 1 March 2018. She graduated with a Degree of Quantity Surveying from Heriot-Watt University. She has more than 15 years' experience in the construction sector. She is responsible for tendering projects, resolving contractual matters in construction and monitoring construction cost. She does not hold any directorship in public companies.

MR. CHOR GOEH HUEI, male, aged 58, Malaysian, was appointed as Senior Contracts Manager of Knusford Construction Sdn. Bhd. on 28 July 2018, promoted to Assistant General Manager (Contract), on 1 March 2022 and later promoted to General Manager (Contract), on 1 May 2024. He graduated from Curtin University of Technology, Australia with the Bachelor of Science in Construction Management and Economics and MBA from Heriot-Watt University, UK. He is a registered Consultant Quantity Surveyor with the Board of QS Malaysia and Royal Institute of Surveyors Malaysia. He is also a Certified Quantity Surveyor from Australia Institute Quantity Surveyor and the Certified Trainer with the Construction Industry Development Board (CIDB) for the Malaysian Standard of Civil Engineering Method of Measurement. He is responsible for the project and contract administration, claims dispute resolution, tendering, project cashflow and budgeting and monitoring. He does not hold any directorship in public companies.

KEY SENIOR MANAGEMENT

MR. TAY WOON TAT, male, aged 46, Malaysian was appointed as General Manager of Knusford Construction Sdn. Bhd. on 1 April 2022. He graduated with a Bachelor of Engineering in Civil Engineering (Honours) from Universiti Teknologi Malaysia. He is a member of the Board of Engineers Malaysia. He has more than 22 years of experience in the construction and development industry. He is responsible for operation, contractual and technical matters. He does not hold any directorship in public companies.

Conflict of interest

There is no conflict of interest between the Key Senior Management and the Group.

Conviction for offences

None of the Key Senior Management have been convicted for any offences (except traffic offences) within the past 5 years or any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Family relationship

Save as disclosed below, no Key Senior Management has family relationship with other Directors or major shareholders: -

- Ms. Chua Guit Hong is a cousin to Mr. Lim Chen Heng and Mr. Lim Chen Thai.

Chairman's STATEMENT

On behalf of the Board of Directors of Knusford Berhad ("KB" or "the Group" or "the Company"), I am pleased to present the Annual Report and Audited Financial Statements for the Group for the financial year ended 31 March 2024 ("FYE 2024").

The core activities of the Group are trading of building materials, construction, property development and investment. The Group is also involved in landscape construction and maintenance services as well.

Performance Overview

The Group recorded revenue of RM148.80 million and a profit before tax of RM13.63 million in FYE 2024, compared to revenue of RM159.57 million and a profit before tax of RM2.37 million in financial year ended 2023 ("FYE 2023"). The decrease in revenue was mainly due to lower contributions from the trading and property development sectors. The increase in profit before tax was primarily attributed to gains from the disposal of investment properties, development lands and the recalibration of margins for projects nearing completion.

An in-depth review of the financial performance is presented under the Management Discussion and Analysis ("MD&A") section on pages 27 to 30.

Corporate Development

- 1) The wholly-owned subsidiary of the Company, D-Hill Sdn. Bhd., had on 30 March 2023, entered into a Sale and Purchase Agreement ("SPA") with Sin Siang Hin (M) Sdn. Bhd., for the disposal of all that piece of freehold commercial land with a single storey building erected thereon, held under H.S.(D) 102446, PT 17588, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor Darul Ehsan measuring 4,065 in square meters for a total cash consideration of RM11.9 million.

The disposal was completed on 7 August 2023.

- 2) On 27 September 2023 whereby the Company had on even date received a letter dated 27 September 2023 ("Proposal Letter") from Tan Sri Dato' Lim Kang Hoo ("TSDLKH"), a major shareholder of the Company and the Group Executive Chairman and a major shareholder of Ekovest Berhad ("Ekovest"), requesting the Company to consider participating in a reorganisation, rationalisation and merger proposal comprising, amongst others, the proposed merger of the construction and construction-related businesses of Ekovest and the Group through the acquisition of the entire issued share capital of Ekovest Construction Sdn. Bhd. ("ECSB") (i.e. a wholly-owned subsidiary of Ekovest, being the existing construction arm of Ekovest) by the Company ("Proposed Knusford-ECSB Merger").

CHAIRMAN'S STATEMENT

Corporate Development (Cont'd)

Following thereto, the Board of Directors of Knusford ("Board") wishes to announce that the Company had on 27 October 2023 entered into a binding heads of merger agreement ("HOA") with Ekovest to exclusively explore and negotiate further on the Proposed Knusford-ECSB Merger via the proposed acquisition by the Company of the entire equity interest in ECSB from Ekovest for an indicative purchase consideration of RM450 million ("Purchase Consideration"), which was arrived at on a willing-buyer, willing-seller basis, after taking into account the audited net assets of ECSB as at 30 June 2023.

The Parties shall use their best endeavours and efforts to negotiate in good faith and execute the Definitive Agreement within four (4) months following the date of the HOA, with an automatic extension of three (3) months upon the expiry of such four (4) months period, or such further extended date as the Parties may mutually agree upon ("Expiry Date").

On 27 May 2024, the parties have mutually agreed to extend the HOA from 28 May 2024 to 27 July 2024.

On 26 July 2024, the Parties have mutually agreed for a further extension of 6 months from 28 July 2024 to 27 January 2025, to grant more time for the Parties to assess, evaluate and deliberate the Proposed Knusford-ECSB merger in detail.

- 3) The Company had on 27 March 2024, entered into a conditional SPA with Emerald Plan Sdn. Bhd. to dispose a freehold land together with the buildings erected thereon held under HSD 51799, PT 43447, Mukim and District of Klang, Selangor with a provisional land area of 25,625.48 square metres (approximately 275,832 square feet) bearing postal address of No. 8, Jalan Kecapi 33/2, Taman Perindustrian Elite, Seksyen 33, 40350 Shah Alam, Selangor Darul Ehsan for a cash consideration of RM28.0 million.

The Shareholders of the Company had approved the proposed disposal during the Extraordinary General Meeting held on 28 June 2024.

The completion of the proposed disposal is pending the fulfilment of the conditions precedent of the SPA.

Industry Landscape

Malaysia's economy is estimated to have grown by 3.9 percent in the first quarter of 2024 compared to the previous year, driven primarily by growth in the services sector. All main sectors experienced positive growth, with the services sector leading the way with a 4.4 percent year-on-year increase. This growth was supported by the wholesale and retail trade, transport and storage, and business services sub-sectors. The government and central bank expect full-year economic growth of 4 to 5 percent in 2024.

The International Monetary Fund ("IMF") and economists are optimistic about Malaysia's economic growth, expecting it to remain resilient through 2025. This outlook is supported by increased consumer spending driven by withdrawals from the Employees Provident Fund's ("EPF") Akaun Fleksibel and a salary increase for civil servants, although the impact of these factors might be felt later.

In the construction sector, analysts anticipate an annual average growth rate of 5.7 percent between 2025 and 2028. This growth will be supported by an increase in both foreign and domestic investment, as well as the acceleration of work on various infrastructure and energy projects.

However, the Board views the construction and property industries remain challenging due to rising construction costs and fierce competition, which will impact the performance of the Group's building materials trading sector. The increasing commodity prices (e.g., copper, cement) heighten the risk of project cost overruns and reduce earnings margins. Inflation is expected to rise further in 2024/2025.

CHAIRMAN'S STATEMENT

Industry Landscape (Cont'd)

The government's intention to review price controls and subsidies will affect the inflation outlook, and energy costs are likely to remain elevated. Additionally, the industries face other challenges such as the depreciation of the Malaysian Ringgit ("Ringgit"), increasing construction overheads, and a shortage of skilled labour, which could affect project delivery.

In a highly competitive construction market, contractors often seek to minimise costs to win bids. This cost-cutting pressure trickles down to building materials suppliers, who may have to lower prices to remain competitive, thereby squeezing their profit margins.

Economic uncertainty significantly impacts the availability and initiation of new construction projects and property launches. The construction market is highly competitive, with numerous firms vying for the same projects, making it harder for contractors like us to secure new projects with appropriate profit margins. Timely payments from clients are crucial for maintaining cash flow and taking on new projects. Payment delays or defaults can create financial stress, limiting a company's ability to bid for new projects and effectively replenish its order book.

Moving Forward

The Board anticipates that the economic outlook will remain challenging in the near-term due to ongoing inflation, rising interest rates, and a weakening Ringgit, which are affecting the construction and property industries. The Construction Division expects a less favorable outlook and a more competitive tender environment, driven by limited infrastructure projects and high building material costs. To address this, the Group is adopting a highly selective approach to tendering, prioritising projects with sufficient margins to mitigate inflationary pressures and strategically replenish its order book.

In light of the challenging business environment and depleting order books, the Board believes that the near-term prospects will remain difficult. Consequently, we anticipate that the financial performance of the construction and trading sectors for the financial year ending 31 March 2025, may be adversely impacted.

The Group will stay focused on its core business segments, which include the trading of building materials, civil construction and building works, property development, and landscape works.

The rising prices of building materials are expected to drive up property prices, while ongoing interest rate hikes may directly affect buyers' discretionary income and affordability, leading to cautious behaviour among buyers and investors. Consequently, the local property market is anticipated to remain challenging.

Due to these factors, the Group has decided not to launch any new property development projects in the near-term, other than the mandatory development of 315 units for phase 1 of affordable homes in Kajang. It's anticipated that this project will result in significant losses for the Group. However, we have fully provided for the loss and are aware of the inherent challenges involved.

The Board remains aware of the competition and operational risks that could impact financial results and will continue to take proactive measures to ensure the sustainability and resilience of existing businesses. We are committed to delivering and completing all projects within budget and on schedule.

The Group will continue to practice prudent spending and efficient cash flow management while leveraging the expertise of our experienced management team to pursue new projects and investment opportunities. Additionally, the Group will adopt a cautious approach to enhancing our order book by exploring new business opportunities, with a key emphasis on improving project delivery and stringent financial management to navigate the current challenging business environment.

CHAIRMAN'S STATEMENT

Corporate Governance

The Board recognises the importance of maintaining good corporate governance and is committed to meet all applicable rules, regulations, norms and standards that will meet the expectations of the stakeholders.

The principles of integrity, transparency and accountability are embedded in its Code of Conduct and Ethics. Measures are put in place and constantly tested and reviewed to ensure that they stay relevant and effective in the environment of the Company's operations. The compliances and practices adopted by the Company in pursuance of good corporate governance are as reported in the Corporate Governance Overview Statement and the Corporate Governance Report. The latter report is to be submitted to Bursa Securities and shall be available on the Company website at www.knusford.com.my.

In the financial year under review, the Group has conducted the Anti-Bribery and Corruption assessment which gives the Group a systematic and prioritised view of where the significant inherent bribery risks lie.

Sustainability

At KB, we continue to recognise the importance of conducting our business in a sustainable and responsible manner focusing on sustainability values based on Environmental, Social and Governance framework. An update on our approach towards sustainability is included in our Sustainability Statement section on pages 48 to 64.

Acknowledgment

On behalf of the Board, I would like to express my gratitude to all our valued customers, employees, bankers, business associates and partners and the shareholders for their continuous support and confidence in the Group.

DYAM Tunku Ismail Ibni Sultan Ibrahim

Chairman

Date: 25 July 2024

Management DISCUSSION AND ANALYSIS

Introduction of Knusford Berhad's Business

Knusford Berhad ("KB" or "the Company" or "the Group") is a Malaysian-based Company with diversified businesses in trading of building materials, construction-related works, property development and investment holding.

Overview of Financial Performance

The Group has recorded a total revenue of RM148.80 million, profit before tax of RM13.63 million and a profit after tax of RM9.18 million in the financial year ended ("FYE") 2024 compared to a revenue of RM159.57 million, profit before tax of RM2.37 million and a loss after tax of RM2.37 million in FYE 2023.

In FYE 2024, the trading division, property development division, construction division, investment property division and services division contributed RM61.81 million, RM9.83 million, RM83.21 million, RM2.71 million and RM0.82 million, respectively to the Group's total revenue. The revenue was mainly contributed by the construction division.

The Group recorded a profit before tax of RM13.63 million in FYE 2024 as compared to a profit before tax of RM2.37 million in FYE 2023. The profit was primarily attributed to gains from the disposal of investment properties, development lands and the recalibration of margins for projects nearing completion.

Segmental Financial Performance

An analysis of the Group's segmental financial performance is set out in the following table:

	Revenue		Profit/(Loss) before tax	
	31-Mar-24 RM'million	31-Mar-23 RM'million	31-Mar-24 RM'million	31-Mar-23 RM'million
Trading	61.81	78.84	(0.95)	(1.60)
Property development	9.83	19.11	6.72	9.43
Construction	83.21	64.52	0.82	(5.32)
Investment property	2.71	2.87	10.18	1.82
Services	0.82	1.27	1.51	(2.11)
Total	158.38	166.61	18.28	2.22
Less: inter segment elimination	(9.58)	(7.04)	(1.17)	(2.05)
Interest income			0.25	4.62
Interest expenses			(3.92)	(2.94)
Share of profit of equity accounted investments			0.11	0.17
Unallocated other expenses			0.08	0.35
	148.80	159.57	13.63	2.37

MANAGEMENT DISCUSSION AND ANALYSIS

In FYE 2024, the Group has completed the disposal of the following properties: -

- 1) The wholly-owned subsidiary of the Company, D-Hill Sdn. Bhd., had on 30 March 2023, entered into a Sale and Purchase Agreement ("SPA") with Sin Siang Hin (M) Sdn. Bhd., for the disposal of all that piece of freehold commercial land with a single storey building erected thereon, held under H.S.(D) 102446, PT 17588, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor Darul Ehsan measuring 4,065 in square meters for a total cash consideration of RM11.9 million.

The disposal was completed on 7 August 2023.

- 2) The wholly-owned subsidiary of the Company, D-Hill Sdn. Bhd., had on 11 October 2023 entered into a SPA with Auto Extreme Sdn. Bhd., for the disposal of all that piece of freehold commercial land held under H.S.(D) 102580, PT 17722, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor Darul Ehsan measuring 3,903.00 in square meters for a total cash consideration of RM8.08 million.

The disposal was completed on 27 December 2023.

Trading Division

For the FYE 2024, the trading division registered a revenue of RM61.81 million, down from RM78.84 million recorded in FYE 2023. This decline is primarily attributed to the reduced demand for building materials for an infrastructure project in Johor Bahru. Despite this, the division recorded a lower loss before tax of RM0.95 million for FYE 2024, compared to a loss before tax of RM1.60 million in FYE 2023. The improvement is mainly due to a lower recognition of net impairment loss on financial instruments, amounting to RM1.23 million in FYE 2024 versus RM2.41 million in FYE 2023.

The prices of raw materials such as steel, cement, and other building materials remain volatile. Factors including global supply chain disruptions, import tariffs, and currency fluctuations have significantly impact the costs. These issues are expected to continue compressing our margins as we strive to remain competitive and retain our customer base.

Our trading division business is largely dependent on the performance of the construction and property industries. It is hopeful that the upcoming Ekotitiwangsa property development project by our related party, Ekovest Berhad Group will help to boost the demand for building materials in the near-term.

Looking ahead, we expect continued growth driven by the increasing demand for quality construction materials. Our focus will be on expanding our product range, enhancing customer engagement and improving customer service.

The Group will keep abreast of market trends and new regulations. Embracing innovation and staying informed about industry developments will be crucial for navigating the challenging landscape and ensuring the business sustainability.

MANAGEMENT DISCUSSION AND ANALYSIS

Construction Division

In FYE 2024, our construction division reported a revenue increase of RM83.21 million, up from RM64.52 million in FYE 2023, marking a 29.0%, year-on-year growth. The profit before tax for FYE 2024 also saw a substantial increase of 115.4%, shifting from a loss before tax of RM5.32 million in FYE 2023 to a profit before tax of RM0.82 million in FYE 2024. This significant improvement is mainly attributed to the reassessment of contract revenue and costs for projects nearing completion, resulting in better financial results.

Given that the construction business is inherently project-based, our revenue is derived from the execution and completion of projects. Consequently, our financial performance is dependent on the progress of construction and our ability to secure new and sizeable projects to replenish our order book.

The construction industry in Malaysia is expected to experience a dynamic yet challenging landscape in 2024/2025. Key factors influencing the sector include but not limited to economic conditions, government policies, infrastructure projects, and market trends. The industry will remain highly competitive, with fewer large-scale projects available. Companies will need to focus on strategic bidding and partnerships to secure these projects. Maintaining healthy profit margins will be challenging due to rising material and labor costs.

To maintain our competitiveness, we may not be able to pass on rising costs to clients through increased contract sums. Our focus will be on reducing costs and efficiently completing existing projects while ensuring the sustainability of our business during these challenging times.

We recognise the necessity to replenish our order book and will continue to bid for new projects, particularly with our existing clients. As of 31 March 2024, our order book stood at RM158 million, with projects expected to be completed within the next two years.

Moving forward, we foresee a competitive landscape with limited large-scale projects and rising material costs. To maintain our competitive edge, we will prioritise selective tendering, focusing on projects that offer sustainable profit margins and align with our strategic goals. We will continue to emphasise quality, reliability, and the expertise of our key management to secure new contracts and successfully deliver ongoing projects.

Undertaking projects with thin profit margins is particularly risky, as the potential rewards do not adequately compensate for the associated risks. Therefore, we are highly selective in our project tendering process to ensure long-term viability and success, by meticulously evaluating potential projects. This careful selection process allows us to manage risks effectively and maintain a robust financial position, ensuring the sustainability of our business.

Our proactive approach to managing inflationary pressures, supply chain disruptions, and regulatory changes will be crucial in maintaining profitability. We will implement cost-effective measures, value engineering, and efficient resource management to enhance operational efficiencies and mitigate risks.

While we acknowledge the uncertainties ahead, we will endeavour to adapt and aim to achieve sustainable growth and deliver long-term value to our stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Property Development Division

The property development sector registered a lower revenue of RM9.83 million in FYE 2024 compared to RM19.11 million in FYE 2023. The decline is mainly due to the proceeds from the disposal of a piece of undeveloped land for a total cash consideration of RM8.08 million in FYE 2024 as compared to the disposal of a piece of undeveloped land for a cash consideration of RM14.63 million in FYE 2023. Accordingly, this sector recorded a profit before tax of RM6.72 million in FYE 2024 compared to a profit before tax of RM9.43 million in FYE 2023.

For FYE 2024, we have strategically chosen to focus on monetising our undeveloped land instead of initiating new development projects. This approach entails lower risk.

The growth in the property market has been strongly supported by various government initiatives and assistance, coupled with improving labour market conditions. These government measures have already started to enhance property market activities. We are hopeful that this positive momentum in the property industry will boost sales in our trading division and for our completed units.

In addition to the upcoming launch of affordable homes under the Rumah Selangorku initiative in Kajang, as mandated by the authorities, the Group will concentrate on selling its completed units. The launch of these affordable homes is planned for the near future, with the timing dependent on market demand and project liquidity. However, the Management does not expect this project to make a significant contribution to the Group's financials, as it is driven primarily by corporate social responsibility and is not anticipated to be profitable.

Investment Property Division

The investment property division recorded a lower revenue of RM2.71 million in FYE 2024 compared to RM2.87 million in FYE 2023, mainly due to a reduction in rental rates. Nevertheless, the division recorded a higher profit before tax of RM10.18 million in FYE 2024 compared to a profit before tax of RM1.82 million in FYE 2023, primarily due to the recognition of gains from the disposal of investment properties amounting to RM9.87 million in FYE 2024.

Services Division

The decrease in revenue from RM1.27 million in FYE 2023 to RM0.82 million in FYE 2024 was mainly due to lower income contributions from landscape maintenance work. This division recorded a profit before tax of RM1.51 million in FYE 2024 compared to a loss before tax of RM2.11 million in FYE 2023. The significant improvement was primarily due to the recognition of a net impairment gain on its financial instruments and contract assets of RM2.62 million in FYE 2024, as compared to a net impairment loss of RM0.91 million in FYE 2023, as well as a one-off gain from the disposal of plant and equipment amounting to RM0.59 million recorded in FYE 2024.

Joint Venture

There was no material contribution from our two joint venture entities in FYE 2024, as all their projects had completed in previous year.

One of the Group's joint venture entities, involved in facility management services, has initiated a members' voluntary winding up pursuant to Section 433 of the Companies Act 2016. This process is expected to be completed within 2 years.

Total Equity

The equity attributable to the equity-holders of the Group stood at RM228.53 million as at 31 March 2024 as compared to RM219.35 million as at 31 March 2023.

Corporate GOVERNANCE OVERVIEW STATEMENT

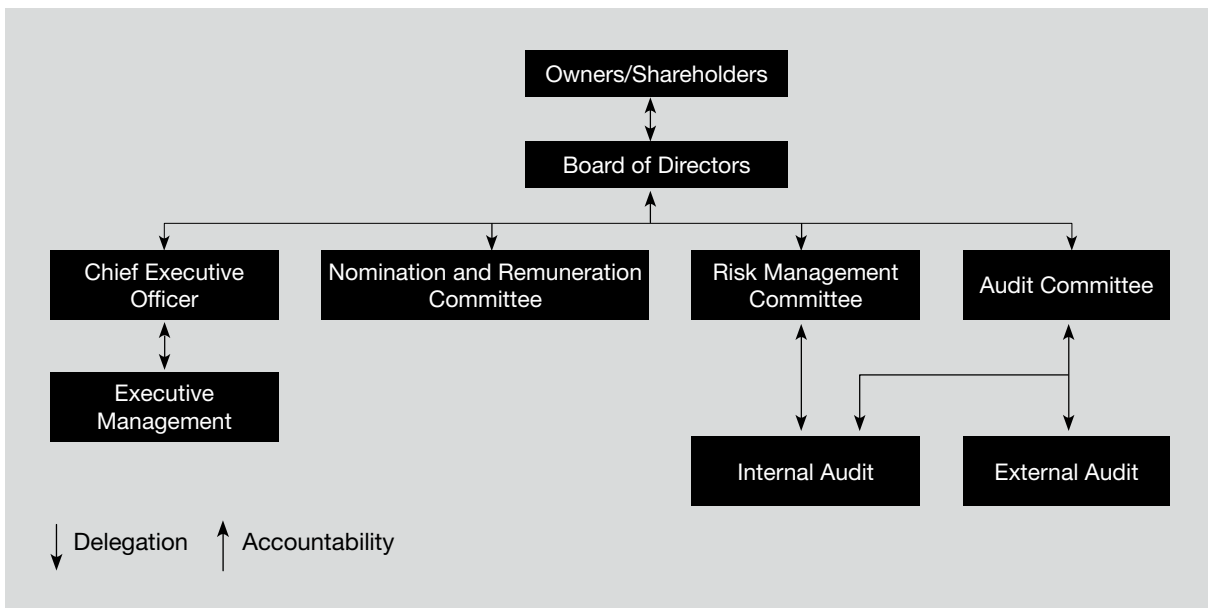
The Board of Directors of Knusford Berhad (“Board”) recognises the importance of adopting a sound base for good corporate governance in managing its business affairs so as to build a sustainable business capable of enhancing shareholder value.

In preparing this Corporate Governance Overview Statement (“CGOS”), the Company is guided by the Corporate Governance Guide (4th edition) issued by Bursa Malaysia Securities Berhad (“Bursa Securities”). The CGOS is supplemented with a Corporate Governance Report (“CG Report”), in accordance with Rule 15.25 of the Main Market Listing Requirement (“MMLR”) and it provides an insight on how the Company maps the application of the Company’s Corporate Governance practice during the financial year ended 31 March 2024 (“FYE 2024”) against Malaysian Code on Corporate Governance 2021 (“MCCG”).

The Board is pleased to present this CGOS to provide an overview on the Company’s application of the principles and compliance with best practices as set out in MCCG, and should be read together with the CG Report of the Company for FYE 2024 published on the Company’s website at <http://www.knusford.com.my>.

CORPORATE GOVERNANCE STRUCTURE

The Group’s corporate governance structure is illustrated below.



The Group has established a system of governance structure with three lines of defence. This structure enables an effective decision-making process where all views may be challenged and considered. In summary, the three lines of defence are as follows:

Executive Management

The first line of defence consists of Executive Management which manages the day-to-day operations and reports directly to the Chief Executive Officer.

Executive Directors, Chief Executive Officer and Board Committees

The Executive Directors (“EDs”) and Chief Executive Officer (“CEO”) are overseeing and managing the business operation of the Group. The Board Committees composed of 3 main committees, namely the Nomination and Remuneration Committee, the Risk Management Committee, and the Audit Committee. These Board Committees report directly to the Board. The Chairpersons of the respective Board Committees would report to the Board during the Board meetings on matters deliberated in the respective Committees meeting and their proposed actions and recommendations. The ultimate responsibility for the final decision on all matters deliberated at the respective Board Committees are rested with the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Internal Audit and External Audit

The third line of defence comprises internal and external auditors who report independently to the Audit Committee. The independent oversight of the Group is provided through internal and external statutory auditors. The external auditors have provided assurance that its personnel are and have been independent throughout the conduct of the audit in accordance with the terms and relevant professional and regulatory requirements. Internal audit focuses on key operational matters, compliance, governance and controls of the Group.

Other governance components include:

Authority limits

The Group establishes authority limits across the Group covering all key processes such as procurement, tendering and contract award. The authority limits provide the line of responsibility and accountability in decision-making processes, enabling a thorough consideration of factors prior to any business decisions being made.

Policies and procedures

The Group has established policy and procedures providing guidance on the operational aspects to the management of the Group. These include financial, human resource, procurement, construction management and property management.

Management meetings

The Executive Management meets regularly to discuss operational matters, key issues and strategic priorities. The Executive Management monitors the execution of action plans and initiatives to ensure the achievement of strategies is in line with the business objectives of the Group.

Code of Conduct and Ethics, Whistleblowing Policy and Anti-Bribery & Anti-Corruption ("ABAC") Policy

The Board has formulated ethical standards through a Code of Conduct and Ethics ("the Code") for the Directors, Senior Management and employees. The Code includes principles related to conflict of interest, dealing with confidential information, to ensure safety, security and adherence to the Group's rules, and dealing with suppliers, customers and third parties. The Code is established to promote the corporate culture which engenders ethical conduct that permeates throughout the Group.

The Board has adopted a Whistleblowing Policy which is implemented to provide well-defined and accessible channels for reporting possible improprieties, violations, improper conduct or wrong doing within the Group. The Whistleblowing Policy provides an avenue for all Directors, Employees and stakeholders of the Group to disclose or report any improper conduct and to provide protection for those who report such allegations.

In compliance with the S17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"), the Group has also established and implemented an ABAC Policy, which governs the prevention of corruption and unethical practices within the Group.

Further details pertaining to the Code of Conduct and Ethics, Whistleblowing Policy and ABAC Policy are available at the Company website at www.knusford.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Sustainability

The Board is aware of its responsibility for Environmental, Social and Governance (“ESG”) and sustainability to all stakeholders and the communities in which it operates. As such, the ESG and sustainability aspects are considered by the Board in its corporate strategies.

The Company’s efforts in this regard have been set out in the Sustainability Statement on pages 48 to 64 in this Annual Report.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible for the overall corporate governance of the Group, including its ethical behaviour, strategic direction, establishing goals for management and monitoring the achievement of these goals with a view to optimise performance, maximising shareholder value and safeguarding the stakeholders’ interests. The responsibility for the operation and administration of the Group is delegated by the Board to the EDs and CEO.

The Board Charter, which clearly sets out the roles and responsibilities of the Board, the Board Committees, EDs and CEO, is available on the corporate website of the Company for easy access by the stakeholders and the public alike. The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their roles and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good corporate governance are applied in all their dealings in respect, and on behalf, of the Company.

The Board has appointed Mr. Lim Thiam Wah and Ms. Lim Aik Yong as the Company Secretaries, whom both are qualified Chartered Secretaries. They have the requisite experiences and competence to provide the necessary information and advice to the Board.

Board Meeting

The Board meets quarterly, however, additional meetings are convened as and when required, when warranted by situations that require deliberation on urgent matters that need the immediate approval or decision of the Board. Where appropriate, decisions are also taken by way of Directors’ Circular Resolutions.

The agenda of the meeting and board papers will be collated and circulated to the Directors by the Company Secretaries prior to the meeting.

All proceedings of the Board meetings are recorded by the Company Secretaries, which include matters discussed, the Board’s deliberations, suggestions and conclusions reached. The minutes are signed by the Chairman as endorsement of records of the meetings.

Each Director has devoted his/ her time sufficiently in carrying out his/ her responsibilities. To-date, the Directors have complied with the MMLR of Bursa Securities of not holding more than five (5) directorships in public listed companies. The Board is satisfied that the current number of directorships held by the Board members does not impair their ability or judgement in discharging their roles and responsibilities.

In addition, the Board is also satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as affirmed by the attendance record of the Directors at Board and Board Committees meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**I. Board Responsibilities (cont'd)****Board Meeting (cont'd)**

During the financial year under review, seven (7) Board meetings were held and the attendance of the Directors who held office during the FYE 2024 are set out below:

Name	Designation	Board of Directors Meeting
DYAM Tunku Ismail Ibni Sultan Ibrahim	Non-Independent Non-Executive Director	4/7
Lim Chen Heng	Executive Director	5/7
Lim Chen Thai	Executive Director	7/7
Lim Sew Hua	Executive Director	6/7
Bernard Hilary Lawrence	Senior Independent Non-Executive Director	6/7
Dato' Avinderjit Singh A/L Harjit Singh	Independent Non-Executive Director	4/7
Lee Wai Kuen	Independent Non-Executive Director	7/7
Lim Foo Seng	Independent Non-Executive Director	7/7
Mohd Salleh Bin Othman	Independent Non-Executive Director	7/7

II. Board Composition

The Board comprises 9 members and 1 alternate director, out of which 5 are Independent Directors. The existing Board composition is in line with Principle (A) 5.2 of the MCCG which specifies that the Board must comprise a majority of Independent Directors.

The Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion in the selection of Board members. In addition, the Group believes it is of utmost importance that the Board is composed of the qualified individuals who possess the requisite knowledge, experience, competency, professionalism, independence, foresight and good judgement to ensure that the Board and management team function effectively and are able to discharge their duties in the best interests of the Group and shareholders. The Board consists of individuals with diverse experiences, backgrounds and perspectives. Their combined expertise and business experience provide insights and diversity of perspective to lead and guide the Group in an increasingly complex and competitive environment. The skills and experience of the Board members are provided on page 17 to 20 of this Annual Report.

The Board is supportive of gender diversity policy. In its selection of Board members, the Board provides equal opportunity to all candidates who meet the criteria (i.e. individual experience, knowledge and competency) and other qualities in relation to the Group's present business portfolios and prospective investments. Currently, the Group has only one female board member.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**II. Board Composition (cont'd)****Nomination and Remuneration Committee (“NRC”)**

The NRC’s Terms of Reference specifies the duties and functions of the Committee, which relate to the recruitment of directors and the criteria used in their selection in terms of the appropriate balance of skills, expertise, attributes and core competencies as well as their annual assessment. The Committee is responsible for reviewing candidates for appointment to the Board Committees and making appropriate recommendations thereon to the Board for approval and assessing the effectiveness of the Board and Board Committees and the performance of individual Directors.

The NRC, comprising solely of Independent Directors, met once during the financial year to review the mix of skills, independence and diversity required, the nomination and election process of directors and the criteria used for the selection process and assessed the Board, its Board Committees and individual Directors based on the criteria established.

In respect of the assessment, the Board was satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively, and the contributions and performances of each individual Director was satisfactory. The Board was also satisfied that the Board composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and mix of skills were adequate.

The Board composition in terms of each of the Director’s industry and/or background experience, age and ethnic composition is as follows:

Director	Experience & Specialise in					Age Bracket					Ethnicity		Gender	
	Construction	Finance	Trading	Legal	Public Service	30 to 39 years old	40 to 49 years old	50 to 59 years old	60 to 69 years old	70 to 79 years old	Bumiputra	Non-Bumiputra	Male	Female
DYAM Tunku Ismail Ibni Sultan Ibrahim					✓		✓				✓		✓	
Lim Chen Heng	✓					✓						✓	✓	
Lim Chen Thai	✓	✓				✓						✓	✓	
Lim Sew Hua		✓	✓							✓		✓		✓
Bernard Hilary Lawrence				✓				✓				✓	✓	
Dato' Avinderjit Singh A/L Harjit Singh					✓			✓				✓	✓	
Lee Wai Kuen			✓	✓				✓				✓	✓	
Lim Foo Seng	✓	✓	✓					✓				✓	✓	
Mohd Salleh Bin Othman	✓									✓	✓		✓	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**III. Remuneration**

The Board has defined its remuneration policy. Under the policy, it is provided that all Executive Directors and Senior Management shall be remunerated based on the Group's and individual's performances, market conditions and their responsibilities, while the remuneration policy for Independent Directors emphasises fair remuneration to avoid creating conflicting interest with their responsibility for bringing objective and independent judgement on matters discussed in the Board meeting.

The terms of reference of the NRC are available on the corporate website.

The determination of Directors' remuneration is subject to the Committee's recommendation and Board's approval. The Director concerned should abstain from discussing his/her own remuneration.

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. The amount of Directors' Fee for the financial year proposed for the shareholders' approval at the forthcoming Annual General Meeting is RM276,000.00.

The details of Directors' remuneration for the FYE 2024 are as follows:

Group

Name	Fees (RM)	Allowance (RM)	Salaries (RM)	Bonus (RM)	Other Remuneration (RM)	Benefits-in-kind (RM)	Total (RM)
DYAM Tunku Ismail Ibni Sultan Ibrahim	30,000	-	-	-	-	-	30,000
Lim Chen Heng	30,000	193,500	346,500	-	52,800	22,033	644,833
Lim Chen Thai	30,000	144,000	396,000	-	58,800	28,000	656,800
Lim Sew Hua	30,000	19,950	478,800	-	19,312	14,525	562,587
Bernard Hilary Lawrence	30,000	-	-	-	-	-	30,000
Dato' Avinderjit Singh A/L Harjit Singh	30,000	-	-	-	-	-	30,000
Lee Wai Kuen	30,000	-	-	-	-	-	30,000
Lim Foo Seng	36,000	-	-	-	-	-	36,000
Mohd Salleh Bin Othman	30,000	-	-	-	-	-	30,000
Total	276,000	357,450	1,221,300	-	130,912	64,558	2,050,220

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

III. Remuneration (cont'd)

Company

Name	Fees (RM)	Allowance (RM)	Salaries (RM)	Bonus (RM)	Other Remuneration (RM)	Benefits-in-kind (RM)	Total (RM)
DYAM Tunku Ismail Ibni Sultan Ibrahim	30,000	-	-	-	-	-	30,000
Lim Chen Heng	30,000	193,500	346,500	-	52,800	7,200	630,000
Lim Chen Thai	30,000	144,000	396,000	-	58,800	-	628,800
Lim Sew Hua	30,000	19,950	478,800	-	19,312	1,200	549,262
Bernard Hilary Lawrence	30,000	-	-	-	-	-	30,000
Dato' Avinderjit Singh A/L Harjit Singh	30,000	-	-	-	-	-	30,000
Lee Wai Kuen	30,000	-	-	-	-	-	30,000
Lim Foo Seng	36,000	-	-	-	-	-	36,000
Mohd Salleh Bin Othman	30,000	-	-	-	-	-	30,000
Total	276,000	357,450	1,221,300	-	130,912	8,400	1,994,062

In determining the remuneration packages of the Group's Key Senior Management, factors that were taken into consideration included the Senior Management's responsibilities, skills, expertise and contribution to the Group's performance.

Due to confidentiality and sensitivity of information, the Board is of the view that it would not be in its best interest to make such disclosure on named basis in view of the competitive environment for talent recruitment and retention in the industry in which the Group operates in. Also premised on the confidentiality of the remuneration package of our Senior Management, the Board has adopted a disclosure of our Senior Management remuneration in bands of RM50,000.

The aggregate remuneration (including salary, bonus, benefit in-kind and other emoluments) paid to the top 5 Senior Management on an unnamed basis in bands of RM50,000 during the FYE 2024, are as follows: -

Remuneration Band (RM)	Number of Senior Management
600,001 - 650,000	1
300,001 - 350,000	1
250,001 - 300,000	2
200,001 - 250,000	1

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

IV. Annual Evaluation

The Board, facilitated by the NRC, will conduct an annual evaluation to review the performance of each individual Director and the effectiveness of the Board and Board Committees as well as the independence of Independent Non-Executive Directors. The annual evaluation will be conducted on self and peer evaluation model through customised questionnaires guided by the Corporate Governance Guide (4th Edition) of Bursa Securities.

V. Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision-making process. The Board through the NRC has assessed the independence of its Independent Non-Executive Directors based on the criteria set out by Bursa Securities.

Based on the assessment, the current Independent Directors of the Company have fulfilled the criteria for “independence”.

VI. Tenure of Independent Directors

The Board Charter establishes a policy limiting the tenure of independent directors to 9 years. The policy allows exceptions, subject to the assessment of the NRC and on an annual basis subject to shareholders' approval. The Board will justify and seek shareholders' approval in the event the Company retains an Independent Director who has served in that capacity for a cumulative period of more than nine (9) years.

During the 27th AGM of the Company, the shareholders approved Mr. Bernard Hilary Lawrence, who has served as a Senior Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as Senior Independent Non-Executive Director of the Company. Approval was also given by shareholders for Mr. Lim Foo Seng, Dato' Avinderjit Singh A/L Harjit Singh, En. Mohd Salleh Bin Othman and Mr. Lee Wai Kuen, who have served as Independent Non-Executive Directors of the Company for a cumulative term of 9 years, to continue to act as Independent Non-Executive Directors of the Company.

VII. Trainings

The Board recognises the need for Directors to attend further training in order to enhance their skills and knowledge and keep abreast with the relevant changes in laws, regulations and business environment enabling them to discharge their duties effectively. During the financial year, the Group had organised training course namely “Amendments to 2022 New Bursa Listing Requirement” on 19 April 2023 which was attended by all the Directors and “Corporate Liability Refresher Training” on 10 January 2024 which was attended by majority of the Directors. In addition, some of the Directors also attended several other seminars/trainings. The Group will continue to organise development and training programmes for the benefit of Directors and in addition, the Directors individually are encouraged to equip themselves with knowledge on the new developments in the business environment by attending other relevant courses, trade fairs, seminars and conferences.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Board acknowledges its overall responsibilities for maintaining a sound system of internal control and has delegated its role in the review process to the Audit Committee (“AC”). The AC comprises five (5) Independent Non-Executive Directors and the Chairman of the AC is distinct from the Chairman of the Board.

The AC met 6 times during the financial year. The activities of the AC during the financial year are described in the Audit Committee Report in this Annual Report on pages 65 to 71. The AC had met up twice with the External Auditors and once with the Internal Auditors, at least once a year in the absence of the Management.

II. Risk Management and Internal Control Framework

The Board has established a risk management process to identify, evaluate, control, report and monitor significant risks faced by the Group. Periodic reporting of risk issues, including mitigating measures, is made by Management to the Risk Management Committee (“RMC”).

The RMC, established by the Board with specific terms of reference, comprises five (5) Independent Non-Executive Directors. The RMC met 5 times during the year. The Statement on Risk Management and Internal Control is set out on pages 43 to 47 of this Annual Report detailing the features of the risk management and internal control framework of the Group.

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

I. Communication with Stakeholders

The Board acknowledges the need for stakeholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its stakeholders and investors. The Board will ensure the timely release of financial results on a quarterly basis to provide stakeholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.

The Group maintains a corporate website at www.knusford.com.my, with the intention of building a communication channel between our Company with the stakeholders setting out: -

- (a) Announcements submitted to Bursa Securities
- (b) Investor Relations section which provides relevant corporate information
- (c) General telephone number, fax number and email address

II. Conduct of General Meetings

The Board presents the progress and performance of the Group to provide shareholders with the opportunity to seek clarification on the Group's businesses and financial performance during the general meeting. Notices of each general meeting are issued in a timely manner to all shareholders to ensure that they have sufficient time to prepare and digest issues to be raised during the meeting. The Directors, Chairpersons of the Board Committees, and External Auditors are available to respond to the questions of shareholders during the Annual General Meeting (“AGM”).

In the 27th AGM held on 27 September 2023, the notice was sent more than 28 days in compliance with the requirements of MCCG, enabling shareholders to review the details of the resolutions being proposed for better decision-making. The notice included explanation of certain resolutions to be passed in the general meeting. The Company had its 27th AGM conducted fully virtual through live streaming via Remote Participation and Voting Facilities platform.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II. Conduct of General Meetings (cont'd)

Poll Voting

Under Paragraph 8.29A(1) of the MMLR of Bursa Securities, the Company ensures that any resolution set out in the notice of any general meeting or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll.

For this purpose, the appointed Poll Administrator and independent scrutineer will be appointed to validate the vote cast at the general meeting. The poll results of the general meeting will be announced to Bursa Securities on the same day for the benefit of all shareholders.

Corporate Disclosure Policy and Procedures

The Company is committed to upholding the standard of transparency, accountability and integrity in the disclosure of all material information of the Company to the investing public in an accurate, clear and timely manner in accordance with the corporate disclosure requirements as set out in the MMLR of Bursa Securities and the guidance as set out in the Corporate Disclosure Guide issued by Bursa Securities.

The Board has ensured that relevant disclosure requirements required by Bursa Securities are complied with. In order to augment the process of disclosure, the Company has established its own website at www.knusford.com.my which allows shareholders and the public access to the Company's corporate information.

Compliance Statement

The Board has reviewed this CGOS and is satisfied that during the FYE 2024, the Company has complied with the best practices in MCCG on the application of the principles and in corporate governance, except for those departures highlighted below and in the CG Report 2024.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

The Board is pleased to report that during the financial year, the Company has applied and adopted 39 of the 48 Practices (43 Practices and 5 Step-Ups) encapsulated in the 3 Principles of MCCG. The breakdown of the status of application by Principle is provided below:

Principle	Practice			Step-up	
	Applied	Departure	Not Applicable	Adopted	Not Adopted
A - Board Leadership and Effectiveness	23	4	–	–	3
B - Effective Audit and Risk Management	8	–	–	2	–
C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders	6	1	1	–	–
Total	37	5	1	2	3

CORPORATE GOVERNANCE OVERVIEW STATEMENT

SUMMARY OF CORPORATE GOVERNANCE PRACTICES (CONT'D)

The summary of the 5 departed Practices are as follows:

Principle	Practice	Gap Summary
A - Board Leadership and Effectiveness	4.4 Performance evaluations of the Board and Senior Management include a review of the performance of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities.	<p>The Board takes cognizant of the importance of embedding ESG considerations and sustainability measures into the Board's and Senior Management's performance to ensure accountability against the sustainability targets.</p> <p>The performance evaluation of the Board in addressing the Company's material sustainability was evaluated through the annual Board's Evaluation. However, the performance evaluations of Senior Management did not cover sustainability performance evaluation.</p> <p>Once the Company has set the sustainability targets and developed the measure to assess the performance against these targets, the sustainability assessment of the Senior Management will be included as part of their Key Performance Indicators (KPI).</p>
A - Board Leadership and Effectiveness	5.9 The Board comprises at least 30% women directors.	<p>The Board currently has one female director, and acknowledges the requirement of 30% woman directors under MCCG.</p> <p>The Board is endeavouring to have more female board members as and when there are suitable and qualified candidates identified in the future.</p>
A - Board Leadership and Effectiveness	5.10 The Board discloses in its Annual Report the Company's policy on gender diversity for the Board and Senior Management.	The Board and the Senior Management do not have specific policy on gender diversity issues.
A - Board Leadership and Effectiveness	8.2 The Board discloses on a named basis the top five Senior Management's remuneration component including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000.	The Board is of the view that the disclosure of the Senior Management's remuneration components may not be in the best interest of the Group given the competitive environment for talent recruitment and retention in the industry in which the Group operates in. Also premised on the confidentiality of the remuneration package of our Senior Management, the Board has adopted a disclosure of our Senior Management remuneration in bands of RM50,000.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

SUMMARY OF CORPORATE GOVERNANCE PRACTICES (CONT'D)

The summary of the 5 departed Practices are as follows: (cont'd)

Principle	Practice	Gap Summary
C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders	13.2 All Directors attend General Meetings. The Chair of the AC, NRC, RMC and other Committees provide meaningful response to questions addressed to them.	<p>8 out of 9 Directors were in attendance at the 27th AGM held on 27 September 2023. The Chairman was absent with apologies due to exigencies.</p> <p>The proceedings of the AGM included the presentation of financial statements to the shareholders, and a question and answer session in which the Chairman of the AGM would invite shareholders to raise questions on the Company's financial statements and other items for adoption at the AGM, before putting a resolution to vote.</p> <p>The Chairman of the Board Committees are also readily available to address questions posted by the shareholders at the AGM.</p>

Further information about the Company's corporate governance practices, in the form of the CG Report, is available on the Company's website.

This CGOS was approved by the Board of Directors on 25 July 2024.

Statement On RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to paragraph 15.26 (b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and as guided by the Statement on Risk Management And Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”), the Board of Directors (“the Board”) of Knusford Berhad is pleased to include a statement on the state of the Group’s system of risk management and internal control in this Annual Report for the financial year ended 31 March 2024 (“FYE 2024”).

BOARD’S RESPONSIBILITY AND LIMITATION

The Board acknowledges its overall responsibilities for maintaining a sound system of risk management and internal control to safeguard shareholders’ investments and the Group’s assets. However, as there are limitations inherent in any risk management and internal control system, such systems put into effect by Management are only to manage, rather than eliminate all risks that may impede the achievement of the Group’s business objectives. Therefore, the risk management and internal control system can only provide reasonable, and not absolute, assurance against any material misstatements, losses or errors. The Group’s risk management process and internal control system does not apply to jointly controlled entities and associates where the Group does not have full management control. The Group’s interests are secured through Board representation at the jointly controlled entities and associates.

The Board has delegated its role in the review process to the Audit Committee (“AC”) and the Risk Management Committee (“RMC”). However, the Board as a whole remains responsible for all the actions of the committees with regards to the execution of the delegated role and this includes the outcome of the review and disclosure on key risks and internal controls in this Annual Report.

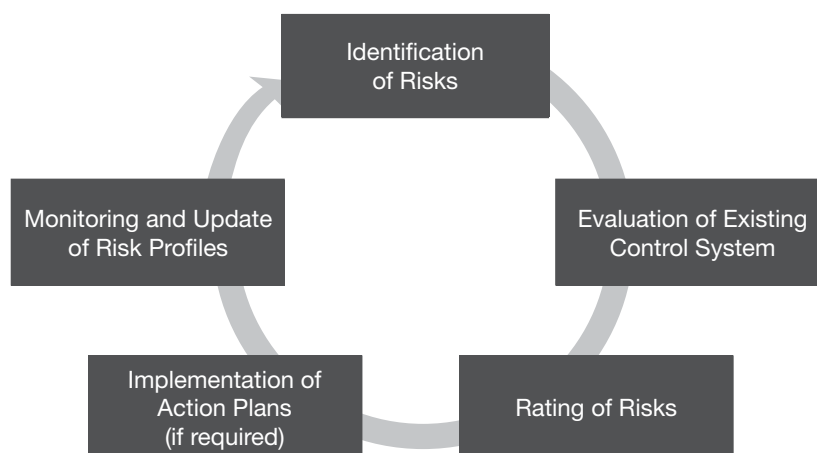
KEY FEATURES OF THE GROUP’S RISK MANAGEMENT SYSTEM

The key features of the Group’s risk management system are summarised as follows: -

RISK MANAGEMENT FUNCTION

The Board acknowledges that the Group’s business activities involve some degree of risk that may affect the achievement of its business objectives and an effective risk management framework should be an integral part of the Group’s daily operation. The Group’s established risk management framework is guided by ISO 31000: 2018 Risk Management–Guidelines.

The risk management process can be briefly summarised as follows:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT SYSTEM (CONT'D)

RISK MANAGEMENT FUNCTION (cont'd)

The key elements of this risk management process are as follows:

- Identify key risks associated with the Group's external and internal risks;
- Identify the existing controls that manage the identified risks;
- Confirm ownership and timelines for managing and monitoring the identified risks;
- Rate the identified risks in terms of likelihood of occurrence and the resulting impact on the organisation. The rating takes into account the effectiveness of existing controls put in place to manage the risks;
- Decide on the risk treatment and develop risk response to manage residual risks (if any); and
- Monitoring and updating of the Group's existing key risk profile.

The above risk management process has been in place for the financial year under review and up to the date of the approval of this Statement.

During the financial year under review, as facilitated by a professional services firm, Messrs Resolve IR Sdn. Bhd., the following risk management activities were carried out:

- Re-assessment of the impact and likelihood parameters to ensure that these parameters are still relevant to the Group on a half-yearly basis.
- On 11 September 2023 and 19 January 2024, risk assessment meetings with the Executive Director, Chief Executive Officer and Chief Financial Officer ("participants") were convened to update the Key Risk Profile ("KRP"). During the meetings, key risks identified were rated and prioritised in terms of likelihood of the risk occurring and its impact should the risk occur. The risk ratings take into consideration the effectiveness of existing internal controls put in place to mitigate the key risks identified. Thereafter, risk management strategies or management action plans to be undertaken were considered to manage risks to the Group's acceptable level.
- Update of the Group's KRP based on risk assessment meetings conducted on a half-yearly basis.
- The results of the risk assessments were reported and deliberated at the RMC meetings on 24 November 2023 and 27 February 2024. The key operational risks and mitigation plans are as follows:

No.	Key Risk	Mitigation Plan
1	Challenges in growing construction order book	<ul style="list-style-type: none"> • The Group is actively participating in tenders to increase the order book.
2	Liquidity risk	<ul style="list-style-type: none"> • Taking proactive measures by keeping operation costs at a manageable level to sustain operation. • Focus on monetising unsold completed inventory and/or land to improve the Group's liquidity.
3	Credit risk	<ul style="list-style-type: none"> • Closely follow up with customers by having periodic meetings to discuss the strategies for settling the long outstanding payments. • Offer an instalment payment scheme to customers.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT SYSTEM (CONT'D)

1. INTERNAL CONTROL SYSTEM

Key features of the internal control system are as follows:

- Organisation Structure & Authorisation Procedures

The Group maintains a defined organisational structure that sets out the relevant roles and responsibilities which comprises planning, executing, controlling and monitoring of business operations.

- Operating Policies

Standard operating policies are in place to govern the Group's business operations and to set guidelines for employees on the workflow processes.

- Code of Conduct and Ethics

Code of Conduct and Ethics for the Group's Directors and Senior Management is in place to foster a culture of honesty and accountability. In addition, this serves as a guidance which is expected to be complied as a part of the Group's commitment to the shareholders. It is published on the corporate website of the Company (www.knusford.com.my), under the heading Investor Relations' sub-header, Corporate Governance for shareholders' reference.

- Monitoring and Review

Monthly management accounts are prepared by the Group Finance Department for management's review, whilst quarterly financial results are presented to the Audit Committee and the Board for the purpose of monitoring the Group's progress toward achieving its business objectives. The operational performance reports are presented to the Board for its review, consideration and approval during the quarterly Board Meetings. The Board also plays a role in discussing and reviewing the business plans, strategies, performance and risks faced by the Group.

Budgeting process for the Group has also been implemented to monitor the management's performance. The whole process was approved by the Board during the Board Meeting held on 27th February 2024. It serves as a guidance to understand where the Company and its subsidiaries stand for the current year and for the year ahead. Targeted Key Performance Indicators are set for Senior Management in order to monitor and maintain satisfactory results.

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

ABAC policy is developed to provide guidance to the Group's associated persons on ethical business approach and to avoid engaging in bribery activities when dealing with the occasions, practices and deviation for gift, hospitality and entertainment, sponsorship and donation.

- Whistleblowing Policy

The policy is set up in order to make disclosure of improper conduct and the protection accorded to such whistleblowers. The Group is committed to uphold accountability and transparency in the business affairs of the Group in tandem with its core values, Code of Conduct and Ethics and good corporate governance.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT SYSTEM (CONT'D)

2. INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to a professional services firm, Messrs Resolve IR Sdn. Bhd. that reports directly to the AC. The internal audit function provides the AC with an independent assessment on the adequacy and effectiveness of the Group's system of internal control.

The outsourced internal audit function carried out audits in accordance with the risk-based internal audit plan reviewed and approved by the AC. The internal audit plan was developed taking into consideration the Group's risk profiles and concerns of Senior Management and the AC.

During the financial year under review, internal auditors submitted their Internal Audit Reports for review and approval by the AC, which included a summary of internal audit findings and management's responses, which were discussed with Senior Management and subsequently presented to the AC. Follow up visits were also conducted by the Internal Auditors to ensure that management action plans in respect of the matters highlighted in the internal audit reports have been adequately addressed.

During the financial year, the entities and business processes reviewed were as follows:

Entity	Business Processes
Group Wide	Review of Recurrent Related Party Transactions Procedures
Knusford Marketing Sdn. Bhd.	Procurement to Payables Processes
Knusford Berhad (Group Wide)	Human Resources Management

The internal audit reviews during the financial year identified some weaknesses in internal controls. Management has either taken the necessary measures to address these weaknesses or is in the process of addressing them.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

The Board is satisfied that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group and the existing level of systems of internal control and risk management are adequate and effective to enable the Group to achieve its business objectives. The Board has received assurance from Executive Director and Chief Financial Officer that, to the best of their knowledge, the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

Nonetheless, the Board wishes to reiterate that risk management and internal control 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, frauds and losses. During the current financial year, there were no major internal control weaknesses which led to material losses, contingencies or uncertainties that would require disclosure in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

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

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

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

BOARD COMMENTARY AND OPINION

Based on the various procedures and controls put in place by the Group, the work performed and the reports submitted by the internal and external auditors, the Board has reviewed and is satisfied that the risk management and internal control systems put in place for the financial year under review and up to the date of approval of this Statement are adequate and effective to safeguard the interest of all shareholders, the Group’s assets and other stakeholders. The Board has deliberated and approved the recommendations brought forth by the AC and RMC. The Board will continue to monitor all major risks affecting the Group and take necessary measures to mitigate them and continue to enhance the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement was approved by the Board of Directors on 25 July 2024.

Sustainability STATEMENT

SUSTAINABILITY AT KNUSFORD BERHAD

The current financial year ended 31 March 2024 ("FYE 2024") remains challenging to Knusford Berhad ("KB" or "Knusford" or "the Company") and its subsidiaries ("the Group") amid the inflation, rising interest rate as well as weakening Ringgit. Nonetheless, the Group remains committed to ensure high standards of governance across our entire operations, promote responsible business practices, reduce environmental impacts through resource efficiency, waste reduction, and sustainable sourcing, provide a safe and caring workplace as well as meet the social needs of our community. The Board of Directors ("the Board") has oversight over all sustainability matters as part of its corporate governance and risk management functions.

We remain committed to improve the execution of our sustainable agenda and to uphold high standards of corporate governance to safeguard the interests of our stakeholders.

The Scope of the Sustainability Statement

The scope of this report is limited to the sustainability impact of business operations and initiatives of the Group in Malaysia, excluding out the joint ventures in Malaysia.

Reporting Guidelines

This Statement has been prepared according to Bursa Malaysia's Main Market Listing Requirements, with reference to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and Illustrative Sustainability Reporting, Bursa Malaysia.

Reporting Period

This Statement covers the period from 1 April 2023 to 31 March 2024. Historical data collected from previous financial year ("FYE 2023") has been included to provide a basis for comparison.

Limitations

KB remains aware of certain data collection challenges persisting for certain indicators. The Group is constantly working to apply stronger data tracking and gathering systems to improve its reporting going forward.

Assurance

Financial data for this Statement has been audited and assured by the Group's auditor, KPMG PLT. While non-financial data has not been assured in this Statement, KB looks to possibility getting external assurance for future Sustainability Statements.

Sustainability Governance Structure

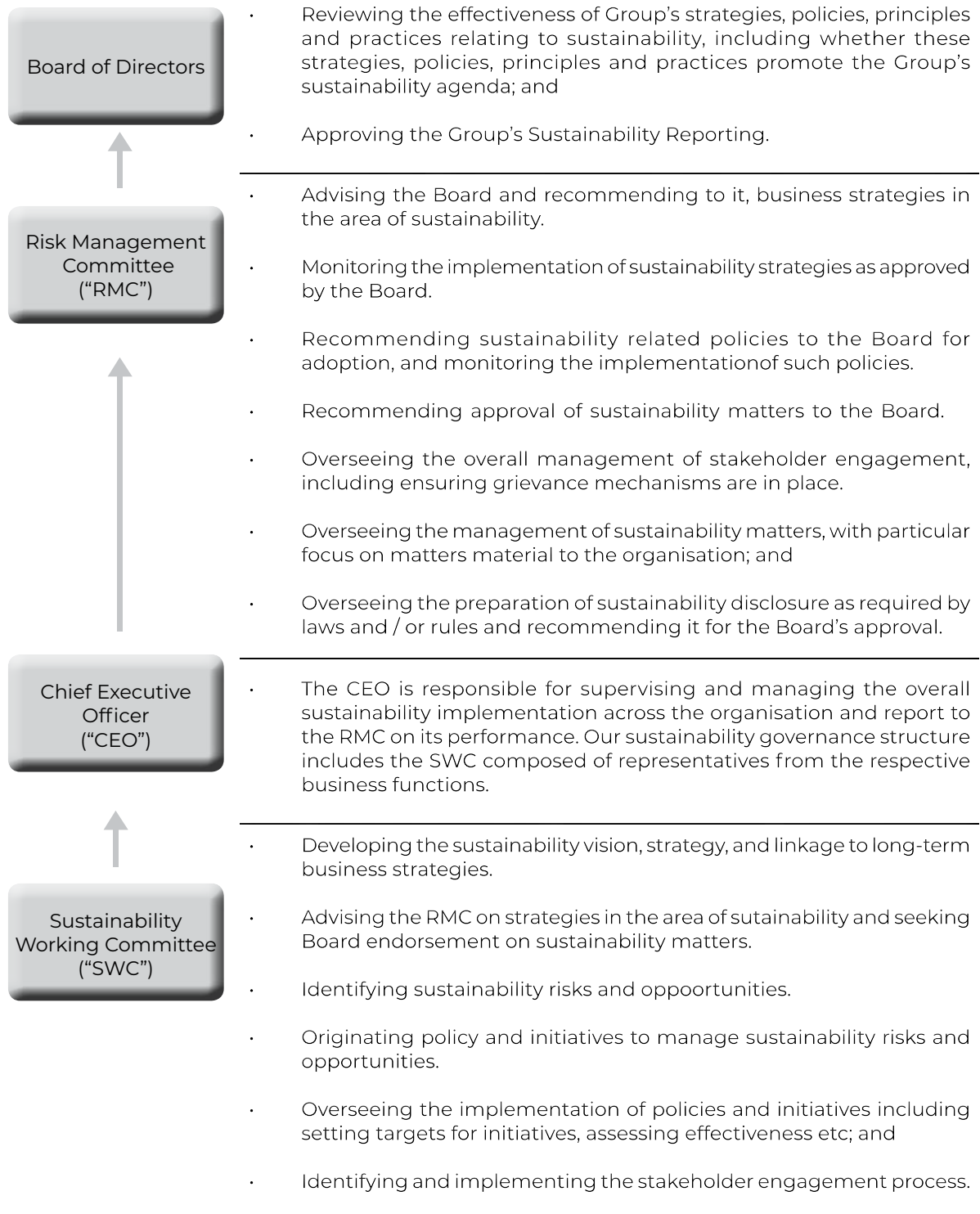
The Board is overall responsible for the sustainability of the Group. The Board has entrusted the Risk Management Committee ("RMC") of the Group to oversee the integration of sustainability into the operation of the Group.

KB's Sustainability Working committee ("SWC") which would include the Company's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Head of Departments ("HODs"), is chaired by the Executive Director ("ED")/CEO. The SWC meets quarterly to review and make decisions on material issues and strategies pertaining to the Group.

SUSTAINABILITY STATEMENT

The SWC formally reports to the RMC semi-annually.

The HODs are responsible to execute and integrate the sustainability initiatives of the Group as part of the daily operations. They monitor and communicate feedbacks to the SWC.



SUSTAINABILITY STATEMENT

Materiality Assessment

A formal assessment process was conducted by the SWC to determine which topics matter most to our business and our stakeholders. The process was led by the CEO/ED. During the analysis, the SWC has identified a potential list of sustainability matters which are relevant for the Group. These were identified by the SWC as matters which reflect the Group's significant Environmental, Social and Governance ("ESG") impacts.

Below is the process in determining our material topics:

■ Assessing and identifying relevant topics

Reviewed the Company's priorities and risks in order to identify the issues that are applicable to us.

■ Determining boundaries for relevant topics

The boundaries for relevant topics both within and outside the Group were identified and the disclosures are focused on the impact that occurs within the Group.

■ Prioritisation

During SWC meetings, members are encouraged to provide their inputs. This process takes into account the influence of stakeholders' assessments and decisions as well as the significance of ESG impacts.

■ Validation of the material topics

The materiality topics were discussed during the SWC meetings and validated by the members of the SWC and approved by the Board.

Stakeholder Engagement

The Group strives to actively and regularly communicate with our stakeholders through multiple communication platforms, fostering deep and meaningful engagement to understand their perception of ESG aspects related to our businesses, better respond to stakeholders' needs and deliver sustainable value.

No	Stakeholder Group	Stakeholder engagement method
1	Employees	<ul style="list-style-type: none"> • Workshop & training • On-site work safety & related talks • Internal meeting & dialogue section • Internal memo & emails • Annual performance appraisal
2	Customers	<ul style="list-style-type: none"> • Daily customer engagement, by phone calls & emails • Meeting
3	Suppliers and Contractors	<ul style="list-style-type: none"> • Project meeting • Phone calls & emails • Invitation to tender & tender interview
4	Shareholders, Investors and Bankers	<ul style="list-style-type: none"> • Quarterly financial results announcements • Corporate announcement as and when required • Corporate web-site • Annual General Meeting • Meeting • Phone calls & emails
5	Local Communities	<ul style="list-style-type: none"> • Donations and philanthropic activities • Meeting as and when required • Phone calls & emails

SUSTAINABILITY STATEMENT

Material matter addressed/Key focus areas



Sound governance ensures that the Group operates ethically, transparently, and in accordance with the law. It encompasses the roles and responsibilities of the Board, management, and stakeholders. This is crucial for the Group because ethical leadership ensures that the Company's leadership operates with integrity, making decisions in the best interest of all stakeholders. Transparency and accountability build trust with investors, customers, and employees by providing clear and accurate information about the Company's performance and operations. Risk management helps identify, assess, and mitigate risks, protecting the Company from potential crises and ensuring its long-term stability. Regulatory compliance ensures that the Company adheres to laws and regulations, avoiding legal issues and penalties.

Sustainable operations focus on conducting business in an environmentally responsible, socially beneficial, and economically viable manner. Environmental responsibility minimises the Company's ecological footprint, helping to combat climate change and conserve resources. It can also increase cost efficiency through reduced waste and energy consumption, resulting in cost savings.

Workforce management encompasses strategies and practices for hiring, retaining, and developing employees. We aim to engage employees who are productive and committed to the Company's success. This will help create a positive work environment for talent retention, reducing turnover and associated costs. A diverse and well-trained workforce brings fresh ideas and drives the growth of the Group. Good workforce management will enhance compliance matter by adherence to labour laws and regulations, minimising legal risks.

Protecting the environment involves implementing practices that reduce the Company's impact on natural ecosystems. This not only avoids penalties and sanctions by adhering to environmental laws and regulations but also enhances the well-being of communities by reducing pollution and conserving natural resources, thereby improving the Company's image.

SUSTAINABILITY STATEMENT

MATERIALITY MATRIX

The below matrix displays the ESG issues that were deemed most material to the Group and our stakeholders. The issues situated on the top right-hand quadrant are those of the highest significance to both the Group and stakeholders.

		Significance of Group's Environmental, Social and Governance Matters		
		Low (Not so important)	Medium	High (Important)
Influence on Stakeholder Assessment	High		<ul style="list-style-type: none"> Customer Satisfaction 	<ul style="list-style-type: none"> Health and safety Economic performance Business ethic & regulatory compliance Sustainable business growth
	Medium		<ul style="list-style-type: none"> Diversity Labour practices and standards Supply chain management Community / society Anti-bribery and corruption Data privacy & security 	<ul style="list-style-type: none"> Energy management Water management Waste management Emission management
	Low			

Sound Governance

Business ethic and regulatory compliance

The Group is committed to practising high standards of corporate governance and to have sustainable and responsible business practices emphasising integrity, sound business ethics and trustworthy conduct. We also commit to comply with relevant business rules, regulations and guidelines and to engage stakeholders in a responsible, fair and reasonable manner.

The Board has formulated ethical standards through a Code of Conduct and Ethics for the Directors, Senior Management and all employees and will ensure its compliance. It is available at the Company's website, www.knusford.com.my for reference.

We take compliance seriously and aim to comply with relevant regulatory requirements governing the ESG dimensions. Our goal is to maintain the current status of zero legal non-compliance.

We have also put in place a whistleblowing channel for all stakeholders to report any instances of corruption, bribery, suspicious activity or wrongdoing which may lead to bribery.

Employees of the Group are involved in identifying and mitigating sustainability risks across all areas of our operations. The Group's Internal Audit function oversees the adequacy and effectiveness of the risk management framework while monitoring compliance with policies and procedures and other regulatory requirements.

SUSTAINABILITY STATEMENT

In FYE 2024, there were zero reported incidents of non-compliance with laws and regulations (FYE 2023: Nil). No significant fine or non-monetary sanctions were imposed on the Group in FYE 2024 and FYE 2023. There were also no legal cases related to fraud brought against us nor have there been such incidents or confirmed incidents in which employees were dismissed or disciplined for fraud or corruption.

Anti-Bribery and Anti-Corruption

The Group has adopted an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") to prevent any act of bribery and corruption in the workplace. The ABAC Policy, along with other related policies and procedures, are communicated to directors, employees and other business associates through various platforms, including training sessions, briefings, email transmissions and the official Group website.

All new hires are required to complete an ABAC declaration prior to or upon reporting for work. All employees are required to undergo refresher training and their attendance will be taken. This practice aligns with ensuring constant vigilance and on-going compliance with the ethical business conduct.

An annual assessment will be conducted to identify the potential business divisions or departments with higher inherent risk exposures to bribery and corruption. Periodic audits will be carried out to ensure compliance to Knusford's ABAC policies and procedures by business units and verify the adequacy and effectiveness of these policies against bribery and corruption in business conduct.

Our target is zero incidents of violation against the Group's ABAC Policy. The full ABAC Policy can be found on our official website at www.knusford.com.my.

Corruption-related training

Anti-Corruption trainings and briefings at KB have been conducted for all the Board members, Senior Management personnel and employees during the FYE 2024. 6 out of 9 Board members attended the training. KB has also shared the training video recording with the Directors and Management team.

The Group engaged a consultancy firm to host a refresher seminar on Anti-Corruption for its employees, a total of 126 employees from the Group attended the seminar. KB also reminds and educates its employees from time to time about Anti-Corruption best practices via the Management team, supervisors and HODs. Video recording is shared with the employee. Those who are unable to attend due to job commitments can access the video recordings.

Our target is to achieve at least 90% attendance of employees for training in Anti-Corruption.

Anti-Corruption Training attended based on Employee Category is tabled as follows:

Employee Category	FYE 2024 (% and number)
Management	90% (27)
Executive	100% (40)
Non-executive / Technical staff	100% (58)
General workers	100% (1)

If any employee is found to have violated KB's ABAC policy or engaged in other forms of bribery and corruption, disciplinary action may be taken. This may result in job suspension, termination, or even legal action if deemed necessary. Violations can be reported through the Group's whistleblowing mechanism.

SUSTAINABILITY STATEMENT

Corruption risk assessment

During FYE 2024, KB conducted an internal corruption risk assessment, encompassing 100% of the Group's ongoing business operations. During this assessment, KB identified the following departments within the Group for corruption related risks:

- Business Development
- Procurement & Contract Management
- Project Management / Government Liaison
- Human Resources / Finance

Indicator	FYE 2024	FYE 2023
Percentage of operations assessed for corruption-related risks	100%	100%

Corruption incidents

There were zero confirmed incidents of violation against the Group's anti-corruption policy reported in FYE2024. (FYE 2023: Nil)

Indicator	FYE 2024	FYE 2023
Confirmed incidents of corruption and action taken (number)	zero case	zero case

Our target is to maintain zero incident of corruption in 2024 and in the long term.

Periodic audits were also carried out to ensure compliance to the Group's ABAC policy and procedures by business segments and to ascertain that these policies continue to be adequate and effective against bribery and corrupt activities in the conduct of business.

Data privacy and security

Our customers entrust us with their sensitive information, and we are committed to treating the personal data of every client with care and respect by upholding their rights regarding the collection, use, access, and disclosure of their personal data. We are constantly evaluating ways to deliver better service to customers while respecting their privacy rights and securing information in accordance with the Group's policies.

The Group adheres to the Personal Data Protection Act 2010, ensuring strict confidentiality of private information.

Our target is zero breaches of the Data Privacy and Security policy.

No such number of substantiated complaints concerning breaches of customer privacy and losses of customer data have been received during the FYE 2024 and FYE 2023.

SUSTAINABILITY STATEMENT

Sustainability Operations

Customer satisfaction

Customer satisfaction is essential to upholding our reputation and ensuring business continuity. We strive to deliver high-quality and reliable products, along with high standards of workmanship, to meet our customers' rising expectations.

Our construction division, Knusford Construction Sdn. Bhd. is certified with ISO 9001:2015 (Quality Management System) standards.

The Group places the quality of its products and services, as well as timeliness in delivery, as its top priorities. The Group believes that delivering value in its work enhances customer confidence, which helps attract, retain, and grow our customer base.

In FYE 2024 and FYE 2023, all the complaints received by our trading division with regard to on-time delivery and product quality, were responded within 48 hours and resolved within 14 working days. We will continuously strive to maintain or improve our current performance.

The Group also emphasises timely delivery of its projects, which helps to garner customers' trust in the Group's construction work projects. Nevertheless, projects may sometimes face various challenges that affect work progress, such as changes in technical designs by clients, unfavourable weather conditions, non-availability of general workers, and material shortages during the year.

In FYE 2024, no Liquidated Ascertained Damages ("LAD") (FYE 2023: Nil) were imposed by any client. Management will continue to take mitigation steps on each project to avoid or minimise any possible LAD in the future.

Supply chain management

The Group is committed to the highest standards of ethical conduct and social responsibility. Our objectives include practising responsible sourcing of products and services and supporting the local economy by procuring goods from local suppliers. We select suppliers not only based on economic rationale but also on understanding, trust, mutual respect, financial health and the professional background of key executives. Throughout our operating history, our procurement practices have been fair and consistent, allowing suppliers to engage with us impartially while fulfilling our requirements.

Currently, we do not impose any screening, audit, or reporting requirements on our suppliers regarding their ethical conduct or social responsibility aspects. However, if we become aware that any supplier within our supply chain fails to comply with local regulations, environmental protection standards, or proper labour conditions, we will terminate our contract with them.

Our supply chain consists of multiple small and medium-sized businesses that support us with product sales, customer support and product delivery. We maintain a wide range of suppliers to minimise concentration and dependency risks, ensuring the consistency of supplies and the stability of our building materials costs.

SUSTAINABILITY STATEMENT

Our priority is to procure from local suppliers unless otherwise specified by the client or when local suppliers cannot meet specified product or service requirements. The Group strongly supports local procurement as it results in decreased logistical costs compared to foreign procurement. Relying less on foreign procurement also reduces the use of fossil fuels. Socioeconomically, increased reliance on local procurement creates more jobs and benefits local communities. For our construction operations, essential supplies such as concrete, reinforcement bars, common clay bricks, timber, crusher run, and quarry dust are 100% locally sourced.

On the whole, local procurement ultimately contributes to nation-building and the growth of the local economy. Moving forward, the Group will continue to further strengthen the Group's supply chain with quality local procurement services.

Here is the Group's breakdown of its local procurement practices in FYE 2024 & FYE 2023: -

Indicator	FYE 2024	FYE 2023
Proportion of spending on local suppliers (%)	100	100

Our target is to allocate more than 80% of the total procurement budget to local suppliers.

Economic performance

The Group is committed to strengthening its financial position and enhancing its competitiveness through adopting good and ethical business practices, corporate governance as well as cautious cost management. The Group's financial performance highlights for FYE 2024 and its comparatives for the previous FYE 2023 are as follows: -

	FYE 2024	FYE 2023
	RM (million)	RM (million)
Revenue	148.80	159.57
Profit Before Tax	13.63	2.37
Net Assets Per Share (RM)	2.29	2.20

For more information on the Group's financial performance, please refer to the Group Five Year Financial Highlights on page 16 of the Annual Report 2024.

The economic outlook for the construction and property development industries remains challenging in FYE 2024 amid labour shortages, inflation, rising interest rates, as well as a weakening Ringgit, which has affected our businesses. Given the challenging business environment, the financial performance for the construction and trading division for FYE 2024 has been adversely impacted.

SUSTAINABILITY STATEMENT

Revenue for the current financial year to date has declined mainly due to diminishing order books and limited construction work activities undertaken by the Group and our customers, leading to lesser demand for our building materials too.

Despite the lower revenue, the Group reported a profit before tax of RM13.63 million during the FYE 2024 as compared to profit before tax of RM2.37 million reported for FYE 2023. The profit before tax was mainly attributed to gains from the disposal of investment properties, development lands and the recalibration of margins for projects nearing completion.

Kindly refer to pages 27 to 30 of the Management Discussion and Analysis for further details.

Moving forward, the Group will continue to explore new business opportunities, particularly in the construction division, to complement its existing trading business. We are hopeful that this endeavour will contribute to improving our financial position.

Community/society

The Group is fully committed to ensuring that its operations are managed in a safe and healthy manner to protect the life and health of all its employees and the surrounding community. This commitment also serves to safeguard the Company's assets, ensuring business continuity and fostering public trust.

Every employee bears the responsibility of incorporating safe behaviour into their daily business activities. The loss of any life is a tragedy, affecting family and society. As a responsible organisation, the Group maintains a no-compromise approach to the management of health and safety at all operational sites.

When there are no major accidents, the community benefits from reduced expenditures on emergency medical services, long-term healthcare, and rehabilitation. Community members can live without the constant fear of accidents, which contributes significantly to their overall well-being. A safer environment also means fewer workdays lost to injury, leading to greater productivity and economic output.

In FYE 2024, there were no fatality case or serious work injury incidents reported at our construction site. Hence, there is zero lost time injury rate.

In FYE 2023, there was one fatality case reported involving a motorcyclist due to traffic light offences at our construction site.

Our target is zero incidents of fatality reported at site.

We are cognizant of our societal responsibility, and our social engagement extends to sharing our knowledge and professional skills. The Group participates in the Professional Training and Education for Growing Entrepreneurs (PROTÉGÉ) program. This initiative offers entrepreneurial and marketplace training to guide and develop youths, in collaboration with industry experts. The aim is to foster more competitive and job-ready marketers, as well as skilled job seekers, to meet the current industry demands. In FYE 2024, a total of 6 protégés (FYE 2023: 13) attended the program.

SUSTAINABILITY STATEMENT

The Group remains dedicated to providing monetary support to those in need. During FYE 2024, the Group supported various charitable causes by contributing donations to charitable bodies. A total of RM 50,200 for 2 bodies (FYE 2023: RM 1,174,300 for 13 bodies) in cash and in-kind donations were contributed to support various community causes, benefiting a considerable number of people in FYE 2024 and FYE 2023.

The Group also encourage employees to participate in community projects through volunteer programs and corporate social responsibility (CSR) initiatives.

Workforce Management

Health and safety

At KB, we firmly believe that our employees should return home safely and in good health at the end of each working day. Compliance with health and safety regulations is a top priority. Therefore, when our employees, business partners, suppliers and contractors work on-site, they must use appropriate Personal Protection Equipment ("PPE") and adhere to additional health and safety measures to minimise occupational hazards and risks in the workplace.

We aim to establish a "Safety First" culture in the Group, where training, coaching, and recognition play critical roles in continually encouraging a culture of safety. We promote an open dialogue with our employees and contractors to instil a sense of responsibility for their safety and that of the others. Regular safety briefings, addressing major known risk, are conducted at project sites to embed Occupational Safety and Health as a culture and behaviour in our daily work. Our operating teams prioritise preventing injuries and ill health while strictly complying with safety requirements.

Work-related injuries

Our target is to achieve a zero fatality rate in relation to work-related accidents. The Group did not record any fatal accidents in FYE 2024 (FYE 2023: 1 case). Hence, there is zero lost time injury rate for FYE 2024.

Health and safety trainings

During FYE 2024 a total of 38 employees have been trained on health and safety standards.

Diversity

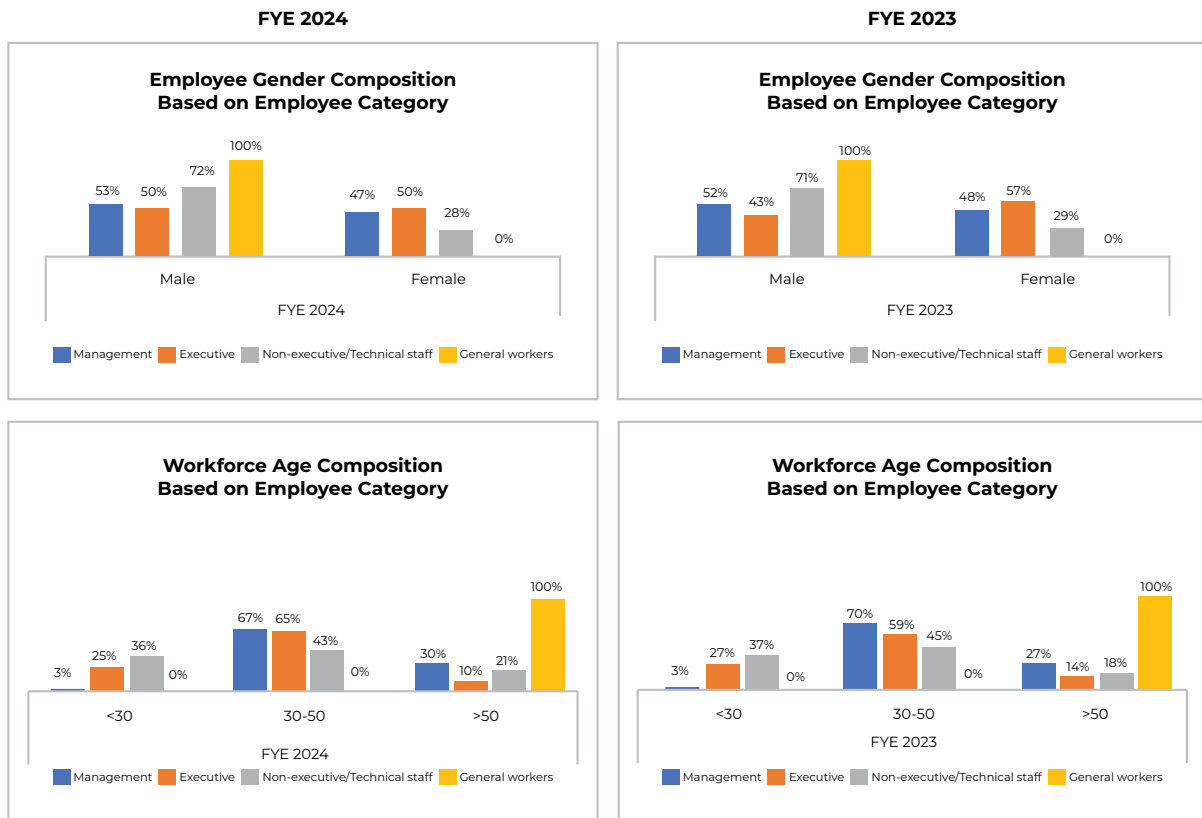
The Board comprises 9 members and 1 alternate director, out of which 5 are Independent Non-Executive Directors ("INED"). The Chairman is a Non-Independent Non-Executive Director. The Board is supportive of gender diversity policy. In its selection of Board members, the Board provides equal opportunity to all candidates who meet the criteria in relation to the Group's present business portfolio.

SUSTAINABILITY STATEMENT

As of FYE 2024, the Group has 1 female out of 9 Board members and 1 alternate director.

Percentage/number of Directors, by gender and age group	FYE 2024	FYE 2023
Male	89% (8)	89% (8)
Female	11% (1)	11% (1)
Under age 30	0% (0)	11% (1)
Between age 30- 50	33% (3)	22% (2)
Above age 50	67% (6)	67% (6)

At KB, we aim to provide an equal opportunity to all employees and no discrimination is done based on age, colour, disability, origin, religion, race, gender, family or marital status. We focus on having a diverse spectrum of female employees and leaders at all levels of our company, and actively promoting and supporting their progress. We are committed to recruiting, promoting and remunerating our employees based on their ability and qualifications. All employees are given an equal opportunity to develop their careers within the Group based on their merits and abilities.



SUSTAINABILITY STATEMENT

Labour practices and standards

■ Talent management

The Group believes that competent employees are crucial to the continued growth and success of the business. The Group seeks to develop employees by providing training and development opportunities to enhance their knowledge, sharpen their skills and broaden their work experience and exposure.

Training and professional development opportunities are provided based on an as-needed basis identified by Head of Department, to address competency gaps in employees or to meet organisational requirements. Training requests can also be made informally by employees as and when they identify programmes or courses that they feel is relevant to their jobs or continued professional development.

Employee training hours

Our target for training is not less than 8 training hours annually for employees at managerial level and above.

Total hours of training attended by employee in FYE 2024 and FYE 2023: -

Total training hours by employee category (hours)	FYE 2024	FYE 2023
Management	710	304
Executive	498	304
Non-executive/Technical staff	574	536
General workers	4	0
Total training hours	1,786	1,144
Training hours per employee at managerial level	Ranged from 4 to 8	Ranged from 4 to 8

■ Our hiring and onboarding

Our hiring process is designed to select employees who are not only exceptional professionals but also contribute to long-term success by maximising revenues, reducing the cost of doing business, lowering rehiring costs, and improving company performance. We aim to recruit individuals who are technically competent and possess the right attitudes. To support our employees, we offer various career advancement prospects and benefits.

Total number of employee turnover by employee category (number)	FYE 2024	FYE 2023
Management	3	2
Executive	17	5
Non-executive/Technical staff	38	44
General workers	0	0
Total number	58	51

SUSTAINABILITY STATEMENT


Indicator	FYE 2024	FYE 2023
Percentage/number of employees, that are contractors or temporary staff	47% (61)	45% (56)

■ Human Rights


Human rights are the language of the people, guided by the principles of dignity, justice, equality, and respect. We are committed to protecting human rights at our office and sites, by preventing child labour, harassment, and forced or involuntary labour. KB maintains zero tolerance for any form of discrimination and takes proactive corrective measures against employees breaching human rights.

During FYE 2024 and FYE 2023: -

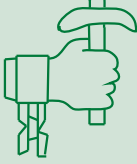
Indicator	FYE 2024	FYE 2023	Target
Number of substantial complaints concerning human rights violations (number)	zero case	zero case	zero case




0 Cases
of Child Labour



0 Cases
of Discrimination



0 Cases
Involuntary/
Forced Labour



0 Cases
of Sexual
Harassment cases

Protecting the Environment

The Group commits to undertake responsible sustainability practices to mitigate direct and indirect environmental impacts of its business and site operations.

The Group has made an effort to fulfil all environmental protection requirements during the project execution period. Environmental Best Management Practices (BMPs) have been implemented to manage activities and prevent any possible pollution at sites. Some of the mitigating measures include the installation of silt fences, silt traps, and grease traps, as well as the construction of temporary wash troughs equipped with water bowser trucks and water jets at the exit gateways of project sites to clean heavy vehicles and prevent public roads from being adversely affected. Additionally, we construct earth drains and check dams to preserve vegetation at sites. Frequent environmental sampling is conducted to monitor impacts such as sedimentation, soil erosion, water contamination, noise, and air pollution. Remedial actions are taken when any exceptions are noted to protect the environment.

Energy management

The Group's primary sources of energy are purchased electricity and diesel. Purchased electricity is sourced from the national power grid. Diesel is mainly consumed by plant and machinery and used to provide temporary electricity via generators. Fuel is also consumed by company vehicles.

SUSTAINABILITY STATEMENT

Notwithstanding the above, the Group will continue to focus on achieving greater energy efficiency and reducing energy intensity.

At the office, employees are reminded to switch off all computers, printers, air con and lights when not in use. This also applies to extra lights among corridors, stairs, reception area and meeting rooms.

In FYE 2024, the Group has consumed a total of 158,997 litres of diesel fuel.

In FYE 2024, the Group has consumed a total of 95.40 megawatt of electricity for the Jabor project and its office in Johor Bahru.

Water management

Water is consumed in various applications on construction sites. These include machinery wheel washing, sanitation and irrigation, testing and commissioning, dust suppression, and road cleaning.

The Group utilises water sourced from local utility providers as well as where feasible, rainwater harvesting and recycled water.

At the office, the Group encourages water-saving initiatives among its employees, including turning off water appliances such as taps after use.

The Group ensures that it closely monitors its water consumption in pursuit of stronger ESG compliance. In FYE 2024, the Group has consumed a total of 0.973 megalitres of water for the Jabor project and its office in Johor Bahru.

Waste management

We are highly aware of the consequences of improper waste disposal and discharges as it can result in environmental pollution. Violations of environmental regulatory requirements will also impact the Company reputation. In FYE 2024, no compounds and fines have been received from authorities on environmental issues.

Emission management

We are aware that open burning releases carbon into the atmosphere, causing health damage and posing dangers to the local population. We strive to mitigate any possible pollution to our environment, and we impose fines on our contractors for violating the rules. We are doing our part to contribute toward the reduction of greenhouse gas emissions.

No open burning and irresponsible rubbish disposal were reported at our sites during the FYE 2024 (FYE 2023: Nil). No public complaints have been received in relation to air pollution during the FYE 2024 (FYE 2023: Nil).

No compound and complaints have been received in terms of excessive noise and air pollution during the FYE 2024 (FYE 2023: Nil).

Our commitment

We recognise that the current state of sustainable ESG performance in our organisation affects our relationship with our stakeholders. In order to continuously meet our stakeholders' expectations, we are determined to improve more in addressing the risks posed by ESG aspects by continually monitoring the impacts of ESG to our business operations.

As a responsible corporation, the Group continues to build for society – taking all necessary and additional precautionary measures to ensure its project and operational sites pose the least disruption and impact to local communities.

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	FYE 2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	90
Executive	Percentage	100
Non-executive/Technical staff	Percentage	100
General workers	Percentage	100
Bursa C1(b) Percentage of operation assessed for corruption-related risks	Percentage	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	50,200
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2
Bursa (Diversity)		
Bursa C3(a) Percentage of employee by gender and age group, for each employee category		
Gender group by employee category		
Management - Male	Percentage	53
Management - Female	Percentage	47
Executive - Male	Percentage	50
Executive - Female	Percentage	50
Non-executive/Technical staff - Male	Percentage	72
Non-executive/Technical staff - Female	Percentage	28
General workers - Male	Percentage	100
General workers - Female	Percentage	0
Age group by employee category		
Management – Under 30	Percentage	3
Management – Between 30 - 50	Percentage	67
Management – Above 50	Percentage	30
Executive – Under 30	Percentage	25
Executive – Between 30 - 50	Percentage	65
Executive – Above 50	Percentage	10
Non-executive/Technical staff – Under 30	Percentage	36
Non-executive/Technical staff – Between 30 - 50	Percentage	43
Non-executive/Technical staff – Above 50	Percentage	21

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	FYE 2024
General workers – Under 30	Percentage	0
General workers – Between 30 - 50	Percentage	0
General workers – Above 50	Percentage	100
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	89
Female	Percentage	11
Under 30	Percentage	0
Between 30 - 50	Percentage	33
Above 50	Percentage	67
Bursa (Energy Management)		
Bursa C4(a) Total energy consumption	Megawatt	95.40
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours training by employee category		
Management	Hours	710
Executive	Hours	498
Non-executive/Technical staff	Hours	574
General workers	Hours	4
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	47
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	3
Executive	Number	17
Non-executive/Technical staff	Number	38
General workers	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violation	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time-incident rate	Rate	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	38
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water Management)		
Bursa C9(a) Total volume of water used	Megalitres	0.973

Audit Committee REPORT

The Board of Directors of Knusford Berhad is pleased to present the report of the Audit Committee ("AC") for the financial year ended 31 March 2024 ("FYE 2024").

COMPOSITION AND ATTENDANCE OF MEETINGS

The AC comprises of five (5) Independent Non-Executive Directors and details of their attendance at meetings during FYE 2024 are as follows:

		Attendance of meetings
Chairman:	Lim Foo Seng (Independent Non-Executive Director, MIA member)	6/6
Members:	Bernard Hilary Lawrence (Senior Independent Non-Executive Director)	5/6
	Dato' Avinderjit Singh A/L Harjit Singh (Independent Non-Executive Director)	3/6
	Mohd Salleh Bin Othman (Independent Non-Executive Director)	6/6
	Lee Wai Kuen (Independent Non-Executive Director)	6/6

TERMS OF REFERENCE OF THE AC

Composition

- (1) The members of the AC shall be appointed by the Board of Directors ("Board") from among their members and shall consist of not fewer than three (3) members with a majority of them being Independent Directors.
- (2) All members of the Committee should be financially literate and have the ability: -
 - (a) to read and understand financial statements;
 - (b) to analyse financial statements and ask pertinent questions about the Group's operations against internal controls; and
 - (c) to understand and interpret the application of approved accounting standards and other related requirements.
- (3) At least one of the Committee members:
 - (a) must be a member of the Malaysian Institute of Accountants ("MIA"); or
 - (b) if he/she is not a member of MIA, he/she must have at least three (3) years working experience and:
 - he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - He/she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - (c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE OF THE AC (CONT'D)

Composition (cont'd)

- (4) No Alternate Director may be appointed as a member of the Committee.
- (5) No former audit partner shall be appointed as a member of the Committee unless he/she has served a cooling off period of at least three years prior to his/her appointment.
- (6) The Chairman of the AC shall be an Independent Non-Executive Director appointed by the Board, who is not the Chairman of the Board, and acts as the key contact between the Committee members and Board members as well as Senior Management. The responsibilities of the AC Chairman, among others, are as follows:
 - (a) Planning and conducting meetings;
 - (b) Reporting to the Board on the matters being discussed and their recommendation;
 - (c) Encouraging open discussion during meetings;
 - (d) Developing and maintaining active on-going dialogue with Management, internal auditors and external auditors; and
 - (e) Ensuring the overall effectiveness and independence of the Committee.
- (7) Where the membership of the Committee falls below three (3) due to retirement or resignation or any other reasons, the vacancy must be filled within three (3) months to make up the minimum of three (3) members.

Authority

The AC has been granted appropriate authority by the Board to carry out their duties and responsibilities including the following: -

- Conduct investigation into any matters within their terms of reference;
- Seek any information it requires from any employee of the Group;
- Engage external, legal or professional advice at the cost and expense of the Group where necessary;
- Full and unrestricted access to any information pertaining to the Group and the Company;
- Direct communication with the external auditors and/or persons carrying out the internal audit functions or activities;
- Meet with the external auditors at least twice a year without management presence;
- Meet with the internal auditors at least once a year without management presence;
- Right to employ resources which are required to perform its duties; and
- Authorise an investigation where there is possible fraud, illegal acts or suspected violation of the Group's Code of Conduct and Ethics involving members of the Board or Senior Management.

Duties and Responsibilities

The duties and responsibilities of the AC shall include the following: -

(1) Internal Audit

- (a) To review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.
- (b) To review the internal audit plan and results and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function.
- (c) To recommend the appointment of outsourced internal auditors.
- (d) To evaluate the performance and decide on the remuneration of the outsourced internal audit function.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE OF THE AC (CONT'D)

Duties and Responsibilities (cont'd)

(1) Internal Audit (cont'd)

- (e) To ensure that the outsourced internal audit function is able to undertake its duties independently and objectively. The outsourced internal auditors will report directly to the AC.
- (f) To review the internal audit reports prepared by outsourced internal auditors, discuss major audit findings and management response.
- (g) To review the follow up action reports prepared by outsourced internal auditors, ensure appropriate action is taken on the recommendation provided on the previous internal audit report.
- (h) To review the assistance given to internal auditors by employees of the Group.
- (i) To conduct annual review and periodic testing of the Group's internal control system.
- (j) To conduct an independent meeting session with the internal auditors without the presence of executive Board members and management personnel to further discuss matters arising from the audit.

(2) External Audit

- (a) To consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal.
- (b) To review the external auditors' audit plan (scope of work), their evaluation of the system of internal controls and scope of their audits.
- (c) To review and report on the assistance and co-operation given by the employees of the Group to the auditors.
- (d) To assess and monitor the performance, suitability, objectivity and independence of the external auditors annually. The assessment is to be based on established policies and procedures that consider among others: -
 - The competence, audit quality and resource capacity of the external auditors in relation to the audit;
 - The nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
 - The information presented in the Annual Transparency Report of the audit firm.
- (e) To discuss the following with the external auditors prior to commencement of the audit:
 - the nature and scope of audit;
 - the audit plan;
 - coordination of audit where more than one audit firm is involved;
 - evaluation of the system of internal controls; and
 - the audit reports.
- (f) To review with the external auditors the audited financial statements for the purpose of approval prior to presentation to the Board for adoption, for the following:
 - whether the auditors' report contained any qualifications which must be properly discussed and acted upon;
 - whether there is any significant changes and adjustments in the presentation of financial statements;
 - whether it is in compliance with laws and accounting standards;
 - whether there is any material fluctuations in balances;
 - whether there is any financial anomalies or irregularities;
 - whether there is any significant commitments or contingent liabilities; and
 - whether the financial statements taken as a whole provide a true and fair view of the Group's financial position and performance.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE OF THE AC (CONT'D)

Duties and Responsibilities (cont'd)

(3) Financial Reporting

To review the quarterly and annual financial statements of the Group and of the Company and recommend to the Board for approval, focusing particularly on:

- (a) changes in or implementation of new accounting policies and practices.
- (b) significant matters highlighted including financial reporting issues, significant judgement made by Management, significant and unusual events or transactions, and how these matters are addressed.
- (c) going concern of entities within the Group.
- (d) compliance with applicable approved accounting standards and other legal and regulatory requirements.

(4) Related Party Transactions

To monitor and review any related party transactions and conflict of interest situation that may arise within the Group including any transaction and/or procedure that raises questions on management integrity.

(5) Governance Oversight

- (a) To drive the Code of Conduct and Ethics across the Group with the assistance of the compliance function including ensuring that the Code of Conduct and Ethics, which shall include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering, and whistleblower program' is implemented across the Group, and complied with.
- (b) Review and endorse the Code of Conduct and Ethics program for the Board's approval and monitor the progress of implementation.
- (c) Assess the effectiveness of the Code of Conduct and Ethics, and the ethical climate of the entire organisation, and recommend to the Board necessary changes to the Code of Conduct and Ethics.
- (d) Review reports on violations of the Code of Conduct and Ethics and whistleblowing issues, as well as breaches involving pivotal positions.

(6) Other Matters

- (a) To perform such other functions and responsibilities as may be agreed to by the Committee and the Board.
- (b) To promptly report to Bursa Securities on any matter reported to the Board which has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements.
- (c) To review any major findings of internal investigations.
- (d) To review the Statement on Risk Management and Internal Control in the Group's Annual Report to ensure that relevant information as prescribed in the Main Market Listing Requirements of Bursa Securities is disclosed appropriately.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE OF THE AC (CONT'D)

Rules and Procedures at Meetings

(1) Frequency of Meeting

At least four (4) meetings shall be held in a year. However, meetings may also be held as and when required or upon the request of the external auditors to consider any matters that they believe should be brought to the attention of the Directors and/or shareholders.

(2) Chairman of the Meeting

The members of the AC shall elect amongst them an independent Director to act as the Chairman of the AC.

(3) Notice and Agenda of Meeting

Meeting may be scheduled by the Committee or the Chairman. Meeting agenda shall be the responsibility of the Chairman with input from the Committee members. The Chairman may ask the Management to participate in this process. Unless all agreed, the notice and agenda of meeting shall be circulated at least five (5) business days before each meeting to the Committee members and all those who are required to attend the meeting. Written materials including information requested by the Committee from the Management or external consultants shall be received together with the agenda for the meeting.

(4) Quorum for the Meeting

The quorum for a meeting shall be two (2) members, provided that the majority of members present at the meeting shall be independent.

(5) Secretary of the Meeting

The Company Secretary shall be the Secretary of the Committee.

SUMMARY OF ACTIVITIES OF THE AC

The following activities were carried out by the AC for the FYE 2024:

(1) Internal Audit

- Reviewed and approved the risk based internal audit plan.
- Reviewed the internal audit reports, recommendations and Management's response arising from the audit issues.
- Discussed with internal auditors during the AC Meeting on current issues highlighted during evaluation of internal control systems of the Group and follow up on issues highlighted previously to ensure that appropriate action plans had been carried out by Management on a timely basis.
- Reported to the Board on significant issues and concerns discussed during the AC meeting.
- Conducted assessment on internal audit functions to evaluate its performance and effectiveness.
- Reviewed and recommended the appointment of outsourced internal auditors.

(2) Financial Reporting

- Reviewed the unaudited quarterly reports on the consolidated results of the Group before recommending to the Board for their approval and release to Bursa Securities.
- Reviewed audited financial statements of the Company and of the Group with the external auditors prior to tabling to the Board for their consideration and approval.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE AC (CONT'D)

(3) External Audit

- Reviewed the audit plan of the Group as proposed by the external auditors, in terms of the scope of audit, methodology and timetable, audit materiality, audit focus areas, significant accounting and audit issues, impact of new or proposed changes in the accounting standards and any other regulatory requirements.
- Assessed the suitability, objectivity and independence of the external audit firm annually, including assessing their competence, audit quality and resource capacity of the external auditors.
- Conducted private sessions on audit-related matters at the scheduled meeting with external auditors without the presence of executive Board members and management personnel.
- Reviewed and discussed with the external auditors on their audit status report upon completion of FYE 2024 audit, particularly on the audit opinion rendered, the key audit matters, audit findings and internal control deficiencies.

(4) Related Party Transactions

- Reviewed the processes and procedures on related party transaction and considered conflict of interest situations to be entered by the Group.

(5) Governance Practices

- Reviewed the Corporate Governance Report, the Corporate Governance Overview Statement, the Audit Committee Report and the Statement on Risk Management and Internal Control for the inclusion in the Annual Report of the Company and recommended their adoption to the Board.

(6) Others

- Performed first-half performance assessment of the Group.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to a professional services firm, Messrs Resolve IR Sdn. Bhd. The internal audit engagement is led by Mr. Choo Seng Choon ("Mr. Choo") who has diverse professional experience in internal audit, risk management and corporate governance advisory.

He is a Certified Internal Auditor and Chartered Member of the Institute of Internal Auditors with over 25 years of professional experience in multidiscipline including internal audit, risk management, corporate governance, performance and business management, IPOs, taxation, due diligence and corporate finance. Mr. Choo is also a Fellow Chartered Certified Accountant, UK, Chartered Accountant of the Malaysian Institute of Accountants ("MIA") and Certified Public Accountant of the Malaysian Institute of Certified Public Accountants ("MICPA").

The number of staff deployed for the internal audit reviews ranged from 3 to 4 staff per visit including the engagement of Executive Director. The staff involved in the internal audit reviews possess professional qualification and/or a university degree. Most of them are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence.

The internal audit was conducted using a risk-based approach and was guided by the International Professional Practice Framework ("IPPF").

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (CONT'D)

The internal audit activities undertaken during the FYE 2024 were as follows:

- Carried out the internal audit reviews in accordance with the approved risk based Internal Audit Plan.
- Reviewed recurrent related party transaction procedures to ascertain if the procedures were adhered to and that the relevant approvals have been obtained pursuant to the shareholders' mandate.
- Presented the Internal Audit Reports to the AC highlighting audit findings, recommendations to improve and management responses at each quarter.
- Performed follow up audits on these findings and updated status to the AC.
- Internal auditors met with the AC on 27 February 2024 without the presence of Management to discuss internal audit related matters.
- Presented and obtained approval from the AC on Internal Audit Plan which sets out the internal audit work expected to be carried out.

The costs incurred for outsourcing the internal audit function of the Group for FYE 2024 is at RM73,173 (31 March 2023: RM80,202).

Directors' Responsibility STATEMENT

The Board of Directors of Knusford Berhad is fully accountable to ensure that the financial statements are drawn up in accordance with Companies Act 2016 ("the Act") and the applicable approved accounting standards set by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2024 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

In the preparation of the financial statements, the Directors have:

- a) applied relevant and appropriate accounting policies consistently and in accordance with applicable approved accounting standards;
- b) made judgments and estimates that are prudent and reasonable; and
- c) used the going concern basis for the preparation of the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept in accordance with the Act. The Directors also have overall responsibility in taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Directors' REPORT

FOR THE YEAR ENDED 31 MARCH 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 31 March 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and property investment whilst the principal activities of the subsidiaries are as stated in Note 30 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 30 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to owners of the Company	9,184	3,851

RESERVES AND PROVISIONS

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

DIVIDENDS

No dividend was paid during the 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:

Knusford Berhad

DYAM Tunku Ismail Ibni Sultan Ibrahim
 Lim Chen Heng*
 Lim Chen Thai*
 Lim Sew Hua*
 Bernard Hilary Lawrence
 Dato' Avinderjit Singh A/L Harjit Singh
 Lee Wai Kuen
 Lim Foo Seng
 Mohd Salleh Bin Othman*
 Datuk Mohamad Jaifuddin Bin Bujang Mohidin

Alternate

DYAM Tunku Ismail Ibni Sultan Ibrahim

* Director of the Company and its subsidiaries

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

SUBSIDIARIES

Lim Jenq Kuan
 Mohd Hanaffiah Bin Talib
 Sazlina Binti Omar (resigned on 8 January 2024)
 Sum Chee Tat
 Tan Sri Dato' Lim Kang Hoo
 Tengku Mohamed Syamil Bin Tengku Mahamud @ TG Mahmood
 Zainai Bin MD Desa

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares 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			
	At 1.4.2023	Bought	Sold	At 31.3.2024
Interests in the Company:				
DYAM Tunku Ismail Ibni Sultan Ibrahim				
- own (through Aman Setegap Sdn. Bhd.)	30,000,000	-	-	30,000,000
Lim Chen Thai				
- own	58,300	-	-	58,300
Lim Sew Hua				
- own	1,349,000	-	(66,000)	1,283,000
- others	297,300	-	-	297,300

By virtue of his interest of more than 20% in the shares of the Company, DYAM Tunku Ismail Ibni Sultan Ibrahim is also deemed interested in the shares of the subsidiaries during the financial year to the extent that Knusford Berhad has an interest.

None of the other Directors holding office at 31 March 2024 had any interest in the shares of the Company and of its related corporations during the financial year.

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, other than certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 29 to the financial statements.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

DIRECTORS' BENEFITS (CONT'D)

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 March 2024 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	276	–
Remuneration	1,710	276
Estimated money value of any other benefits	8	64
	1,994	340

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.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company and the Company has not issued any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of insurance premium effected for Directors and officers of Knusford Berhad and its subsidiaries is RM18,000 limited to a coverage of RM12,000,000.

There were no insurance costs or indemnities effected for auditors of the Group and the Company.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 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 31 March 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 31 MARCH 2024

SIGNIFICANT EVENTS

The significant events during the financial year are disclosed in Note 31 to the financial statements.

SUBSEQUENT EVENT

The subsequent event during the financial year is disclosed in Note 32 to the financial statements.

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 RM342,000 and RM85,000 respectively.

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

Lim Chen Heng
Director

Lim Chen Thai
Director

Kuala Lumpur

Date: 30 July 2024

Statements of FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Assets					
Property, plant and equipment	3	11,121	12,595	2,206	2,310
Investment properties	4	115,299	132,238	8,905	25,085
Inventories	9	960	2,140	-	-
Investments in subsidiaries	5	-	-	129,246	127,534
Investments in associates	6	1,902	1,811	-	-
Investments in joint ventures	7	260	908	-	-
Deferred tax assets	8	17	17	-	-
Trade and other receivables	11	22,446	-	-	-
Total non-current assets		152,005	149,709	140,357	154,929
Inventories	9	3,141	4,035	-	-
Trade and other receivables	11	229,367	236,014	31,004	17,290
Contract assets	12	44,491	31,999	-	-
Current tax assets		210	683	7	-
Cash and cash equivalents	13	1,700	16,619	199	1,776
Asset classified as held for sales	10	278,909 14,628	289,350 2,029	31,210 14,628	19,066 -
Total current assets		293,537	291,379	45,838	19,066
Total assets		445,542	441,088	186,195	173,995
Equity					
Share capital	14	122,338	122,338	122,338	122,338
Translation reserve		7	7	-	-
Retained earnings		106,185	97,001	38,253	34,402
Total equity attributable to owners of the Company		228,530	219,346	160,591	156,740
Liabilities					
Borrowings	15	844	1,045	-	-
Deferred tax liabilities	8	435	454	363	363
Total non-current liabilities		1,279	1,499	363	363
Trade and other payables	16	152,774	156,011	10,241	1,783
Contract liabilities	12	-	8,061	-	-
Borrowings	15	59,459	54,896	15,000	15,000
Current tax liabilities		3,500	1,275	-	109
Total current liabilities		215,733	220,243	25,241	16,892
Total liabilities		217,012	221,742	25,604	17,255
Total equity and liabilities		445,542	441,088	186,195	173,995

The notes on pages 85 to 140 are an integral part of these financial statements.

Statements of profit or loss and OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	17	148,804	159,567	5,107	10,417
Cost of sales	18	(125,961)	(138,649)	(1,139)	(963)
Gross profit		22,843	20,918	3,968	9,454
Other income		11,090	2,926	722	380
Administrative expenses		(12,831)	(16,979)	(1,045)	(1,513)
Other operating expenses		–	(2,237)	–	(123)
Net (loss)/gain on impairment of financial instruments and contract assets	21	(3,907)	(4,109)	423	(114)
Results from operating activities		17,195	519	4,068	8,084
Finance income	19	245	4,619	18	5
Finance costs	20	(3,921)	(2,945)	–	–
Net finance (costs)/income		(3,676)	1,674	18	5
Share of profit of equity accounted investments, net of tax		106	173	–	–
Profit before tax	21	13,625	2,366	4,086	8,089
Tax expense	22	(4,441)	(4,702)	(235)	(421)
Profit/(Loss) and total comprehensive income/ (expense) for the year		9,184	(2,336)	3,851	7,668
Basic earnings/(loss) per ordinary share (sen)	23	9.22	(2.34)		

There is no dilution of earnings per share as there is no potential diluted ordinary shares.

The notes on pages 85 to 140 are an integral part of these financial statements.

Consolidated statement of CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

	← Attributable to owners of the Company →			Total RM'000
	← Non-distributable → Share capital RM'000	Translation reserve RM'000	Distributable Retained earnings RM'000	
Group				
At 1 April 2022	122,338	7	99,337	221,682
Loss and total comprehensive expense for the year	-	-	(2,336)	(2,336)
At 31 March 2023/1 April 2023	122,338	7	97,001	219,346
Profit and total comprehensive income for the year	-	-	9,184	9,184
At 31 March 2024	122,338	7	106,185	228,530

Note 14

The notes on pages 85 to 140 are an integral part of these financial statements.

Statement of CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

	<i>← Attributable to owners of the Company →</i>		
	<i>Non- distributable</i>	<i>Distributable</i>	
	Share capital RM'000	Retained earnings RM'000	Total RM'000
Company			
At 1 April 2022	122,338	26,734	149,072
Profit and total comprehensive income for the year	–	7,668	7,668
At 31 March 2023/1 April 2023	122,338	34,402	156,740
Profit and total comprehensive income for the year	–	3,851	3,851
At 31 March 2024	122,338	38,253	160,591

Note 14

The notes on pages 85 to 140 are an integral part of these financial statements.

Statements of CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities					
Profit before tax		13,625	2,366	4,086	8,089
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment	3	2,440	3,108	104	104
Depreciation of investment properties	4	865	1,046	456	492
Property, plant and equipment written off		1	-	-	-
Impairment loss on property, plant and equipment	3	-	2	-	-
Reversal of impairment loss of property, plant and equipment	3	(143)	(64)	-	-
Net loss/(gain) on impairment of financial instruments and contract assets	21	3,907	4,109	(423)	114
Reversal of inventories previously written down	9	-	(118)	-	-
Impairment loss on investments in subsidiaries	5	-	-	-	123
Reversal of impairment loss on investment in a subsidiary	5	-	-	-	(300)
Gain on disposal of property, plant and equipment	21	(585)	(1,217)	-	(81)
Gain on disposal of investment properties	21	(9,873)	(1,172)	(722)	-
Dividend income		-	-	(3,389)	(8,559)
Share of profit of equity-accounted investments, net of tax		(106)	(173)	-	-
Interest expense	20	3,921	2,945	-	-
Interest income	19	(245)	(4,619)	(18)	(5)
Operating profit/(loss) before changes in working capital		13,807	6,213	94	(23)
<i>Changes in working capital:</i>					
Inventories		2,074	4,434	-	-
Trade and other receivables		(19,706)	(17,665)	(15,003)	257
Contract assets		(12,492)	(389)	-	-
Trade and other payables		(3,237)	(8,839)	8,458	739
Contract liabilities		(8,061)	(1,875)	-	-
Cash (used in)/generated from operations		(27,615)	(18,121)	(6,451)	973
Tax paid		(2,363)	(3,376)	(351)	(363)
Tax refund		601	28	-	-
Interest paid		(3,815)	(2,742)	-	-
Interest received		245	4,619	18	5
Net cash (used in)/generated from operating activities		(32,947)	(19,592)	(6,784)	615

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment	(i)	(174)	(1,965)	-	-
Acquisition of investment properties	(ii)	(5)	(5,210)	-	-
Dividend received from a subsidiary		-	-	3,389	17
Dividend received from a joint venture	7	663	2,550	-	-
Proceeds from disposal of property, plant and equipment		728	1,288	-	81
Proceeds from disposal of investment properties		13,353	8,322	1,818	-
Net cash generated from investing activities		14,565	4,985	5,207	98
Cash flows from financing activities					
Interest paid		(106)	(203)	-	-
(Repayment of)/Drawdown from revolving credits	15.4	(800)	13,007	-	-
Drawdown from bankers' acceptances	15.4	6,213	3,592	-	-
Repayment of lease liabilities	(iii)	(22)	(19)	-	-
Repayment of hire purchase liabilities	15.4	(1,822)	(3,037)	-	-
Net cash generated from financing activities		3,463	13,340	-	-
Net (decrease)/increase in cash and cash equivalents		(14,919)	(1,267)	(1,577)	713
Cash and cash equivalents at 1 April		16,619	17,886	1,776	1,063
Cash and cash equivalents at 31 March		1,700	16,619	199	1,776

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

(i) Acquisition of property, plant and equipment

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

	Group	
	2024 RM'000	2023 RM'000
Paid in cash	174	1,965
Assets returned from a supplier In the form of hire purchase assets	–	118
	773	280
Total (see Note 3) *	947	2,363

* Excludes acquisition of right-of-use assets amounting to RM19,945 (2023: RM26,050).

(ii) Acquisition of investment properties

During the financial year, the Group acquired investment properties as follows:

	Group	
	2024 RM'000	2023 RM'000
Paid in cash	5	5,210
Satisfied via a settlement arrangement (see Note 11.1(iii))	–	50,765
Total (see Note 4)	5	55,975

(iii) Cash outflows for leases as lessee

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Included in net cash from operating activities:				
Interest paid in relation to lease liabilities	2	3	–	–
Payments relating to short-term leases	1,876	2,812	9	–
Included in net cash from financing activities:				
Payments of lease liabilities	22	19	–	–
Total cash outflows for leases	1,900	2,834	9	–

The notes on pages 85 to 140 are an integral part of these financial statements.

Notes to the FINANCIAL STATEMENTS

Knusford 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 address of the registered office and principal place of business of the Company are as follows:

Registered office and principal place of business

#C-G-03 Block C
Tropez Residen
Persiaran Danga Perdana
80200 Johor Bahru, Johor

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in associates and joint ventures. The financial statements of the Company as at and for the financial year ended 31 March 2024 do not include other entities.

The Company is principally engaged in investment holding and property investment whilst the principal activities of the subsidiaries are as stated in Note 30 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 30 July 2024.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of 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, interpretations 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 by 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*

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*

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

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 accounting standards, and amendments:

- from the annual period beginning on 1 April 2024 for those amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 April 2025 for those amendments that are effective for annual periods beginning on or after 1 January 2025.
- from the annual period beginning on 1 April 2026 for those amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 April 2027 for those accounting standards that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

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

The Directors have considered the available credit facilities and future debt collection and settlement of the Group and of the Company, and continuous roll over of existing revolving credit facilities from the lenders in determining the appropriateness of the going concern basis for the preparation of financial statements to the Group and to the Company. The Group and the Company also own unpledged properties that are available for resale. Should the need arise, the Group and the Company have opportunities to realise these properties.

Accordingly, the Directors believe that the preparation of the financial statements on a going concern basis is appropriate, based on the measures as disclosed above, to enable the Group and the Company to continue their operations and to meet their liabilities as they fall due for the next 12 months from the date of financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONT'D)

(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 5 - Investments in subsidiaries
- Note 17 - Revenue
- Note 26.4 - Measurement of expected credit loss ("ECL")

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 April 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.

2.2 Global minimum top-up tax

The Group has adopted the amendments to MFRS112, *Income Taxes – International Tax Reform – Pillar Two Model Rules* upon their release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure.

The temporary mandatory relief applies retrospectively. The adoption and application of these amendments did not have any material impact to the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM'000	Equipment, furniture and fittings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Right- of-use assets RM'000	Total RM'000
Cost						
At 1 April 2022	7,476	6,869	54,798	11,421	93	80,657
Additions	-	83	1,906	374	26	2,389
Disposals	-	(3)	(5,783)	(1,106)	-	(6,892)
Written off	-	(5)	-	-	-	(5)
At 31 March 2023/1 April 2023	7,476	6,944	50,921	10,689	119	76,149
Additions	-	25	68	854	20	967
Disposals	-	-	(960)	(1,815)	-	(2,775)
Written off	-	(18)	-	-	-	(18)
At 31 March 2024	7,476	6,951	50,029	9,728	139	74,323
Accumulated depreciation and impairment loss						
At 1 April 2022	1,151	5,775	48,014	9,169	74	64,183
Accumulated depreciation	686	224	2,241	-	-	3,151
Accumulated impairment loss						
Depreciation for the year	1,837	5,999	50,255	9,169	74	67,334
Impairment loss for the year	163	296	1,623	1,007	19	3,108
Reversal of impairment loss	-	-	2	-	-	2
Disposals	-	-	(64)	-	-	(64)
Written off	-	(3)	(5,713)	(1,105)	-	(6,821)
	-	(5)	-	-	-	(5)

NOTES TO THE FINANCIAL STATEMENTS

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

	Buildings RM'000	Equipment, furniture and fittings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Right- of-use assets RM'000	Total RM'000
Accumulated depreciation and impairment loss (Cont'd)						
At 31 March 2023/1 April 2023	1,314	6,063	43,924	9,071	93	60,465
Accumulated depreciation	686	224	2,179	-	-	3,089
Accumulated impairment loss						
	2,000	6,287	46,103	9,071	93	63,554
Depreciation for the year	163	283	1,147	826	21	2,440
Reversal of impairment loss	-	-	(143)	-	-	(143)
Disposals	-	-	(817)	(1,815)	-	(2,632)
Written off	-	(17)	-	-	-	(17)
At 31 March 2024	1,477	6,329	44,254	8,082	114	60,256
Accumulated depreciation	686	224	2,036	-	-	2,946
Accumulated impairment loss						
	2,163	6,553	46,290	8,082	114	63,202
Carrying amounts						
At 1 April 2022	5,639	870	4,543	2,252	19	13,323
At 31 March 2023/1 April 2023	5,476	657	4,818	1,618	26	12,595
At 31 March 2024	5,313	398	3,739	1,646	25	11,121

NOTES TO THE FINANCIAL STATEMENTS

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

	Buildings RM'000	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Company Cost				
At 1 April 2022	2,585	595	300	3,480
Disposal	–	(3)	(300)	(303)
<hr/>				
At 31 March 2023/1 April 2023/ 31 March 2024	2,585	592	–	3,177
<hr/>				
Accumulated depreciation				
At 1 April 2022	361	405	300	1,066
<hr/>				
Depreciation for the year	52	52	–	104
Disposal	–	(3)	(300)	(303)
<hr/>				
At 31 March 2023/1 April 2023	413	454	–	867
Depreciation for the year	52	52	–	104
<hr/>				
At 31 March 2024	465	506	–	971
<hr/>				
Carrying amounts				
At 1 April 2022	2,224	190	–	2,414
<hr/>				
At 31 March 2023/1 April 2023	2,172	138	–	2,310
<hr/>				
At 31 March 2024	2,120	86	–	2,206
<hr/>				

(i) Leased assets

At 31 March 2024, the carrying amounts of machineries and motor vehicles of the Group under hire purchase arrangements are RM3,883,000 (2023: RM4,652,000).

(ii) Impairment loss and subsequent reversal

The Group and the Company review the property, plant and equipment when there is an indication of impairment. The recoverable amount is determined based on its fair value less costs of disposal. Fair value is assessed to comparable property, plant and equipment and are adjusted for differences in key attributes such as asset type and estimated remaining useful life.

In the previous financial year, the Group impaired plant and machinery of RM2,000. Impairment loss was made as the carrying amounts of these plant and machinery were stated in excess of their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**(ii) Impairment loss and subsequent reversal (Cont'd)**

A reversal of impairment loss was made by the Group in relation to plant and machinery of RM143,000 (2023: RM64,000) to reflect its recoverable amount.

The impairment loss and reversal of impairment loss of property, plant and equipment were recognised in other expense and other income, respectively.

(iii) Plant and machinery subject to operating lease

The Group leases some of its plant and machinery to third parties. The Group generally does not require a financial guarantee on the lease arrangement. These leases do not include residual value guarantees.

The following are recognised in profit or loss:

	2024	2023
	RM'000	RM'000
Group		
Lease income	213	318

(iv) Right-of-use assets

The Group leases a number of office equipment that run between 2 to 5 years.

(v) Material accounting policy information**(a) Recognition and measurement**

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

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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

- Buildings 5 - 50 years
- Equipment, furniture and fittings 10 years
- Plant and machinery 10 - 20 years
- Motor vehicles 5 years

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group Cost			
At 1 April 2022	45,260	54,661	99,921
Addition	55,535	440	55,975
Disposal	–	(8,189)	(8,189)
Asset classified as held for sale	–	(2,275)	(2,275)
At 31 March 2023/1 April 2023	100,795	44,637	145,432
Addition	5	–	5
Disposal	–	(2,480)	(2,480)
Asset classified as held for sale	(12,794)	(2,884)	(15,678)
At 31 March 2024	88,006	39,273	127,279
Accumulated depreciation			
At 1 April 2022	–	13,433	13,433
Depreciation for the year	–	1,046	1,046
Disposal	–	(1,039)	(1,039)
Asset classified as held for sale	–	(246)	(246)
At 31 March 2023/1 April 2023	–	13,194	13,194
Depreciation for the year	–	865	865
Disposal	–	(1,029)	(1,029)
Asset classified as held for sale	–	(1,050)	(1,050)
At 31 March 2024	–	11,980	11,980
Carrying amounts			
At 1 April 2022	45,260	41,228	86,488
At 31 March 2023/1 April 2023	100,795	31,443	132,238
At 31 March 2024	88,006	27,293	115,299

- (i) As disclosed in Note 11.1(iii), addition in the previous financial year includes acquisition of a parcel of freehold vacant land held under Lot No.726, Mukim Pulai, District of Johor Bahru for a purchase consideration of RM53,240,000. The purchase consideration was satisfied via a settlement arrangement, wherein amounts due and payable by Iskandar Waterfront City Berhad and its subsidiaries (collectively, the "IWCB Group") to the Group of RM50,765,000 were respectively set-off against the purchase consideration of the said freehold land, with the remaining balance of RM2,475,000 satisfied via cash consideration.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONT'D)

	Freehold land RM'000	Buildings RM'000	Total RM'000
Company			
Cost			
At 1 April 2022/31 March 2023/ 1 April 2023	12,794	20,600	33,394
Disposal	–	(1,928)	(1,928)
Asset classified as held for sale	(12,794)	(2,884)	(15,678)
At 31 March 2024	–	15,788	15,788
Accumulated depreciation and accumulated impairment losses			
At 1 April 2022			
Accumulated depreciation	–	7,203	7,203
Accumulated impairment loss	–	614	614
Depreciation for the year	–	7,817	7,817
	–	492	492
At 31 March 2023/1 April 2023			
Accumulated depreciation	–	7,695	7,695
Accumulated impairment loss	–	614	614
Depreciation for the year	–	8,309	8,309
Disposal	–	(832)	(832)
Asset classified as held for sale	–	(1,050)	(1,050)
At 31 March 2024			
Accumulated depreciation	–	6,269	6,269
Accumulated impairment loss	–	614	614
	–	6,883	6,883
Carrying amounts			
At 1 April 2022	12,794	12,783	25,577
At 31 March 2023/1 April 2023	12,794	12,291	25,085
At 31 March 2024	–	8,905	8,905

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONT'D)**(ii) Titles**

A freehold land with a carrying amount of RM55,535,000 (2023: RM55,535,000) and certain buildings of subsidiaries with an aggregate carrying amount of RM2,970,000 (2023: RM2,992,000) were pending the issuance of strata title by the relevant authority.

(iii) Security

The land and building reclassified as an asset held for sale during the financial year is pledged to a bank as security for a revolving credit facility. Partial of the proceeds from the sale will be used to repay the revolving credit facility utilised (see Note 15.2).

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Rental income from external parties	2,032	2,259	1,037	1,253
Rental income from subsidiaries	–	–	681	605
Direct operating expenses:				
- income generating investment properties	628	570	500	285
- non-income generating investment properties	396	298	79	81

Maturity analysis of operating lease payments

	Group	
	2024 RM'000	2023 RM'000
Less than one year	2,021	2,248
One to two years	–	11
	2,021	2,259

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONT'D)**Fair value information**

Fair value of investment properties are categorised as follows:

	Fair value of investment properties not carried at fair value					
	2024			2023		
	Level 3 RM'000	Total fair value RM'000	Carrying amounts RM'000	Level 3 RM'000	Total fair value RM'000	Carrying amounts RM'000
Group						
Freehold land	143,368	143,368	88,006	178,561	178,561	100,795
Buildings	44,450	44,450	27,293	50,852	50,852	31,443
	187,818	187,818	115,299	229,413	229,413	132,238
Company						
Freehold land	–	–	–	40,000	40,000	12,794
Buildings	11,922	11,922	8,905	17,343	17,343	12,291
	11,922	11,922	8,905	57,343	57,343	25,085

Level 3 fair value

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

Level 3 fair values of land and buildings have been determined by the Directors' valuation using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size.

The significant unobservable input into the Directors' valuation is price per square foot of comparable properties.

Material accounting policy information

Investment properties are measured subsequently at cost less any accumulated depreciation and any accumulated impairment. Depreciation is charged to profit or loss on a straight-line basis over the estimated useful life of 50 years for buildings. Freehold land is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARIES

	Ordinary shares RM'000	Redeemable preference shares RM'000	Capital contribution RM'000	Total RM'000
Company				
2024				
At cost:				
Unquoted shares	75,862	66,628	4,669	147,159
Additions for the year	–	19,513	–	19,513
Redemption during the year	–	(17,801)	–	(17,801)
	75,862	68,340	4,669	148,871
Impairment losses	(3,000)	(12,426)	(4,199)	(19,625)
	72,862	55,914	470	129,246
2023				
At cost:				
Unquoted shares	75,862	58,088	4,669	138,619
Additions for the year	–	32,370	–	32,370
Redemption during the year	–	(23,830)	–	(23,830)
	75,862	66,628	4,669	147,159
Impairment losses	(3,000)	(12,426)	(4,199)	(19,625)
	72,862	54,202	470	127,534

Movement in investments in existing subsidiaries**Redeemable preference shares**

During the financial year, the Company increased its investments in redeemable preference shares of the subsidiaries in the Group by way of contra of debts of RM5,557,000 (2023: RM32,370,000) and the remaining by cash consideration of RM13,956,000 (2023: Nil).

The redeemable preference shares are redeemable at the option of the issuer and do not carry the right to vote except for variation of holders' right to the class of shares and rank equally with regards to the subsidiary's residual assets.

During the financial year, the Company also redeemed its redeemable preference shares by way of contra of debts of RM16,036,000 (2023: RM23,830,000) and the remaining by cash consideration of RM1,765,000 (2023: Nil).

Capital contribution

The capital contribution is for working capital purposes and treated as quasi-capital in view of the intention of the holding company to provide long-term financial support to respective subsidiaries. The capital contribution has no fixed terms of repayment and is repayable at the discretion of the subsidiaries.

Details of the subsidiaries are as disclosed in Note 30.

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)***Movement in investments in existing subsidiaries (Cont'd)******Impairment***

The impairment loss was recognised in relation to certain loss-making subsidiaries as follows:

	Company	
	2024	2023
	RM'000	RM'000
At 1 April	19,625	19,802
Impairment loss recognised	–	123
Reversal of impairment loss	–	(300)
	<hr/>	<hr/>
At 31 March	19,625	19,625

The impairment loss is recognised as part of other expenses. The reversal of impairment loss is recognised as part of other income.

5.1 Significant judgements and assumptions in relation to impairment of investment in subsidiaries

The Company reviews its investments in subsidiaries when there is an indication of impairment. The Company applies significant judgement in assessing the impairment loss made by considering all facts and circumstances including the subsidiaries' past financial information and future business plan to help them to determine whether impairment loss in relation to its costs of investment in its subsidiaries.

5.2 Material accounting policy information

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

6. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	1,918	1,918	40	40
Capital contribution	1,960	1,960	1,960	1,960
	<hr/>	<hr/>	<hr/>	<hr/>
Share of post-acquisition results	3,878	3,878	2,000	2,000
Less: Impairment loss	342	251	–	–
	(2,318)	(2,318)	(2,000)	(2,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,902	1,811	–	–

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN ASSOCIATES (CONT'D)**Capital contribution**

The capital contribution is for working capital purposes and is treated as quasi-equity. The capital contribution has no fixed term of repayment and amount payable is at the discretion of the associate. The capital contribution has been fully impaired.

Impairment loss

The impairment loss was recognised in relation to certain loss-making associates as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 April/31 March	2,318	2,318	2,000	2,000

Details of the associates are as follows:

Name of Company	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
Held by Knusford Berhad:				
CBD Development Sdn. Bhd. ("CBD") #	Malaysia	Dormant	40	40
Held through Knusford Project Management Sdn. Bhd.:				
Signature Office Property Inc. ("SOPI") #	Philippines	Investment holding	22	22

Not audited by KPMG PLT or member firms of KPMG International.

The associates have a different financial year end from the Group. In applying the equity method of accounting, the unaudited financial information of the associates for the financial year ended 31 March 2024 have been used, adjusted for any differences in accounting policy.

The contribution of CBD and SOPI are immaterial to the financial performance and position of the Group for the current financial year and previous financial year, hence the financial information of CBD and SOPI are not disclosed.

6.1 Material accounting policy information

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

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At cost				
Unquoted shares				
Ordinary shares	593	593	-	-
Capital contribution	7,875	7,875	-	-
	8,468	8,468	-	-
Distribution of dividend	(663)	(2,550)	-	-
Share of post-acquisition results	(7,545)	(5,010)	-	-
	260	908	-	-

Details of the joint ventures are as follows:

Name of Company	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
Held through Kota Ekspres Sdn. Bhd.:				
Greenland Knusford Construction Sdn. Bhd. ("GKC") #	Malaysia	Construction	45	45
Held through Knusford Construction Sdn. Bhd.:				
Knusford Compass Sdn. Bhd. ("KCOM")	Malaysia	Integrated facility management services	51	51

Not audited by KPMG PLT.

Greenland Knusford Construction Sdn. Bhd. ("GKC") and Knusford Compass Sdn. Bhd. ("KCOM") are structured as separate vehicles and provide the Group rights to the net assets of the respective entities. Accordingly, the Group has classified the investments in GKC and KCOM as joint ventures.

The joint ventures have a different financial year end from the Group. In applying the equity method of accounting, the audited financial statements of the joint ventures for the financial year ended 31 December 2023 have been used, adjusted for any differences in accounting policy.

The contributions of GKC and KCOM are immaterial to the financial performance and position of the Group for the current financial year and previous financial year, hence the financial information of GKC and KCOM are not disclosed.

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN JOINT VENTURES (CONT'D)***Redeemable preference shares***

The redeemable preference shares are redeemable at the option of the issuer and do not carry the right to vote except for variation of holders' right to the class of shares and rank equally with regards to the joint venture's residual assets.

Material accounting policy information

Investments in joint ventures are measured in the Company's statement of financial position at cost less any impairment losses.

8. DEFERRED TAX ASSETS/(LIABILITIES)**Recognised deferred tax assets/(liabilities)**

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Group						
Property, plant and equipment	–	–	(438)	(457)	(438)	(457)
Provisions	20	20	–	–	20	20
Tax assets/(liabilities)	20	20	(438)	(457)	(418)	(437)
Set-off	(3)	(3)	3	3	–	–
Net tax assets/(liabilities)	17	17	(435)	(454)	(418)	(437)
Company						
Property, plant and equipment	–	–	(363)	(363)	(363)	(363)

Deferred tax assets and liabilities are offset above when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

8. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**Movement in temporary differences during the year**

	At 1.4.2022 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31.3.2023/ 1.4.2023 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31.3.2024 RM'000
Group					
Property, plant and equipment	(488)	31	(457)	19	(438)
Provisions	117	(97)	20	–	20
	(371)	(66)	(437)	19	(418)
Company					
Property, plant and equipment	(363)	–	(363)	–	(363)

Unrecognised deferred tax assets

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

	Group	
	2024 RM'000	2023 RM'000
Property, plant and equipment	(2,484)	(2,511)
Unabsorbed capital allowances	6,766	7,032
Unutilised tax losses	10,743	13,084
Provisions	97,920	85,632
	112,945	103,237

The deferred tax assets arising from property, plant and equipment, provisions, unutilised tax losses and unabsorbed capital allowances of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

NOTES TO THE FINANCIAL STATEMENTS

8. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The unabsorbed capital allowances do not expire under current tax legislation. Tax losses for which no deferred tax asset was recognised expire as follows:

	Group	
	2024	2023
	RM'000	RM'000
Expiring in 2028	8,689	8,689
Expiring in 2029	368	368
Expiring in 2030	25	2,924
Expiring in 2033	1,103	1,103
Expiring in 2034	558	–
	10,743	13,084

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group entities can utilise the benefits thereon.

9. INVENTORIES

	Group	
	2024	2023
	RM'000	RM'000
Non-current		
Land held for future development	960	2,140
Current		
Developed properties held for sale	3,141	4,035
	4,101	6,175
Recognised in profit or loss:		
- Inventories recognised as cost of sales	2,007	4,434
- Reversal of inventory previously written down	–	(118)

Included in the land held for future development is land pledged for a bank facility granted to a subsidiary (see Note 15.2) which has been written down to its net realisable value in prior years. The land will be used for the development of affordable housing and partially to be surrendered to the state government.

The reversal of inventories written down was recognised as part of cost of sales in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

9. INVENTORIES (CONT'D)**9.1 Material accounting policy information**

(i) Land held for future development

Land held for future development consists of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current assets and is stated at the lower of cost and net realisable value.

Land held for future development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(ii) Developed properties held for sale

Developed properties held for sale are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the specific identification method and consists of costs associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing the properties to completion. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(iii) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs are recognised as an asset and is stated at the lower of cost and net realisable value.

10. ASSET CLASSIFIED AS HELD FOR SALE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Freehold land	12,794	-	12,794	-
Building	2,884	2,275	2,884	-
Less: Accumulated depreciation	(1,050)	(246)	(1,050)	-
	1,834	2,029	1,834	-
	14,628	2,029	14,628	-

NOTES TO THE FINANCIAL STATEMENTS

10. ASSET CLASSIFIED AS HELD FOR SALE (CONT'D)

During the financial year, the Group and the Company have entered into Sale and Purchase Agreement with related party for the sale of a piece of freehold land with the building erected thereon for a total consideration of RM28,000,000 on 27 March 2024. A freehold land together with the building of the Group and the Company are classified as held for sale as the Group's management has committed to a plan to sell them within the next twelve months.

As of the date of this report, certain conditions precedent of the Sale and Purchase Agreements have not been fulfilled and therefore the sale of property has yet to be completed.

In the previous financial year, the Group had entered into Sale and Purchase Agreement with third party for the sale of a piece of freehold commercial land with a single storey building erected thereon for a total consideration of RM11,900,000 on 30 March 2023. A building of the Group was classified as held for sale as the Group's management had committed to a plan to sell the building within the next twelve months. The sale of the building has completed during the financial year.

The carrying amount of the freehold land and buildings are the same as the carrying amount before being reclassified to current assets.

11. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Trade					
Trade receivables		24,523	–	–	–
Less: Impairment loss		(2,077)	–	–	–
	11.1	22,446	–	–	–
Current					
Trade					
Trade receivables		253,248	260,108	318	414
Less: Impairment loss		(35,917)	(36,723)	–	(412)
	11.1	217,331	223,385	318	2
Contract advances		–	19,574	–	–
Less: Impairment loss		–	(19,574)	–	–
	11.2	–	–	–	–
Amounts due from sub-contractors	11.3	4,897	1,396	–	–
		222,228	224,781	318	2

NOTES TO THE FINANCIAL STATEMENTS

11. TRADE AND OTHER RECEIVABLES (CONT'D)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current Non-trade					
Advances to a subsidiary	11.4	-	-	15,000	15,000
Amounts due from subsidiaries		-	-	15,565	1,728
Less: Impairment loss		-	-	(90)	(101)
	11.5	-	-	15,475	1,627
Other receivables	11.1	2,467	7,075	129	577
Less: Impairment loss		(35)	(103)	-	-
		2,432	6,972	129	577
Deposits		6,189	5,781	59	59
Less: Impairment loss		(2,041)	(1,941)	-	-
Prepayments		4,148	3,840	59	59
		559	421	23	25
		7,139	11,233	30,686	17,288
		229,367	236,014	31,004	17,290
		251,813	236,014	31,004	17,290

11.1 Trade receivables and other receivables

- (i) Included in trade receivables of the Group and of the Company are amounts due from related parties as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade receivables	205,383	170,986	307	412
Impairment loss recognised	(18,780)	(20,580)	-	(412)
	186,603	150,406	307	-
Retention sum	21,214	21,643	-	-
Impairment loss recognised	(205)	(203)	-	-
	21,009	21,440	-	-
Total amounts due from related parties	207,612	171,846	307	-

The amounts due from related parties are subjected to negotiated trade terms.

NOTES TO THE FINANCIAL STATEMENTS

11. TRADE AND OTHER RECEIVABLES (CONT'D)

11.1 Trade receivables and other receivables (Cont'd)

- (ii) As at 31 March 2024, the Group has receivables from Ekovest Berhad's subsidiaries ("Ekovest Group") of RM180,352,000 (2023: RM156,679,000).

Up to 18 July 2024, Ekovest Group has repaid RM13,220,000, with remaining debts outstanding of RM167,132,000. On 22 July 2024, the Group has accepted in principle a proposal from Ekovest Berhad in relation to settlement of debts owing by Ekovest Group via either cash or contra of properties for a sum of up to RM106,000,000 no later than 31 March 2025, with the remaining RM61,132,000 to be settled via cash of RM45,000,000 on or before 31 August 2024, and the remaining RM16,132,000 will be paid by monthly instalments of not less than RM2,000,000 per month, commencing from 1 November 2024. If Ekovest Berhad subsequently opts to off-set the debts with properties, this will be subject to the signing of a Definitive Agreement.

- (iii) In the previous financial year, included in trade receivables and other receivables are amounts due from related parties of RM45,428,000 and RM3,391,000 which were settled in a form of contra of a parcel of land with a cost of RM53,240,000 as disclosed in Note 4 of the financial statements. The settlement arrangement was completed on 7 December 2022 with trade receivables and other receivables of RM47,374,000 and RM3,391,000 respectively being set off as part of the settlement arrangement.
- (iv) Included in trade receivables at 31 March 2024 are retention sums of RM39,326,000 (2023: RM39,928,000) relating to construction work-in-progress. Retentions are unsecured, interest free and are expected to be collected as follows:

	Group	
	2024 RM'000	2023 RM'000
Within 1 year	4,280	1,947
More than 1 year	35,046	37,981
	39,326	39,928
Impairment loss recognised	(2,779)	(357)
	36,547	39,571

11.2 Contract advances

The contract advances were related to advances provided to sub-contractors and external suppliers, which were unsecured, interest free and expected to be offset with the future billings.

In the prior years, a subsidiary commenced winding up action against an external supplier for non-delivery of the building materials of RM19,574,000 where contract advances were made. As a result, the entire amount of RM19,574,000 was impaired. During the financial year, the entire amount has been written off as the external supplier has wound-up.

11.3 Amounts due from sub-contractors

Amounts due from the sub-contractors mainly relate to the purchase of building materials for the purpose of the construction contracts on behalf of the sub-contractors. The amounts are unsecured, interest free and expected to be offset with billings received in relation to the construction contract.

NOTES TO THE FINANCIAL STATEMENTS

11. TRADE AND OTHER RECEIVABLES (CONT'D)**11.4 Advances to a subsidiary**

Advances to a subsidiary are unsecured, subject to interest ranging from 5.77% to 6.45% (2023: 4.47% to 4.85%) per annum and repayable on demand. The advances to a subsidiary are funded by a revolving credit facility of the Company as disclosed in Note 15.2 to the financial statements.

11.5 Amounts due from subsidiaries

The amounts due from subsidiaries of the Company are unsecured, interest free and repayable on demand.

12. CONTRACT WITH CUSTOMERS**12.1 Contract assets/(liabilities)**

	Group	
	2024	2023
	RM'000	RM'000
Contract assets	47,095	31,999
Less: Impairment loss	(2,604)	–
	44,491	31,999
Contract liabilities	–	(8,061)

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date.

The contract liabilities primarily relate to the advance consideration received from customers for construction contracts of Nil (2023: RM8,061,000), where revenue is recognised over time.

Significant changes to contract assets and contract liabilities balances during the year are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Contract liabilities at the beginning of the year recognised as revenue	8,061	9,936
Decrease in revenue recognised in previous year arising from:		
- Change in variable consideration	(4,754)	(2,925)

NOTES TO THE FINANCIAL STATEMENTS

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deposits with licensed banks	–	6,057	–	464
Cash and bank balances	1,700	10,562	199	1,312
	1,700	16,619	199	1,776

14. SHARE CAPITAL

	← Group and Company →			
	Amount 2024 RM'000	Number of shares 2024 '000	Amount 2023 RM'000	Number of shares 2023 '000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 April/31 March	122,338	99,645	122,338	99,645

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.

15. BORROWINGS

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Hire purchase liabilities	15.1	829	1,034	–	–
Lease liabilities		15	11	–	–
		844	1,045	–	–
Current					
Revolving credits	15.2	48,707	49,507	15,000	15,000
Bankers' acceptances	15.3	9,805	3,592	–	–
Hire purchase liabilities	15.1	936	1,780	–	–
Lease liabilities		11	17	–	–
		59,459	54,896	15,000	15,000
		60,303	55,941	15,000	15,000

NOTES TO THE FINANCIAL STATEMENTS

15. BORROWINGS (CONT'D)**15.1 Hire purchase liabilities**

Hire purchase liabilities are payable as follows:

	Future minimum lease payments 2024 RM'000	Interest 2024 RM'000	Present value of minimum lease payments 2024 RM'000	Future minimum lease payments 2023 RM'000	Interest 2023 RM'000	Present value of minimum lease payments 2023 RM'000
Group						
Less than one year	989	53	936	1,876	96	1,780
Between one and five years	885	56	829	1,067	33	1,034
	1,874	109	1,765	2,943	129	2,814

15.2 Revolving credits

The revolving credit facilities granted to a subsidiary are secured over a freehold land (see Note 4) and land held for development of the Group (see Note 9).

As disclosed in Note 4, the freehold land pledged with the bank as a security for the revolving credit facility has been reclassified to asset held for sale. Partial of the proceeds from the sale will be used to repay the revolving credit facility utilised of RM12,207,000 as at 31 March 2024.

15.3 Bankers' acceptances

The bankers' acceptances granted to a subsidiary are with repayment terms of 90 - 120 days (2023: 90 - 120 days).

NOTES TO THE FINANCIAL STATEMENTS

15. BORROWINGS (CONT'D)

15.4 Reconciliation of movement of liabilities to cash flows arising from financing activities

The movement of borrowings in the statements of cash flows is as follows:

Group	At 1.4.2022		Repayment		Drawdown from		Acquisition of hire purchase/ lease liabilities		Drawdown from		Acquisition of hire purchase/ lease liabilities		At 31.3.2024	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Hire purchase liabilities	5,571	(3,037)	-	-	-	280	2,814	(1,822)	-	773	1,765			
Lease liabilities	21	(19)	-	-	-	26	28	(22)	-	20	26			
Bankers' acceptances	-	-	3,592	-	-	-	3,592	-	6,213	-	9,805			
Revolving credits	36,500	-	-	13,007	-	-	49,507	(800)	-	-	48,707			
Total liabilities from financing activities	42,092	(3,056)	3,592	13,007	306	55,941	(2,644)	6,213	793	60,303				
Company														
Revolving credits	15,000	-	-	-	-	15,000	-	-	-	-	15,000			
Total liabilities from financing activities	15,000	-	-	-	-	15,000	-	-	-	-	15,000			

NOTES TO THE FINANCIAL STATEMENTS

16. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade					
Trade payables	16.1	98,112	111,440	4	–
Contract advances	16.2	10,000	10,000	–	–
		108,112	121,440	4	–
Non-trade					
Other payables and accrued expenses		44,662	34,571	10,232	1,753
Amounts due to subsidiaries	16.3	–	–	5	30
		44,662	34,571	10,237	1,783
		152,774	156,011	10,241	1,783

16.1 Trade payables

Included in trade payables of the Group are retention sums amounting to RM29,103,000 (2023: RM31,840,000).

Included in trade payables of the Group are trade accruals amounting to RM35,127,000 (2023: RM31,089,000) in relation to subcontractors' claims for which billings have yet to be received.

16.2 Contract advances

Contract advances relate to the advance payments received from a construction customer in the previous years.

16.3 Amounts due to subsidiaries

The amounts due to subsidiaries of the Company are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

17. REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contracts with customers				
Sale of goods	53,326	72,490	-	-
Contract revenue	83,213	64,522	-	-
Property development revenue	9,826	19,111	-	-
Landscaping maintenance services	194	867	-	-
	146,559	156,990	-	-
Other revenue				
Rental of motor vehicle and machinery	213	318	-	-
Rental income from investment properties	2,032	2,259	1,718	1,858
Dividend income from an unquoted subsidiary	-	-	3,389	8,559
	2,245	2,577	5,107	10,417
Total revenue	148,804	159,567	5,107	10,417
Timing of recognition on revenue with contract customers				
At a point in time	63,152	91,601	-	-
Over time	83,407	65,389	-	-
	146,559	156,990	-	-

Revenue of the Group and of the Company are predominantly from operations in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

17. REVENUE (CONT'D)**17.1 Nature of goods and services**

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of revenue recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Sale of goods	Revenue is recognised at a point in time when the control of the goods are transferred to the customer. The goods are transferred when (or as) the customer obtains control of the goods.	Credit period of 30 to 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Contract revenue	Revenue is recognised over time using the stage of completion method. The stage of completion is measured using the input method, which is based on the proportion of total cost incurred at the reporting date compared to management's estimation of total cost of the contract.	Based on agreed milestones, certified by architects.	Variation orders are recognised upon certification from customers.	Not applicable.	Defect liability period of 1 to 2 years are given to the customers.
Property development revenue	Revenue is recognised at a point in time when the control of the properties are transferred to the customer. The properties are transferred when (or as) the customer obtains control of the properties.	Credit period of 30 to 90 days from invoice date.	Not applicable.	Not applicable.	Defect liability period of 2 years are given to the customers.
Landscaping maintenance services	Revenue is recognised over time as and when the maintenance services are performed or when the customer consumes the services.	Credit period of 30 to 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS

17. REVENUE (CONT'D)

17.2 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

	Group	
	2025 RM'000	2026 RM'000
Revenue from construction contracts	83,145	46,344

The above revenue does not include variable consideration unless certified by the main customers.

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

17.3 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers:

- For construction contracts, the Group measured the performance of construction work done by comparing the actual costs incurred with the estimated total costs required to complete the construction. Significant judgements are required to estimate the total contract costs to complete. In making these estimates, management relied on professionals' estimates and also on past experience. A change in the estimates will directly affect the revenues to be recognised.

18. COST OF SALES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cost of goods sold	50,648	69,417	–	–
Contract costs recognised as an expense	70,215	60,294	–	–
Property development expenses	2,396	4,191	–	–
Direct operating expenses	1,993	3,644	1,139	963
Landscaping maintenance services	709	1,103	–	–
	125,961	138,649	1,139	963

NOTES TO THE FINANCIAL STATEMENTS

19. FINANCE INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest income	245	4,619	18	5

20. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense from:				
- Hire purchase liabilities	106	203	-	-
- Lease liabilities	2	3	-	-
- Other finance costs	849	351	-	-
- Revolving credit	2,964	2,388	-	-
	3,921	2,945	-	-

21. PROFIT BEFORE TAX

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax is arrived at after charging/(crediting):					
Auditors' remuneration:					
KPMG PLT					
- Audit fees		342	342	85	85
- Non-audit fees		8	8	-	-

Material expenses/(income)

Depreciation of property, plant and equipment	3	2,440	3,108	104	104
Depreciation of investment properties	4	865	1,046	456	492
Gain on disposal of property, plant and equipment		(585)	(1,217)	-	(81)
Gain on disposal of investment properties		(9,873)	(1,172)	(722)	-
Impairment loss on non-financial assets:					
- Investments in subsidiaries	5	-	-	-	123
- Property, plant and equipment	3	-	2	-	-

NOTES TO THE FINANCIAL STATEMENTS

21. PROFIT BEFORE TAX (CONT'D)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax is arrived at after charging/(crediting): (Cont'd)					
Material expenses/ (income) (Cont'd)					
Reversal of impairment loss on non-financial assets:					
- Investment in a subsidiary	5	-	-	-	(300)
- Property, plant and equipment	3	(143)	(64)	-	-
Property, plant and equipment written off		1	-	-	-
Personnel expenses (including key management personnel):					
- Wages, salaries and others		11,280	11,480	495	541
- Contributions to Employees' Provident Fund		1,014	1,045	12	15
Reversal of inventories previously written down	9	-	(118)	-	-
Expenses/(Income) arising from leases					
Expenses relating to short-term leases	21.1	1,876	2,812	9	-
Lease income from machinery and motor vehicle		(213)	(318)	-	-
Lease income from investment properties		(2,032)	(2,259)	(1,718)	(1,858)
Net loss/(gain) on impairment of financial instruments and contract assets					
Impairment loss on financial assets at amortised cost:					
- Trade receivables		8,385	3,885	-	119
- Other receivables and deposits		101	1,459	-	-
- Amount due from subsidiaries		-	-	26	-
- Contract assets		2,604	-	-	-
Reversal of impairment loss on financial assets at amortised cost:					
- Trade receivables		(7,114)	(1,188)	(412)	(5)
- Other receivables and deposits		(69)	(38)	-	-
- Amount due from subsidiaries		-	-	(37)	-
- Contract assets		-	(9)	-	-
		3,907	4,109	(423)	114

NOTES TO THE FINANCIAL STATEMENTS

21. PROFIT BEFORE TAX (CONT'D)**21.1 Expenses relating to short-term leases**

The Group leases property, plant and equipment and motor vehicles with contract terms of less than 1 year. These leases are short-term in nature and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

22. TAX EXPENSE**Recognised in profit or loss**

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax expense					
Current year		4,651	4,650	242	344
(Over)/Under provision in prior years		(191)	(14)	(7)	77
		4,460	4,636	235	421
Deferred tax expense					
Origination and reversal of temporary differences		(19)	66	-	-
	8	(19)	66	-	-
		4,441	4,702	235	421

Reconciliation of tax expense

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax		13,625	2,366	4,086	8,089
Income tax calculated using Malaysian tax rate of 24% (2023: 24%)		3,270	568	981	1,941
Non-deductible expenses		1,486	2,777	182	516
Non-taxable income	22.1	(2,454)	-	(921)	(2,113)
Effect of deferred tax assets not recognised		2,330	1,371	-	-
		4,632	4,716	242	344
(Over)/Under provision in prior years		(191)	(14)	(7)	77
		4,441	4,702	235	421

22.1 Non-taxable income

Non-taxable income of the Group and of the Company mainly relates to tax effect on gain on disposal of investment properties and dividend income received during the year.

NOTES TO THE FINANCIAL STATEMENTS

23. EARNINGS/(LOSS) PER ORDINARY SHARE**Basic earnings/(loss) per ordinary share**

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

	Group	
	2024	2023
	RM'000	RM'000
Profit/(Loss) for the year attributable to owners of the Company	9,184	(2,336)
Weighted average number of ordinary shares at 31 March	99,645	99,645
	Sen	Sen
Basic earnings/(loss) per ordinary share	9.22	(2.34)

There is no dilution of earnings per share as there is no potential diluted ordinary shares.

24. DIVIDENDS

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

25. OPERATING SEGMENTS

Operating segments are components in which separate financial information is available that is evaluated regularly by the Executive Directors of the Group in deciding how to allocate resources and in assessing performance of the Group. The Group has five reportable segments as described below:

Trading	Sales of light and heavy machinery and trading of building materials
Property development	Development of residential and commercial properties
Investment property	Rental of investment properties
Construction	Civil works contracting and landscape construction
Services	Rental of machineries and equipment, provision of transportation services, and landscape maintenance

NOTES TO THE FINANCIAL STATEMENTS

25. OPERATING SEGMENTS (CONT'D)

The trading segment is operated by two main operating subsidiaries within the Group. These operating segments are aggregated to form a reportable segment due to the similar nature and economic characteristics of the products provided. The type of customers for these segments consists of commercial contractors.

Performance is measured based on segment profit before tax, interest and depreciation as included in the internal management reports that are reviewed by the Executive Director of the Group (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets of a segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

25. OPERATING SEGMENTS (CONT'D)

Group	Trading		Property development		Investment property		Construction		Services		Eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total external revenue	53,326	72,490	9,826	19,111	2,032	2,259	83,213	64,522	407	1,185	-	-	148,804	159,567
Inter-segment revenue	8,486	6,354	-	-	681	605	-	-	409	78	(9,576)	(7,037)	-	-
Total segment revenue	61,812	78,844	9,826	19,111	2,713	2,864	83,213	64,522	816	1,263	(9,576)	(7,037)	148,804	159,567
Share of profit of equity accounted investments, net of tax	106	173	-	-	-	-	-	-	-	-	-	-	106	173
Segment profit/(loss)	(949)	(1,599)	6,721	9,433	10,183	1,814	816	(5,321)	1,509	(2,106)	(1,165)	(2,050)	17,115	171
Unallocated other expenses													80	348
Finance income	96	84	28	14	37	20	44	4,455	40	46	-	-	17,301	692
Finance costs	(734)	(63)	-	-	-	-	(3,184)	(2,869)	(3)	(13)	-	-	245	4,619
Profit before tax													(3,921)	(2,945)
Tax expense													13,625	2,366
Net profit/(loss) for the year													(4,441)	(4,702)
													9,184	(2,336)
<i>Included in measure of segment profit is:</i>														
Depreciation of property, plant and equipment and investment properties	(171)	(154)	(4)	(63)	(1,336)	(1,495)	(1,170)	(1,726)	(624)	(716)	-	-	(3,305)	(4,154)
Net reversal of impairment loss of property, plant and equipment	143	-	-	-	-	64	-	-	-	(2)	-	-	143	62
Net loss on impairment of financial instruments and contract assets	(1,231)	(2,413)	(96)	-	395	(266)	(5,596)	(520)	2,621	(910)	-	-	(3,907)	(4,109)

NOTES TO THE FINANCIAL STATEMENTS

25. OPERATING SEGMENTS (CONT'D)

	Trading		Property development		Investment property		Construction		Services		Eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group														
Segment assets	64,466	66,978	17,793	20,423	110,983	131,795	225,118	207,504	26,814	14,099	-	-	445,174	440,799
Unallocated assets													368	289
Total assets													445,542	441,088
<i>Included in measure of segment assets are:</i>														
Investments in associates	1,902	1,811	-	-	-	-	-	-	-	-	-	-	1,902	1,811
Investments in joint ventures	260	908	-	-	-	-	-	-	-	-	-	-	260	908
Capital expenditure of property, plant and equipment and investment properties	221	17	-	-	-	-	738	2,245	13	187	-	-	972	2,449
Segment liabilities	(21,876)	(39,383)	(23,599)	(25,698)	(9,012)	(46)	(153,962)	(150,865)	(4,726)	(4,098)	-	-	(213,175)	(220,090)
Unallocated liabilities													(3,837)	(1,652)
Total liabilities													(217,012)	(221,742)

Geographical information

The revenues of the Group are from its operations in Malaysia.

All non-current assets of the Group were maintained within Malaysia.

Major customers

Revenue from seven customers (2023: eight customers) of the Group amounted to RM121,730,000 (2023: RM111,824,000) which contributed to 82% (2023: 70%) of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS**26.1 Categories of financial instruments**

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

	Carrying amount RM'000	AC RM'000
2024		
Group		
Financial assets		
Trade and other receivables*	246,357	246,357
Cash and cash equivalents	1,700	1,700
	<hr/> 248,057	<hr/> 248,057
Financial liabilities		
Borrowings#	(60,277)	(60,277)
Trade and other payables^	(142,774)	(142,774)
	<hr/> (203,051)	<hr/> (203,051)
Company		
Financial assets		
Trade and other receivables*	30,981	30,981
Cash and cash equivalents	199	199
	<hr/> 31,180	<hr/> 31,180
Financial liabilities		
Borrowings	(15,000)	(15,000)
Trade and other payables	(10,241)	(10,241)
	<hr/> (25,241)	<hr/> (25,241)

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONT'D)**26.1 Categories of financial instruments (Cont'd)**

	Carrying amount RM'000	AC RM'000
2023		
Group		
Financial assets		
Trade and other receivables*	234,197	234,197
Cash and cash equivalents	16,619	16,619
	<hr/> 250,816	<hr/> 250,816
Financial liabilities		
Borrowings#	(55,913)	(55,913)
Trade and other payables^	(146,011)	(146,011)
	<hr/> (201,924)	<hr/> (201,924)
Company		
Financial assets		
Trade and other receivables*	17,265	17,265
Cash and cash equivalents	1,776	1,776
	<hr/> 19,041	<hr/> 19,041
Financial liabilities		
Borrowings	(15,000)	(15,000)
Trade and other payables	(1,783)	(1,783)
	<hr/> (16,783)	<hr/> (16,783)

* Excluding contract advances, amounts due from sub-contractors and prepayments.

Excluding lease liabilities.

^ Excluding contract advances from a customer.

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONT'D)**26.2 Net gains and losses arising from financial instruments**

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net (losses)/gains on:				
Financial assets at amortised cost	(3,662)	510	441	(109)
Financial liabilities at amortised cost	(3,919)	(2,942)	–	–
	(7,581)	(2,432)	441	(109)

26.3 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

26.4 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 amounts due from subsidiaries and advances to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables and contract assets

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.

At each reporting date, the Group and the Company assess whether any of the trade receivables and contract assets are credit impaired.

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

There are no significant changes as compared to previous year.

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONT'D)**26.4 Credit risk (Cont'd)****Trade receivables and contract assets (Cont'd)**

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 and contract assets are represented by the carrying amounts in the statements of financial position.

Concentration of credit risk

As at 31 March 2024, the Group has significant concentration of credit risk in the form of outstanding balances from seven customers (2023: eight customers) which amounted to RM43,500,000 (2023: RM59,302,000) representing 15% (2023: 23%) of total trade receivables and contract assets, and outstanding balances from five related parties (2023: three related parties) amounting to RM204,814,000 (2023: RM174,495,000) representing 72% (2023: 67%) of the total trade receivables and contract assets.

The disclosure of the credit risk exposure for trade receivables and contract assets as at the end of the reporting period by geographic region is not disclosed as the Group's and the Company's business are operated solely in Malaysia.

Recognition and measurement of impairment losses

In managing credit of trade receivables and contract assets, the Group and the Company manage their debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group adopts the simplified approach and uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables and contract assets for all segments except for construction segment and property development segment.

ECL is estimated based on an analysis of the actual historical default rates. The default rates are also critically evaluated based on the expectations of the responsible management team regarding the collectability of the receivables.

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 construction contracts, as there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable.

The Group does not have any significant credit risk from its property development activities as its products are predominantly sold to property purchasers with end financing facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties revert to the Group in the event of default, and the products do not suffer from physical, technological nor fashion obsolescence.

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONT'D)**26.4 Credit risk (Cont'd)****Trade receivables and contract assets (Cont'd)**

Recognition and measurement of impairment losses (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2024			
Current (not past due)	54,124	(3,369)	50,755
1 - 90 days past due	57,049	(3,551)	53,498
91 - 180 days past due	8,597	(535)	8,062
Past due more than 180 days	183,366	(11,413)	171,953
	303,136	(18,868)	284,268
Credit impaired			
Trade receivables individually impaired	21,517	(21,517)	-
Retention sums individually impaired	213	(213)	-
	21,730	(21,730)	-
	324,866	(40,598)	284,268
Represents by:			
Trade receivables	277,771	(37,994)	239,777
Contract assets	47,095	(2,604)	44,491
	324,866	(40,598)	284,268

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONT'D)**26.4 Credit risk (Cont'd)****Trade receivables and contract assets (Cont'd)***Recognition and measurement of impairment losses (Cont'd)*

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2023			
Current (not past due)	65,800	(2,205)	63,595
1 - 90 days past due	25,174	(844)	24,330
91 - 180 days past due	14,195	(475)	13,720
Past due more than 180 days	158,964	(5,225)	153,739
	264,133	(8,749)	255,384
Credit impaired			
Trade receivables individually impaired	27,687	(27,687)	-
Retention sums individually impaired	287	(287)	-
	27,974	(27,974)	-
	292,107	(36,723)	255,384
Represents by:			
Trade receivables	260,108	(36,723)	223,385
Contract assets	31,999	-	31,999
	292,107	(36,723)	255,384
Company			
2024			
Current (not past due)	7	-	7
1 - 90 days past due	11	-	11
Past due more than 180 days	300	-	300
Trade receivables	318	-	318
2023			
Current (not past due)	2	-	2
	2	-	2
Credit impaired			
Trade receivables individually impaired	412	(412)	-
Trade receivables	414	(412)	2

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONT'D)**26.4 Credit risk (Cont'd)****Trade receivables and contract assets (Cont'd)**

Trade receivables that are past due but not impaired are creditworthy debtors with good payment records with the Group and the Company.

The movements in the allowance for impairment in respect of trade receivables and contract assets of the Group and of the Company during the year are shown below:

	Trade receivables		Contract assets	Total
	Lifetime ECL	Credit impaired	Lifetime ECL	
	RM'000	RM'000	RM'000	RM'000
Group				
Balance at 1 April 2022	6,255	27,771	9	34,035
Impairment loss	3,011	874	–	3,885
Reversal of impairment loss	(517)	(671)	(9)	(1,197)
<hr/>				
Balance at 31 March 2023/ 1 April 2023	8,749	27,974	–	36,723
Impairment loss	8,168	217	2,604	10,989
Reversal of impairment loss	(653)	(6,461)	–	(7,114)
<hr/>				
Balance at 31 March 2024	16,264	21,730	2,604	40,598
<hr/>				
Company				
Balance at 1 April 2022	–	298	–	298
Impairment loss	–	119	–	119
Reversal of impairment loss	–	(5)	–	(5)
<hr/>				
Balance at 31 March 2023/ 1 April 2023	–	412	–	412
Reversal of impairment loss	–	(412)	–	(412)
<hr/>				
Balance at 31 March 2024	–	–	–	–
<hr/>				

Cash and cash equivalents

The cash and cash equivalents 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.

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONT'D)**26.4 Credit risk (Cont'd)****Other receivables and deposits**

Risk management objectives, policies and processes for managing the risk

Credit risks on other receivables and deposits are mainly arising from other debtors and deposits paid for utilities deposits. These deposits will be received at the end of each lease terms. The Group and the Company manage the credit risk together with the leasing arrangement.

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 statements of financial position.

Recognition and measurement of impairment loss

The movements in the allowance for impairment in respect of other receivables of the Group during the year are shown below:

	Other receivables RM'000	Deposits RM'000	Total RM'000
Group			
Balance at 1 April 2022	81	620	701
Impairment loss	37	1,422	1,459
Impairment written off	–	(78)	(78)
Reversal of impairment loss	(15)	(23)	(38)
<hr/>			
Balance at 31 March 2023/ 1 April 2023	103	1,941	2,044
Impairment loss	1	100	101
Reversal of impairment loss	(69)	–	(69)
<hr/>			
Balance at 31 March 2024	35	2,041	2,076

Other than the impairment loss made above, the Group and the Company are of the view that the loss allowance is not material in relation to the remaining other receivables and deposits balances at financial year end and hence, it is not provided for.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

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

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit risk (Cont'd)

Financial guarantees (Cont'd)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM33,707,000 (2023: RM34,507,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' banking facilities.

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 in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

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

No impairment loss was provided for financial guarantees during the financial year.

Amounts due from subsidiaries

Risk management objectives, policies and processes for managing the risk

The Company transacts with its subsidiaries. The Company monitors the ability of the subsidiaries to repay its debts 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 statements of financial position.

Amounts due from subsidiaries are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers amounts due from subsidiaries have 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 amounts due 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 shareholders' fund.

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

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONT'D)**26.4 Credit risk (Cont'd)****Amounts due from subsidiaries (Cont'd)**

Recognition and measurement of impairment loss (Cont'd)

The following table provides information about the exposure to credit risk for amounts due from subsidiaries.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Company			
2024			
Low credit risk	30,475	–	30,475
Credit impaired	90	(90)	–
	30,565	(90)	30,475
2023			
Low credit risk	16,627	–	16,627
Credit impaired	101	(101)	–
	16,728	(101)	16,627

The movement in the allowance for impairment in respect of amounts due from subsidiaries of the Company during the year are shown below:

	Credit impaired RM'000
Company	
Balance at 31 March 2023/1 April 2023	101
Impairment loss recognised	26
Reversal of impairment loss	(37)
	90
Balance as at 31 March 2024	90

Other than the impairment loss made above, the Company is of the view that the loss allowance is not material in relation to the remaining amounts due from subsidiaries at financial year end and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONT'D)**26.5 Liquidity risk**

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

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its 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.

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:

Group	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
2024						
<i>Non-derivative financial liabilities</i>						
Hire purchase liabilities	1,765	2.13 - 3.50	1,874	989	334	551
Lease liabilities	26	6.78	29	13	6	10
Bankers' acceptances	9,805	4.63 - 5.61	9,966	9,966	-	-
Revolving credits	48,707	5.32 - 6.45	48,957	48,957	-	-
Trade and other payables	142,774	-	142,774	142,774	-	-
	203,077		203,600	202,699	340	561
2023						
<i>Non-derivative financial liabilities</i>						
Hire purchase liabilities	2,814	2.13 - 3.50	2,943	1,876	817	250
Lease liabilities	28	6.78	30	18	6	6
Bankers' acceptances	3,592	5.22	3,623	3,623	-	-
Revolving credits	49,507	4.19 - 5.77	49,507	49,507	-	-
Trade and other payables	146,011	-	146,011	146,011	-	-
	201,952		202,114	201,035	823	256

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONT'D)

26.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Company						
2024						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	10,241	-	10,241	10,241	-	-
Revolving credits	15,000	5.77 - 6.45	15,081	15,081	-	-
Financial guarantees to subsidiaries	-	-	33,707	33,707	-	-
	25,241		59,029	59,029	-	-
2023						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	1,783	-	1,783	1,783	-	-
Revolving credits	15,000	4.47 - 4.85	15,030	15,030	-	-
Financial guarantees to subsidiaries	-	-	34,507	34,507	-	-
	16,783		51,320	51,320	-	-

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONT'D)**26.6 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and the Company's financial position or cash flows. The Group and the Company are not exposed to any significant foreign currency risks.

26.6.1 Interest rate risk

The Group's and the Company's investments in fixed rate deposits with licensed banks and its fixed rate borrowings are not significantly exposed to interest rate risks. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

Risk management objectives, policies and processes for managing the risk

Interest rate exposure arising from the Group's and the Company's borrowings is managed through the use of fixed and floating rate debts. The Group and the Company do not use derivative financial instrument to hedge its debt obligation.

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'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Financial asset				
Deposits with licensed banks	–	6,057	–	464
Financial liabilities				
Hire purchase liabilities	(1,765)	(2,814)	–	–
Lease liabilities	(26)	(28)	–	–
	(1,791)	(2,842)	–	–
Floating rate instruments				
Financial asset				
Advances to a subsidiary	–	–	15,000	15,000
Financial liabilities				
Bankers' acceptances	(9,805)	(3,592)	–	–
Revolving credits	(48,707)	(49,507)	(15,000)	(15,000)
	(58,512)	(53,099)	(15,000)	(15,000)

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONT'D)**26.6 Market risk (Cont'd)****26.6.1 Interest rate risk (Cont'd)**

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do 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 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss	
	100 bp increase RM'000	100 bp decrease RM'000
Group		
2024		
Floating rate instruments	(445)	445
<hr/>		
2023		
Floating rate instruments	(404)	404
<hr/>		

The Company is not exposed to interest rate risk as the advances to a subsidiary is financed by a revolving credit facility of the Company.

26.7 Fair value information

The carrying amounts of 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. Accordingly, the fair values and fair value hierarchy levels have not been presented for these instruments.

The table below analyses other financial instruments for which fair value is disclosed, together with their carrying amounts shown in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONT'D)**26.7 Fair value information (Cont'd)**

	Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Group			
2024			
Financial assets			
Measured at fair value			
Trade receivables	22,446	22,446	22,446
Financial liabilities			
Not measured at fair value			
Hire purchase liabilities	(1,874)	(1,874)	(1,765)
<hr/>			
2023			
Financial liabilities			
Not measured at fair value			
Hire purchase liabilities	(2,943)	(2,943)	(2,814)
<hr/>			

Level 3 fair value

Level 3 fair value is estimated using inputs for the financial assets or liabilities that are not based on observable market data (unobservable inputs). The fair value within Level 3 of the hire purchase liabilities is determined by using estimated future cash flows discounted using market related rate for a similar instrument at the reporting date. The interest rate used to discount the estimated cash flows for the trade receivables and hire purchase of the Group are 5.62% and 2.13% to 3.50% (2023: 2.13% to 3.50%), respectively.

27. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain an optimal capital structure 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 Board of Directors monitors the return on capital, which the Group defines as results from operating activities divided by total shareholders' equity.

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

28. CAPITAL COMMITMENTS

There has been no capital expenditure committed by the Group and by the Company as at the current and previous financial year end.

NOTES TO THE FINANCIAL STATEMENTS

29. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel are Directors of the Group and other person having authority and responsibility in planning, directing and controlling the activities of the entity either directly or indirectly. The persons are the Group Chief Executive Officer, Group Chief Financial Officer, General Manager and Project Directors.

The Group has related party relationships with its significant investors, subsidiaries, associates, key management personnel and with the following companies, which are deemed related to the Directors and major shareholders, as follows:

- i) Ekovest Berhad, Ekovest Construction Sdn. Bhd., Ekovest Land Sdn. Bhd., Ekovest Project Management Sdn. Bhd., Ekovest Properties Sdn. Bhd., Konsortium Lebuhraya Utara-Timur (KL) Sdn. Bhd., Ekoriver Construction Sdn. Bhd., Ekovest Capital Sdn. Bhd., Duke Dinings Sdn. Bhd., Ekovest Holdings Sdn. Bhd., Saujarena Bina Sdn. Bhd., and Sunview Capital Sdn. Bhd. are deemed related to Tan Sri Dato' Lim Kang Hoo;
- ii) PLS Plantation Berhad and its subsidiaries, Danga Bay Sdn. Bhd., Iskandar Waterfront Sdn. Bhd., Strait Bay Sdn. Bhd., Pembinaan KS Tebrau Sdn. Bhd., Rampai Fokus Sdn. Bhd., Iskandar Waterfront City Berhad and its subsidiaries, Teras Hijaujaya Sdn. Bhd., and Tropicana Danga Cove Sdn. Bhd. are deemed related to Tan Sri Dato' Lim Kang Hoo;
- iii) WCM Machinery Sdn. Bhd. and WCM Powers Sdn. Bhd. are deemed related to Tan Sri Dato' Lim Kang Hoo and Dato' Lim Kang Swee;
- iv) Lim Chen Heng and Lim Chen Thai are sons of Tan Sri Dato' Lim Kang Hoo. They are deemed to be related in transactions where Tan Sri Dato' Lim Kang Hoo is related and vice versa; and
- v) Ekocheras Tower A Sdn. Bhd., Ekocheras Tower H and J Sdn. Bhd., and Ekocheras Tower E Sdn. Bhd. are deemed related to Lim Chen Thai;

NOTES TO THE FINANCIAL STATEMENTS

29. RELATED PARTIES**Significant related party transactions**

Related party transactions have been entered into the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 11 and 16.

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Related parties				
Sale and rental of machinery and equipment, transportation charges and sale of building materials	13,085	13,623	-	-
Construction and maintenance services	42,060	36,118	-	-
Purchase and rental of machinery and equipment, purchase of building materials and miscellaneous services	(4,028)	(3,151)	-	-
Expenses relating to short-term leases	(154)	(165)	-	-
Lease income received	498	509	42	52
Joint ventures				
Purchase of equipment and other miscellaneous services	-	(88)	-	-
Dividend income received	663	2,550	-	-
Subsidiaries				
Lease income received	-	-	681	605
Key management personnel				
Directors				
- Fees	276	276	276	276
- Remuneration	1,986	2,014	1,710	1,696
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	72	78	8	11
	2,334	2,368	1,994	1,983
Other key management personnel				
- Remuneration	1,657	2,041	910	1,024
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	39	30	-	21
	1,696	2,071	910	1,045
	4,030	4,439	2,904	3,028

NOTES TO THE FINANCIAL STATEMENTS

30. DETAILS OF SUBSIDIARIES

The principal activities of the subsidiaries, which are all incorporated in Malaysia and the effective ownership and voting interest of the Company are shown below:

Name of entity	Principal activities	Effective ownership interest and voting interest	
		2024 %	2023 %
Subsidiaries			
Knusford Holdings Sdn. Bhd.	Investment holding	100	100
Knusford Equipment Sdn. Bhd.	Rental of machinery and equipment, provision of transportation services and trading of building materials	100	100
Knusford Construction Sdn. Bhd.	Civil works contracting	100	100
D-Hill Sdn. Bhd.	Property development	100	100
Kota Ekspres Sdn. Bhd.	Investment holding	100	100
Lakaran Cahaya Sdn. Bhd.	Has not commenced operations	100	100
Knusford Oil & Gas Sdn. Bhd.	Dormant	100	100
Knusford Project Management Sdn. Bhd.	Project management services	100	100
Knusford Resources Sdn. Bhd.	Trading in building materials and investment holding	100	100
<i>Subsidiaries of Knusford Holdings Sdn. Bhd.</i>			
Knusford Marketing Sdn. Bhd.	Trading in building materials	100	100
Hi-Plus Development Sdn. Bhd.	Dormant	100	100
Knusford Landscape Sdn. Bhd.	Landscape construction and maintenance activities	100	100
Yasmin Marine Technology Sdn. Bhd. #	Rental of machinery and equipment	10	10
<i>Subsidiaries of Knusford Equipment Sdn. Bhd.</i>			
Radiant Seas Sdn. Bhd.	Sand trading, rental of machinery and equipment and trading in building materials	100	100
Yasmin Marine Technology Sdn. Bhd. #	Rental of machinery and equipment	90	90

Collectively effective interest rate of 100%

NOTES TO THE FINANCIAL STATEMENTS

31. SIGNIFICANT EVENTS DURING THE YEAR

- (i) On 27 September 2023, the Company had received a letter from Tan Sri Dato' Lim Kang Hoo, a major shareholder of the Company and the Group Executive Chairman and a major shareholder of Ekovest Berhad, requesting the Company to consider participating in a reorganisation, rationalisation and merger proposal comprising, amongst others, the proposed merger of the construction and construction-related businesses of Ekovest Berhad and the Group through the acquisition of the entire issued share capital of Ekovest Construction Sdn. Bhd. ("ECSB") (i.e. a wholly-owned subsidiary of Ekovest Berhad, being the existing construction arm of Ekovest Berhad) by the Company ("Proposed Knusford-ECSB Merger").

Following thereto, the Company had on 27 October 2023 entered into a binding heads of merger agreement ("HOA") with Ekovest Berhad to exclusively explore and negotiate further on the Proposed Knusford-ECSB Merger via the proposed acquisition by the Company of the entire equity interest in ECSB from Ekovest Berhad for an indicative purchase consideration of RM450 million, which was arrived at on a willing-buyer, willing-seller basis, after taking into account the audited net assets of ECSB as at 30 June 2023.

The Parties shall use their best endeavours and efforts to negotiate in good faith and execute the Definitive Agreement within four (4) months following the date of the HOA, with an automatic extension of three (3) months upon the expiry of such four (4) months period, or such further extended date as the Parties may mutually agree upon ("Expiry Date").

On 27 May 2024, the parties have mutually agreed to extend the HOA to 27 July 2024. Subsequently, on 26 July 2024, the parties have mutually agreed to further extend the HOA to 27 January 2025.

- (ii) As disclosed in Note 10, on 27 March 2024, the Group has signed a Sale and Purchase Agreement with Emerald Plan Sdn. Bhd. for the disposal of a freehold land together with the building erected held under H.S.(D) 51799, PT43447, Mukim and District of Klang for a total cash consideration of Ringgit Malaysia Twenty Eight Million (RM28,000,000) only. Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed in the third quarter of year 2024.

32. SUBSEQUENT EVENT

On 22 July 2024, the Group has accepted in principle a proposal from Ekovest Berhad in relation to settlement of debts. If Ekovest Berhad subsequently opts to off-set the debts with properties, this will be subject to the signing of a Definitive Agreement. Please refer to Note 11.1(ii) for further details.

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 78 to 140 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 at 31 March 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:

Lim Chen Heng
Director

Lim Chen Thai
Director

Kuala Lumpur

Date: 30 July 2024

Statutory DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **Lee Mong Fang**, the officer primarily responsible for the financial management of Knusford Berhad, do solemnly and sincerely declare that the financial statements set out on pages 78 to 140 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 Lee Mong Fang, MIA CA 10605, in Kuala Lumpur, Wilayah Persekutuan on 30 July 2024.

Lee Mong Fang

Before me:

Independent auditors' REPORT

TO THE MEMBERS OF KNUSFORD BERHAD (REGISTRATION NO. 199601007754 (380100-D))
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Knusford Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 78 to 140.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 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 judgment, 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.

1. Valuation of trade receivables and contract assets	
Refer to Note 11 – Trade and other receivables, Note 12 – Contract with customers, and Note 26.4 – Credit risk	
The key audit matter	How the matter was addressed in our audit
The valuation of trade receivables and contract assets are a key audit matter as the recoverability and the level of impairment loss of trade receivables and contract assets are considered to be significant risks due to the pervasive nature of these balances to the financial statements.	<p>We performed the following audit procedures, amongst others, around the valuation of trade receivables:</p> <p>We evaluated the appropriateness of the expected credit loss assessment in accordance with MFRS 9;</p> <ul style="list-style-type: none"> We tested the accuracy of the underlying information of the trade receivables ageing used to assess the adequacy of impairment loss of trade receivables and contract assets;

INDEPENDENT AUDITORS' REPORT

Key Audit Matters (Cont'd)

1. Valuation of trade receivables and contract assets (Cont'd)	
Refer to Note 11 – Trade and other receivables, Note 12 – Contract with customers, and Note 26.4 – Credit risk (Cont'd)	
The key audit matter	How the matter was addressed in our audit
The level of impairment loss involves Director's judgement based upon the debtors' credit risk evaluation, historical payment trends and subsequent to period end collections. There is a risk that the Group's assessment of the level of these impairment loss is insufficient or inaccurate.	<ul style="list-style-type: none"> We checked the subsequent receipts against trade receivables and investigated the significant individual overdue balances by reference to track record of recoveries and review of correspondences with the customers; and We considered the adequacy of the Group's disclosures about the degree of estimation involved in arriving at the impairment loss of trade receivables and contract assets.

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

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.

INDEPENDENT AUDITORS' REPORT

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

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

Other Matter

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

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

Petaling Jaya, Selangor

Date: 30 July 2024

Lam Shuh Siang
Approval Number: 03045/02/2025 J
Chartered Accountant

Material Litigation and OTHER INFORMATION

OF KNUSFORD BERHAD AND ITS SUBSIDIARIES

- **MATERIAL LITIGATION, CLAIMS AND ARBITRATION OF KNUSFORD BERHAD AND ITS SUBSIDIARIES**

As at 31 March 2024, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board is not aware and do not have any knowledge of any proceedings, pending against or threatening the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company and its subsidiaries.

- **UTILISATION OF PROCEEDS**

No proceeds were raised by the Company from any corporate exercise during the financial year.

- **NON-AUDIT FEES**

The amount of non-audit fee incurred for services rendered to the Company and the Group by the External Auditors for the financial year ended 31 March 2024 amounted to RM8,000 and RM8,000 respectively.

There is no non-audit fee incurred for services rendered to the Company and the Group by a firm or corporation affiliated to the External Auditors for the financial year ended 31 March 2024.

- **MATERIAL CONTRACTS**

Save and disclosed below, neither the Company nor its subsidiaries has entered into any material contracts or material loans, not being contracts entered into the ordinary course of business, within two (2) years immediately preceding the date of this Report.

- 1) On 22 July 2022, a wholly-owned subsidiary of the Company, Knusford Resources Sdn. Bhd. ("KRSB") has entered into a conditional Sale and Purchase Agreement ("SPA") with Success Straits Sdn. Bhd. ("SSSB"), a wholly-owned subsidiary of Iskandar Waterfront City Berhad ("IWCB"), a related company for the proposed acquisition of a parcel of freehold vacant land held under Geran Hakmilik No. 90571, Lot No. 726, Mukim of Pulai, District of Johor Bahru, State of Johor ("Subject Property") at the purchase consideration of RM53,240,000.00 ("Proposed Acquisition").

The Purchase Consideration will be satisfied via a settlement arrangement, wherein a total amount of RM50,764,575.38, being the sum due and payable by IWCB and its subsidiaries (collectively, the "IWCB Group") to the Company and its subsidiaries (collectively, the "Knusford Group" or the "Group") ("Settlement Sum") shall be set-off against the Purchase Consideration. Meanwhile, the remaining balance of RM2,475,424.62 ("Differential Amount") will be satisfied entirely in cash.

In conjunction with the Proposed Acquisition, the Company had on the even date entered into a conditional settlement agreement ("Settlement Agreement") with IWCB to settle the Settlement Sum by way of set-off against the Purchase Consideration for the Proposed Acquisition ("Proposed Settlement").

The Proposed Acquisition are conditional upon the following conditions precedents being fulfilled not later than three months from the date of the SPA, or such other date as the parties may mutually agree upon in writing (SPA Cut-Off Date):-

- i. SSSB having obtained the approval of the shareholders of IWCB at a general meeting for amongst others (1) the disposal of the Subject Property by SSSB in favour of KRSB in accordance with the terms and conditions of the SPA; and (2) the Proposed Settlement in accordance with the terms and conditions of the Settlement Agreement; and

MATERIAL LITIGATION AND OTHER INFORMATION

● MATERIAL CONTRACTS (CONT'D)

- ii. KRSB having obtained the approval of the shareholders of the Company at a general meeting to be convened for amongst others (1) the acquisition of the Subject Property by KRSB in accordance with the terms and conditions of the SPA; and (2) the Proposed Settlement in accordance with the terms and conditions of the Settlement Agreement.

At the Extraordinary General Meeting ("EGM") held on 23 November 2022, the shareholders of the Company had approved the resolution in relation to (ii) above.

The conditions precedent under the SPA and Settlement Agreement have been fulfilled, and that the Acquisition and Settlement was completed on 7 December 2022.

- 2) On 3 November 2022, the Company and IWCB mutually agreed to extend the Expiry date of the Heads Of Agreement ("HOA") for an additional period of six (6) months, commencing from 13 August 2022 until 12 February 2023, subject to any further extension as may be mutually agreed upon by the parties in writing ("Extension"). The Extension will afford the parties more time to finalise the terms and conditions of the Definitive Agreement for the sale and purchase of all that parcel of freehold land held under Geran Hakmilik No. 90585, Lot No. 733, located in the Mukim of Pulai, District of Johor Bahru, State of Johor.

Save for the above, all other terms in the HOA dated 13 May 2022 shall remain unchanged and in full force, and continue to take effect and be binding on the parties to the HOA.

On 10 February 2023, the Company has announced that the HOA had expired and lapsed on 12 February 2023 and no further extension of time has been agreed between Knusford and IWCB.

- 3) On 28 October 2022, a wholly-owned subsidiary of the Company, D-Hill Sdn. Bhd., had on 28 October 2022 entered into a SPA with L.K.C Ventures Sdn. Bhd., for the disposal of all that piece of freehold vacant commercial land held under H.S.(D) 165685, PT 41696, Bandar Batu 18, Semenyih, Daerah Ulu Langat, Negeri Selangor Darul Ehsan measuring 6,630.33 in square meters for a total cash consideration of Ringgit Malaysia: Fourteen Million Six Hundred Thirty Thousand Four Hundred Ninety-Seven and Sen Forty (RM14,630,497.40) only.

The disposal was completed on 13 February 2023 and the gain before tax of approximately RM10.7 million on disposal of land was recognised in 4Q 2023.

- 4) On 30 March 2023, a wholly-owned subsidiary of the Company, D-Hill Sdn. Bhd., had on 30 March 2023 entered into a SPA with Sin Siang Hin (M) Sdn. Bhd., for the disposal of all that piece of freehold commercial land with a single storey building erected thereon, held under H.S.(D) 102446, PT 17588, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor Darul Ehsan measuring 4,065 in square meters for a total cash consideration of RM11.9 million.

The disposal was completed on 7 August 2023.

MATERIAL LITIGATION AND OTHER INFORMATION

- **MATERIAL CONTRACTS (CONT'D)**

- 5) On 27 September 2023 whereby the Company had on even date received a letter dated 27 September 2023 ("Proposal Letter") from Tan Sri Dato' Lim Kang Hoo ("TSDLKH"), a major shareholder of the Company and the Group Executive Chairman and a major shareholder of Ekovest Berhad ("Ekovest"), requesting the Company to consider participating in a reorganisation, rationalisation and merger proposal comprising, amongst others, the proposed merger of the construction and construction-related businesses of Ekovest and Knusford through the acquisition of the entire issued share capital of Ekovest Construction Sdn Bhd ("ECSB") (i.e. a wholly-owned subsidiary of Ekovest, being the existing construction arm of Ekovest) by Knusford ("Proposed Knusford-ECSB Merger").

Following thereto, the Company had on 27 October 2023 entered into a binding heads of merger agreement ("HOA") with Ekovest to exclusively explore and negotiate further on the Proposed Knusford-ECSB Merger via the proposed acquisition by Knusford of the entire equity interest in ECSB from Ekovest for an indicative purchase consideration of RM450 million ("Purchase Consideration"), which was arrived at on a willing-buyer, willing-seller basis, after taking into account the audited net assets of ECSB as at 30 June 2023.

The Parties shall use their best endeavours and efforts to negotiate in good faith and execute the Definitive Agreement within four (4) months following the date of the HOA, with an automatic extension of three (3) months upon the expiry of such four (4) months period, or such further extended date as the Parties may mutually agree upon ("Expiry Date").

On 27 May 2024, the Parties have mutually agreed to extend the HOA to 27 July 2024.

On 26 July 2024, the Parties have mutually agreed for a further extension of 6 months from 28 July 2024 to 27 January 2025, to grant more time for the parties to assess, evaluate and deliberate the proposed Knusford-ECSB merger in detail.

- 6) The Company had on 27 March 2024, entered into a conditional SPA with Emerald Plan Sdn. Bhd. to dispose a freehold land together with the buildings erected thereon held under HSD 51799, PT 43447, Mukim and District of Klang, Selangor with a provisional land area of 25,625.48 square metres (approximately 275,832 square feet) bearing postal address of No. 8, Jalan Kecapi 33/2, Taman Perindustrian Elite, Seksyen 33, 40350 Shah Alam, Selangor Darul Ehsan for a cash consideration of RM28.0 million.

At the Extraordinary General Meeting held on 28 June 2024, the Shareholders of the Company had approved the proposed disposal.

The completion of the proposed disposal is pending the fulfilment of the conditions precedent of the SPA.

- **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE OR TRADING NATURE**

Pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company will be seeking shareholders' mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature, at the forthcoming Annual General Meeting of Knusford Berhad scheduled to be held on 25 September 2024.

Analysis of SHAREHOLDINGS

Statement Date : 3 July 2024

I SUBSTANTIAL SHAREHOLDERS

		Direct		Indirect	
	Name	Shareholdings	%	Shareholdings	%
1	DYAM Tunku Ismail Ibni Sultan Ibrahim	–	–	30,000,000 ^[1]	30.11
2	Aman Setegap Sdn. Bhd.	30,000,000	30.11	–	–
3	Kinston Park Sdn. Bhd.	2,410,000	2.42	30,000,000 ^[2]	30.11
4	Dato' Lim Kang Swee	10,614,354	10.65	439,000 ^[3]	0.44
5	Khoo Chang Chiang	8,124,122	8.15	–	–
6	Tan Sri Dato' Lim Kang Hoo	615,749	0.62	32,410,000 ^[4]	32.53
	TOTAL	51,764,225	51.95		

II DIRECTORS' AND CHIEF EXECUTIVE OFFICER (CEO) SHAREHOLDINGS

		Direct		Indirect	
	Name	Shareholdings	%	Shareholdings	%
1	DYAM Tunku Ismail Ibni Sultan Ibrahim	–	–	30,000,000 ^[1]	30.11
2	Lim Chen Heng	–	–	–	–
3	Lim Chen Thai	58,300	0.06	–	–
4	Lim Sew Hua	1,283,000	1.29	–	–
5	Bernard Hilary Lawrence	–	–	–	–
6	Dato' Avinderjit Singh A/L Harjit Singh	–	–	–	–
7	Lim Foo Seng	–	–	–	–
8	Mohd Salleh Bin Othman	–	–	–	–
9	Lee Wai Kuen	–	–	–	–
10	Datuk Mohamad Jaifuddin Bin Bujang Mohidin (Alternate Director to DYAM Tunku Ismail Ibni Sultan Ibrahim)	–	–	–	–
11	Heng Hock Lai (CEO)	–	–	–	–
	TOTAL	1,341,300	1.35		

Notes:

^[1] Deemed interest by virtue of his shareholding in Aman Setegap Sdn. Bhd.

^[2] Deemed interest by virtue of its shareholding in Aman Setegap Sdn. Bhd.

^[3] Deemed interest by virtue of his shareholding in WCM Ventures Sdn. Bhd.

^[4] Deemed interest by virtue of his shareholding in Aman Setegap Sdn. Bhd. and Kinston Park Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS

III CLASS OF EQUITY SECURITY

Total Number of Issued Shares	:	99,645,002
Class of Security	:	Ordinary Share
No. of Shareholders	:	1,067
Voting Rights	:	One (1) vote per ordinary share

IV DISTRIBUTION BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shareholdings	%
Less than 100	17	1.59	327	0.00
100 to 1,000	416	38.99	177,700	0.18
1,001 to 10,000	389	36.46	1,915,805	1.92
10,001 to 100,000	182	17.06	5,918,649	5.94
100,001 to less than 5% of issued shares	60	5.62	46,364,399	46.53
5% and above of issued shares	3	0.28	45,268,122	45.43
TOTAL	1,067	100.00	99,645,002	100.00

THIRTY (30) LARGEST SHAREHOLDERS

Name	Shareholdings	%
1 AMAN SETEGAP SDN. BHD.	30,000,000	30.11
2 KHOO CHANG CHIANG	8,124,122	8.15
3 DATO' LIM KANG SWEE	7,144,000	7.17
4 NGAI SOK FONG	3,113,746	3.12
5 SUHAIZI BIN HAMID	3,001,800	3.01
6 RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GARY LEE SEATON	2,669,300	2.68
7 KINSTON PARK SDN. BHD.	2,410,000	2.42
8 WUNG SUH MIN	2,406,500	2.42
9 DATO' LIM KANG SWEE	2,372,000	2.38
10 WONG KHAI SHIUAN	2,360,300	2.37
11 MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW PEI KAI	2,100,000	2.11
12 SOH HUI FUNG	2,022,500	2.03
13 CHEONG MEOW YEN	1,771,600	1.78
14 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHAMAD NOR BIN HAMID	1,647,700	1.65
15 TAN SRI DATUK SERI LIM KENG CHENG	1,533,000	1.54
16 LIM SEW HUA	1,200,000	1.20
17 DATO' LIM KANG SWEE	1,088,354	1.09
18 PANG PIU FONG	1,081,099	1.08

ANALYSIS OF SHAREHOLDINGS

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

	Name	Shareholdings	%
19	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YAP KOK WOON	1,070,800	1.07
20	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN LAI LENG	1,063,500	1.07
21	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN LEAK GOH	968,200	0.97
22	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHAMAD NOR BIN HAMID	878,000	0.88
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG KIM LENG	819,500	0.82
24	LIM SEONG HAI HOLDINGS SDN. BHD.	789,900	0.79
25	TAN WEN SHIOW	731,400	0.73
26	LIM SEONG HAI HOLDINGS SDN. BHD.	708,700	0.71
27	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR TAN SRI DATO' LIM KANG HOO	600,000	0.60
28	LOH YU SAN	592,800	0.59
29	LIM SOO SAN	541,200	0.54
30	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAI CHENG KUAN	500,000	0.50

Particulars of MATERIAL PROPERTIES

AS AT 31 MARCH 2024

	Location	Age of Buildings	Tenure	Description/ Existing Use	Land Area (Hectares)#/ Built-up Area (sq.ft)/(sq.m)^	Net Book Value (RM'000)	Date of Acquisition
1	Lot 726 Mukim Pulai, District Johor Bahru, State Johor	-	Freehold	Development Land	243,117*	55,535	23-Nov-22
2	Lot 2259 Mukim of Semenyih Daerah Ulu Langat Selangor Darul Ehsan	-	Freehold	Development Land	28.1419#	27,300	1-Nov-01
3	Lot 942 Mukim Semenyih Daerah Ulu Langat Selangor Darul Ehsan	-	Freehold	Vacant Land	5.3874#	14,674	29-Feb-12
4	20 units of Danga Walk Shoplots Danga Bay Jalan Skudai 80200 Johor Bahru Johor Darul Takzim	15	Freehold	Shop Lot	2,266^	8,123	29-Dec-14
5	Tropez Residences Persiaran Danga Bay 80200 Johor Bahru	9	Freehold	Eleven (11) retail lots	1,003^	6,587	29-Apr-15
6	12 units of Danga Walk Shoplots Danga Bay Jalan Skudai 80200 Johor Bahru Johor Darul Takzim	15	Freehold	Shop Lot	1,236^	4,894	18-Mar-16

PARTICULARS OF MATERIAL PROPERTIES

	Location	Age of Buildings	Tenure	Description/ Existing Use	Land Area (Hectares)#/ Built-up Area (sq.ft)*/(sq.m)^	Net Book Value (RM'000)	Date of Acquisition
7	Diamond Square Lot 335, 317 and 318 Jalan Gombak Mukim of Setapak District of Kuala Lumpur	27	Freehold	Seven (7) storey commercial buildings comprising of one (1) retail & twelve (12) shop office	20,715 *	4,167	8-Jun-96
8	6 units of Danga View Apartment Bandar of Johor District of Johor Bahru Johor Darul Takzim	19	Freehold	Apartment	21,054*	2,928	21-Dec-06
9	9 units of Danga Walk Shoplots Danga Bay Jalan Skudai 80200 Johor Bahru Johor Darul Takzim	15	Freehold	Shop Lot	10,096*	2,397	25-Mar-09
10	Lot 3658 Jalan Genting Klang Mukim of Setapak District of Kuala Lumpur	42	Freehold	Eight (8) two (2) storey workshop	0.304#	1,996	25-Mar-09

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CDS Account No.

No. of shares held

PROXY FORM

I/We _____ NRIC No./Company No./Passport No. _____
 (Full name in block)

of _____
 (Full address)

being member(s) of Knusford Berhad, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address			

or failing him/her, the Chairman of the Twenty-Eighth Annual General Meeting (“AGM”) as *my/our proxy/proxies to vote for *me/us and on *my/our behalf, at the AGM of the Company, to be conducted on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities via the online meeting platform at <https://web.vote2u.my> on Wednesday, 25 September 2024 at 11.00 a.m. and at any adjournment thereof.

NO.	RESOLUTIONS		FOR	AGAINST
1.	Re-election of DYAM Tunku Ismail Ibni Sultan Ibrahim	(Resolution 1)		
2.	Re-election of Mr. Lim Chen Thai	(Resolution 2)		
3.	Re-election of Dato’ Avinderjit Singh A/L Harjit Singh	(Resolution 3)		
4.	Approval of Directors’ Fees	(Resolution 4)		
5.	Approval of Directors’ Benefits	(Resolution 5)		
6.	Re-appointment of Auditors	(Resolution 6)		
7.	Proposed Authority for Directors to Allot and Issue Shares	(Resolution 7)		
8.	Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	(Resolution 8)		
9.	Continuing in Office of Mr. Bernard Hilary Lawrence as Senior Independent Non-Executive Director	(Resolution 9)		
10.	Continuing in Office of Mr. Lim Foo Seng as Independent Non-Executive Director	(Resolution 10)		
11.	Continuing in Office of Dato’ Avinderjit Singh A/L Harjit Singh as Independent Non-Executive Director	(Resolution 11)		
12.	Continuing in Office of En. Mohd Salleh Bin Othman as Independent Non-Executive Director	(Resolution 12)		
13.	Continuing in Office of Mr. Lee Wai Kuen as Independent Non-Executive Director	(Resolution 13)		

Please indicate with an “X” in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Signed this _____ day of _____

 Signature*
 Member



*** Manner of execution:**

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

Notes:

1. The Twenty-Eighth (28th) Annual General Meeting ("AGM") of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities via the online meeting platform at <https://web.vote2u.my>. Please refer to the Administrative Guide for the detailed steps on remote participation and vote remotely.
2. For the purpose of determining who shall be entitled to participate and vote at the 28th AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 12 September 2024. Only members whose name appears on this Record of Depositors shall be entitled to participate and vote at the AGM or appoint a proxy to participate and vote on his/her/its behalf.
3. A member entitled to participate and vote at the AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place at the AGM. A proxy may but need not be a member of the Company.
4. A member of the Company who is entitled to participate and vote at the AGM may appoint not more than two (2) proxies to participate and vote in his/her/its place at the AGM.
5. If two (2) proxies are appointed, the entitlement of those proxies to vote shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
9. An instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporate member, shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.
10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll:-
 - (i) **In hard copy form**
In the case of an appointment made in hard copy form, the Proxy Form must be deposited with Registered Office of the Company situated at #C-G-03, Blok C, Tropez Residen, Persiaran Danga Perdana, 80200 Johor Bahru, Johor.
 - (ii) **By electronic form via facsimile**
In the case of an appointment made by facsimile transmission, the Proxy Form must be received via facsimile at 07-296 5599.
 - (iii) **By electronic form via email**
In the case of an appointment made by email transmission, the Proxy Form must be received via email at proxyform@knusford.com

For options (ii) and (iii), the Company may request member to deposit original executed proxy form to its registered office before or on the date of meeting for verification purpose.
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company situated at #C-G-03, Blok C, Tropez Residen, Persiaran Danga Perdana, 80200 Johor Bahru, Johor not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
13. Last date and time for lodging proxy form is on Monday, 23 September 2024 at 11.00 a.m.
14. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of AGM will be put to vote on a poll.

Fold this flap for sealing

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AFFIX
STAMP

The Company Secretaries

Knusford Berhad (199601007754 (380100-D))
#C-G-03, Blok C, Tropez Residen
Persiaran Danga Perdana
80200 Johor Bahru, Johor

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KNUSFORD BERHAD

199601007754 (380100-D)

#C-G-03, Blok C, Tropez Residen,
Persiaran Danga Perdana,
80200 Johor Bahru, Johor, Malaysia.

Tel : (607) 296 5555

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