



#### **ELEVATING PERFORMANCE**

SkyGate believes that true progress is driven by the constant pursuit of elevating performance to new heights. This philosophy reflects our dedication to continuous improvement and innovation. By refining processes and empowering our teams, SkyGate fosters a culture of excellence, where each achievement propels us forward. Through this commitment, we ensure that every solution is not just precise and efficient, but transformative - driving growth, inspiring change, and shaping a future where potential is fully realised.

# WHAT'S INSIDE THIS REPORT

BUSINESS OVERVIEW	
SkyGate At A Glance	2
Our Vision, Mission and Values	3
Our Industry	4
Corporate Information	6
Corporate Structure	7
PERFORMANCE REVIEW	
Management Discussion and Analysis	8
SUSTAINABILITY	
Sustainability Statement	11
GOVERNANCE	
Board of Directors	30
Directors' Profile	31
Key Management Profile	34
Financial Highlights	38
Corporate Governance Overview Statement	39
Additional Disclosure Statements	49
Statement on Risk Management and Internal Control	50
Audit Committee Report	52

#### FINANCIAL STATEMENTS

**Financial Statements** 

**Statutory Declaration** 

Statement By Directors

Independent Auditors' Report	60
ADDITIONAL INFORMATIONS	
List of Properties	125
Analysis of Shareholdings	129
Notice of Nineteenth Annual General Meeting	131
Statement Accompanying Notice of Annual General Meeting	135
Form of Proxy Encl	osed

64 - 124

54 59



# SKYGATE AT A GLANCE

## WHO ARE WE?

SkyGate has multiple subsidiaries in a diverse range of businesses including manufacturing, property development, property investment and management. Since its inception, SkyGate has been powered by a business culture that celebrates innovation, diversification and high profit potentials.

Revenue

RM66.65 million 2023: RM38.43 million Total Equity Attributable to Owners of The Company

RM274.60

million 2023 : RM250.49 million **Earnings Per Share** 

1.84

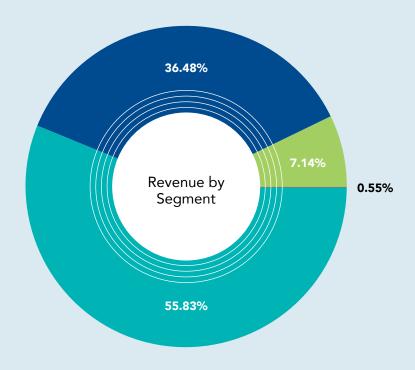
2023 : 0.37 sen

**Profit Before Tax** 

RM8.79

million

2023: RM2.48 million



Technology Solution Provider for Manufacturing Industry Property Investment & Management

**Property Development** 

Investment Holding

# OUR VISION, MISSION AND VALUES

## **OUR VISION**

We are committed to propel your business success through Innovation & Revolutionary Ideas and to provide World-Class Manufacturing Excellence

## **OUR MISSIONS**

To accelerate successes for our customers by leveraging our manufacturing expertise and to provide them with the flexibility they need to overcome any challenges.

To achieve World Class Manufacturing Excellence through continuous improvement.

To empower our people to develop creative solutions that will support our customers' requirements to dynamic changes.



## **CORE VALUES OF SKYGATE**

Operate Diligently



Perseverance



Seek Truth from Facts



Mutual Benefit



Revolutionize One's Thoughts



Teamwork



Understanding and Serving Society



Market Needs



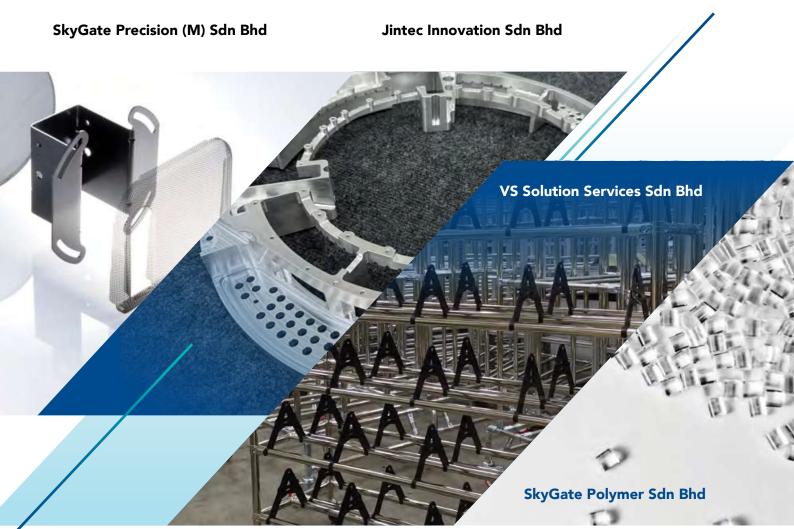
## OUR INDUSTRY

# TECHNOLOGY SOLUTION PROVIDER FOR MANUFACTURING INDUSTRY

# Uncompromising Quality & Performance

For over 30 years, the Group has mainly served multinational corporations based in Malaysia and has built excellent rapport and strategic synergy with its customers in the manufacturing industry. Since 2001, the Group has expanded its customer base globally and exported products worldwide. With an experienced management team and integrated plant, the Group's strength comes from its ability to provide comprehensive services and solutions to multinational customers, leading to its status as the approved manufacturer for their global operations, access to client-centralised documentation, vendormanaged inventory and lean manufacturing systems for product lifecycle management.

#### **Company Subsidiaries**



## OUR INDUSTRY

# PROPERTY INVESTMENT & MANAGEMENT

### Solidifying Financial Security Through Prudent Investments

Throughout the years, the Group has exercised due diligence in making smart property investments to promote financial stability. To date, SkyGate Properties Sdn. Bhd., a wholly-owned subsidiary, is the owner of Menara IJM Land in Penang which comprises a piece of land with a 16-storey office building and 7-storey car park covering a land area of 46,823ft<sup>2</sup> and net lettable area of 135,001ft<sup>2</sup>. Menara IJM Land is strategically located at the interchange of the Tun Dr Lim Chong Eu Expressway and within a cluster of shopping and retail centres, and posh condominiums. It is only a 10-minute drive to George Town and within easy distance of the Bayan Lepas industrial zone and the Penang International Airport on the island. Overlooking the sea, Menara IJM Land is easily accessible (one-minute drive) to the first Penang Bridge which leads to the industrial area on the mainland.

# PROPERTY DEVELOPMENT

# Properties – Enriched Lifestlyes

SkyGate's City of Dreams features two 38-storey residential blocks set on 3.7 acres of freehold land strategically positioned between Gurney Drive and Straits Quay. The project is located in the prestigious Seri Tanjung Pinang neighbourhood with a gross development value of RM800 million. Its two towers, Elainé and Chloé, house a total of 572 exquisite condominiums measuring between 1,097ft² and 2,315ft². It contains over 70 luxury amenities and facilities for residents. This development ensures that all residents are able to enjoy the best of modern comfort within their own homes.



# CORPORATE INFORMATION

#### **BOARD OF DIRECTORS**

Mr. Tay Seng Chew Executive Chairman

Mr. Goh Kiang Teng

Executive Director & Chief Executive Officer

Mr. Tan Yen Yeow

Independent Non-Executive Director

Pn. Mazlina Binti Mohamad

Independent Non-Executive

Ir. Rosnani Binti Hj Mahmod

Independent Non-Executive Director

#### REMUNERATION COMMITTEE

**Ir. Rosnani Binti Hj Mahmod** Chairman

**Mr. Tan Yen Yeow** Member

Pn. Mazlina Binti Mohamad

Member

#### **AUDIT COMMITTEE**

Mr. Tan Yen Yeow

Chairman

Pn. Mazlina Binti Mohamad

Member

Ir. Rosnani Binti Hj Mahmod

Member

#### **RISK MANAGEMENT COMMITTEE**

Mr. Tan Yen Yeow

Chairman

Mr. Goh Kiang Teng

Member

Ir. Rosnani Binti Hj Mahmod

Member

#### REGISTERED OFFICE

51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050, George Town, Pulau Pinang, Malaysia Tel: 604-373 6616

#### NOMINATING COMMITTEE

**Ir. Rosnani Binti Hj Mahmod** Chairman

Mr. Tan Yen Yeow

Member

Pn. Mazlina Binti Mohamad

Member

#### SUSTAINABILITY COMMITTEE

Mr. Tan Yen Yeow

Chairman

Mr. Goh Kiang Teng

Member

Ir. Rosnani Binti Hj Mahmod

Member

#### **AUDITORS**

**Grant Thornton Malaysia PLT** 

(LLP0022494-LCA & AF 0737) Level 5, Menara BHL 51, Jalan Sultan Ahmad Shah, 10050, George Town, Pulau Pinang, Malaysia

Tel: 604-228 7828 Fax: 604-227 9828



#### **COMPANY SECRETARIES**

Ms. Wong Yee Lin MIA 15898

Ms. Hing Poe Pyng MAICSA 7053526

#### CORPORATE OFFICE

Suite 1-02-01 Menara IJM Land No.1, Lebuh Tunku Kudin 3 11700, Gelugor

Pulau Pinang, Malaysia Tel: 604-291 0036 Fax: 604-291 0037

Email : info@skygate.com.my Website : http://www.skygate.com.my

#### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad Stock Short Name : SKYGATE (Code: 7249)

#### SHARE REGISTRAR

## Mega Corporate Services Sdn Bhd

[Company No: 198901010682 (187984-H)]

Level 15-2

Bangunan Faber Imperial Court

Jalan Sultan Ismail

50250 Kuala Lumpur, Malaysia

Tel: 603-2692 4271

Fax : 603-2732 5388, 2732 5399

#### PRINCIPAL BANKERS

#### **Public Bank Berhad**

2644 - 2648, Jalan Che Bee Noor

14000 Bukit Mertajam Pulau Pinang, Malaysia Tel: 604-539 2212 Fax: 604-539 2164

#### OCBC Bank (Malaysia) Bhd

No. 36, Beach Street 10300 Penang, Malaysia Tel : 1300887000 Fax : 604-261 7332

**RHB Bank Berhad** 

No. 21, 23 & 25, Jalan Lembah Permai, 14000 Bukit Mertajam. Pulau Pinang, Malaysia

Tel: 1300888742 Fax: 604-508 5288

# GROUP CORPORATE STRUCTURE



# MANAGEMENT DISCUSSION AND ANALYSIS

#### **OVERVIEW OF BUSINESS OPERATIONS, OBJECTIVES AND STRATEGIES**

SkyGate delivered a total revenue of RM66.65 million (FYE2023: RM38.43 million) and a higher pre-tax profit of RM8.79 million (FYE2023: RM2.48 million).

The revenue of the Group was mainly contributed by the property development and manufacturing segment. The Group maintained a healthy current ratio (measuring the Group's ability to pay off its short-term liabilities with its current assets) of 4.4 times and 6.94 times for FYE2024 and FYE2023 respectively.

The Group continues to maintain a positive financial position, supported by a healthy balance sheet. As at 31 December 2024, the Group's cash and cash equivalents stood at RM47.31 million for cash and cash equivalents.

Total equity attributable to the owners of the Company increased from RM250.49 million in FYE2023 to RM274.60 million in FYE2024.

REVENUE

FYE2024 RM66.65 million

FYE2023 RM38.43 million PRE-TAX PROFIT

FYE2024 RM8.79 million

FYE2023 RM2.48 million SHORT-TERM LIABILITIES RATIO

**FYE2024** 4.40 times

**FYE2023** 6.94 times

TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

FYE2024 RM274.60 million

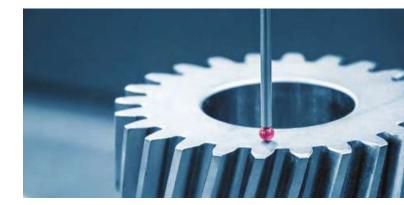
FYE2023 RM250.49 million

#### **MANUFACTURING**

SkyGate's core business operates in the Electronics & Electrical (E&E) industry, specialising in precision sheet metal fabrication, product finishing, and the design and production of precision moulds, tools, and dies. However, the E&E sector continues to face significant headwinds due to persistent inflationary pressures and rising interest rates. While our strong relationships with existing customers have helped sustain our client base, evolving product designs—particularly the shift from metal to plastic components—have negatively impacted our revenue streams.

In FYE 2024, revenue from this segment increased by RM9.75 million, from FYE2023 of RM14.57 million to RM24.32 million in FYE2024, management is actively pursuing new business opportunities in alternative market segments to diversify revenue sources.

During the year, SkyGate acquired VS Solution Services Sdn. Bhd. ("VSS"), a player in the rackform business, which has bolstered our manufacturing division with an additional revenue and earnings stream.



This acquisition also unlocks synergies and economies of scale, as both SkyGate and VSS serve the E&E industry, utilize similar raw materials, and now benefit from an expanded client base. By leveraging shared resources, the enlarged Group can:

- Negotiate more favourable supplier terms,
- Streamline business processes,
- Optimize resource allocation,
- Reduce production costs and operational expenses,

Ultimately enhancing overall profitability and strengthening our competitive position in the market.

# MANAGEMENT DISCUSSION AND ANALYSIS

#### **OVERVIEW OF BUSINESS OPERATIONS, OBJECTIVES AND STRATEGIES (Cont'd)**

#### PROPERTY INVESTMENT AND MANAGEMENT

SkyGate Properties Sdn. Bhd. (SPRSB), a wholly-owned subsidiary of SkyGate Solutions Berhad, owns **Menara IJM Land**-a prime 16-storey office building with a 7-storey car park situated on **46,823 sq ft** of land in Penang. The property offers a **net lettable area of 135,001 sq ft** and providing the Group with a stable and recurring revenue stream. During the year, the revenue of this segment decreased of RM0.55 million from FYE2023 of RM5.31 million to RM4.76 million in FYE2024.

Strategically positioned at the interchange of the **Tun Dr Lim Chong Eu Expressway**, Menara IJM Land enjoys exceptional connectivity:

- 10-minute drive to George Town's bustling commercial hub,
- Proximity to the Bayan Lepas industrial zone and Penang International Airport,
- Overlooking the sea, with direct access (5-minute drive) to the Penang Bridge, linking seamlessly to mainland industrial areas.

This prime location ensures strong occupancy demand, reinforcing the asset's long-term income potential.

#### **Expanding the Land Bank: Future Growth Initiatives**

- SkyDorm Sdn. Bhd. A wholly-owned subsidiary of SPRSB, SkyDorm acquired a freehold land parcel spanning 3.9306 hectares (approx. 423,000 sq ft) for RM39.77 million. This acquisition aligns with SkyGate's strategy to build a land bank with strong development potential, supporting future growth in property development and management.
- 2. Delight Island Sdn. Bhd. -Another SPRSB subsidiary, Delight Island, secured a vacant industrial land parcel (comprising 14 contiguous lots) in Seberang Perai Utara, Penang, for RM25.84 million. The Group is currently in the tender process for constructing worker dormitories, positioning itself to meet the rising demand for foreign worker accommodations in Penang's thriving industrial sector.

#### PROPERTY DEVELOPMENT

This segment demonstrated remarkable growth in FYE2024, achieving:

- Revenue of RM37.21 million, representing a significant 107% increased from RM17.94 million in FYE2023
- Profit before tax increased from RM1.69 million to RM13.39 million year-over-year

This outstanding performance reflects our successful execution of strategic initiatives and operational improvements across all business segments. Our flagship development, the award-winning City of Dreams, continues to set new standards for luxury living in Penang. Key highlights include:

- Over 70 world-class facilities spanning 150,000 square feet
- Unparalleled waterfront location in Penang's most exclusive neighbourhood
- Breathtaking views of Gurney Drive foreshore and the Gurney Bay recreational project
- Recognition as one of the island's most coveted residential addresses

The development's exceptional design, premium amenities, and prime location have solidified its position as the benchmark for luxury living in Northern Malaysia.



# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW OF BUSINESS OPERATIONS, OBJECTIVES AND STRATEGIES (Cont'd)

#### **DIVIDEND POLICY**

Adopted on 25 November 2020, SkyGate maintains a disciplined dividend policy targeting an annual distribution of not less than 3.5 sen per share. The Board exercises prudent financial stewardship in implementing this policy, carefully evaluating multiple factors to ensure sustainable returns to shareholders while maintaining financial flexibility:

#### **Key Dividend Considerations:**

- Liquidity Position: Availability of cash and cash equivalents
- **Profitability Metrics:** Return on equity performance
- Retained Earnings: Cumulative earnings available for distribution
- Investment Requirements: Projected capital expenditures
- Growth Opportunities: Funding needs for strategic initiatives

This balanced approach allows the Company to reward shareholders while preserving capital for business expansion and operational requirements. The Board remains committed to transparent communication regarding dividend decisions as part of our comprehensive shareholder value creation strategy.

#### FORWARD LOOKING STATEMENT

The recent U.S. tariff announcement may pose some challenges to global trade dynamics; however, our diversified supply chain and proactive risk management strategies position us well to navigate these changes effectively.

The Management Team remains steadfast in our commitment to drive sustainable growth and deliver value for all stakeholders. We will:

#### 1. Maintain Operational Excellence

Continue implementing rigorous performance measures to ensure the Group delivers consistent, satisfactory results.

#### 2. Optimize Strategic Execution

Focus on deploying the most effective business strategies to enhance profitability and competitive positioning.

#### 3. Maximize Shareholder Value

Prioritize initiatives that improve return on investment while maintaining prudent financial management.

#### 4. Pursue Growth Opportunities

Proactively identify and capitalize on strategic opportunities to expand our business portfolio.

This disciplined approach underscores our dedication to creating long-term value while meeting our commitments to shareholders, employees, and business partners.



#### **INTRODUCTION**

SkyGate's approach to sustainability is founded on sound decision making with policies and system. The Group has developed sustainability through the creation of sustainable values economically, environmentally and socially. The primary objective of this Sustainability statement is to elaborate on the Group's sustainability efforts and initiatives undertaken in the financial year ended 31 December 2024.



#### **SCOPE AND BASIS OF SCOPE**

This Statement provides an overview of the Group's sustainability performance and progress in our business operations from 1 January 2024 to 31 December 2024, unless otherwise specified. Where applicable, we will incorporate data from previous years to monitor the progress and offer comparative insights.

The scope of this Statement includes our three (3) main segments: manufacturing, property development, and property investment and management. The Company's segments include property development, manufacturing, and investment holding, property management and letting.

- Manufacturing (SkyGate Precision (M) Sdn. Bhd.) Specialised in Precision Sheet Metal Fabricated Parts which are
  used in the manufacture of audio, video and acoustic equipment, electronics equipment, computer monitors and
  keyboards.
- Property Development (SkyGate City of Dreams Sdn. Bhd.) Completed Project City of Dreams, a luxury serviced apartments project with Green Building feature located Tanjung Sri Pinang, Penang.
- Property Investment and Management (SkyGate Properties Sdn. Bhd.) Hold a collection of real estate assets and managing them for income. These include Menara IJM Land and some residential properties.

#### **REPORTING FRAMEWORKS AND STANDARDS**

This Statement has been developed according to Bursa Malaysia's Listing Requirements, with reference to Bursa Malaysia's Sustainability Reporting Guide (3<sup>rd</sup> Edition) and Toolkits.

This Statement should be read in conjunction with other sections in our Annual Report namely Management Discussion and Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control as well as Corporate Governance Report, as our sustainability efforts may be better contextualised and narrated in the respective sections.

#### **AVAILABILITY**

This Statement is available on our Company's website at <a href="www.skygate.com.my">www.skygate.com.my</a>.

#### **ASSURANCE**

There is no external assurance or independent evaluation of the performance data published in this Statement. All the data has been sourced internally and validated by the information owners. We will continue to strengthen the disclosures going forward and shall consider the involvement of third parties for the external verification in due course.

#### **FEEDBACK**

We welcome and encourage our stakeholders to provide feedback pertaining to this Statement, at <a href="mailto:info@skygate.com.my">info@skygate.com.my</a>.

#### **GOVERNANCE STRUCTURE**

The Board has established a governance structure to drive and manage sustainable practices across our various operations. Our sustainability governance, spearheaded by the Board and supported by the Sustainability Committee.

Our Sustainability Committee, chaired by Mr. Tan Yen Yeow who is an Independent Non-Executive Director, assists the Board with strategic management of the organisation's material sustainability matters, ensuring the implementation of our sustainability strategies throughout the entire Group, from top management to the operational level. The members of the Sustainability Committee are shown below:

Name of Director	Designation		
Mr. Tan Yen Yeow	Chairman, Independent Non-Executive Director		
Ir. Rosnani Binti Hj Mahmod	Member, Independent Non-Executive Director		
Mr. Goh Kiang Teng	Member, Executive Director		

#### Reporting Structure



#### Role of the Sustainability Committee

- Ensure that the strategic plan for SkyGate and its subsidiaries ("Group") supports long-term value creation and sustainability goals.
- Ensure that the development and implementation of the strategic plan for the Group is effective and takes into account sustainability considerations.
- Review and provide guidance on the strategic business, market development, and sustainability initiatives proposed by either the Management or the Board.
- Review the status and monitor implementation of key Board decisions on key market development projects/ initiatives of the Group.
- Evaluate overall sustainability risks and opportunities.
- Provide leadership over implementation of sustainability strategy.
- Oversee departments/ functions in ensuring robustness of the system of sustainability management.
- Raise significant business, market development or sustainability issues to the attention of the Board.
- Issue reports to the Board at least once a year.
- Review Sustainability Committee Terms of Reference annually.
- Perform such other tasks relating to the oversight of the Group's business, market development, and sustainability strategies as may be delegated by the Board from time to time.

Detailed roles and responsibilities of the Sustainability Committee can be found in the Board Charter and Terms of Reference of Sustainability Committee, which are made available on our Company's website at <a href="https://www.skygate.com.my">www.skygate.com.my</a>.

#### SUSTAINABILITY STRATEGY

Our sustainability framework is based on Economic, Environmental and Social ("EES") risks and opportunities along with the Group's corporate governance framework and corporate social responsibilities. With good corporate governance, environmentally responsible practices and sound social policies, SkyGate is able to achieve sustainable growth and enhance long-term value for its stakeholders.

The Group is committed to a sustainable future by proactively implementing strategies and initiatives to improve the social, economic, environmental well-being of the community and deliver sustainable value to all stakeholders.

#### STAKEHOLDER ENGAGEMENT

We acknowledge the vital role stakeholders play in the success of our business and it is imperative for us to anticipate any potential interests or concerns they may have. In FY2024, we added two (2) new stakeholder groups, namely shareholders/investors and community. The table below depicts the interests and expectations of each stakeholder, along with the type of engagement and its frequency.

No	Stakeholders	Engagement Issues	Type of Engagement	Frequency
1	Shareholders/ Investors	<ul> <li>Corporate governance and ethics</li> <li>Business strategies</li> <li>Value creation</li> <li>Group's overall performance</li> </ul>	<ul> <li>Corporate website</li> <li>Investor relationship channel</li> <li>Quarterly financial results</li> <li>Annual Report</li> <li>Annual General Meeting</li> <li>Whistleblowing channel</li> </ul>	Annually     Quarterly     As needed
2	Employees	<ul> <li>Career development</li> <li>Occupational Safety and Health</li> <li>Labour practices and human rights</li> </ul>	<ul> <li>Performance appraisals</li> <li>Safety committee meeting</li> <li>Safety audit/6S audit</li> <li>Safety and health briefing to all workers including latest authorities' update or changes in the safety and health procedures/SOP</li> <li>Code of Ethics and Conduct briefing to all workers related to Safety and Health</li> </ul>	<ul><li>Annually</li><li>Quarterly</li><li>Monthly</li><li>Ongoing</li><li>As needed</li></ul>
3	Government/ Regulatory Authorities	<ul><li>Legal compliance</li><li>Corporate governance and ethics</li></ul>	<ul><li>License</li><li>Certifications</li><li>Audits</li></ul>	<ul><li>Annually</li><li>Ongoing</li><li>As needed</li></ul>
4	Customers	Products/Services transparency	<ul><li> Visits</li><li> Meetings</li><li> Audits either physical audit/self-audit</li></ul>	Annually     Ongoing
5	Suppliers	<ul><li>ROHS/Green procurement</li><li>Supply chain management</li></ul>	Supplier assessment	<ul><li>Annually</li><li>Ongoing</li></ul>
6	Community	<ul><li>Healthy, safe and sustainable environment</li><li>Community welfare</li></ul>	Corporate website     Annual Report	<ul><li>Ongoing</li><li>As needed</li></ul>

#### **MATERIAL MATTERS**

#### Our Approach to Materiality Assessment

Our materiality assessment process is made up of three (3) distinctive phase as illustrated in the chart below.

#### Identification

Identify the key stakeholders and understand their needs, expectations and concerns pertaining to sustainability related impacts.

Derive preliminary list of sustainability matters.

#### Prioritisation

Apply materiality concept and undertake stakeholder engagement in prioritisation.

Disclose prioritised material sustainability matter in a manner which illustrates the relative importance of each matter.

#### Review and validation

Review the process and outcome of the materiality assessment by the Management.

#### **MATERIAL MATTERS (CONT'D)**

#### FY2024 Materiality Matrix

In FY2023, we conducted a comprehensive materiality assessment process involving both internal and external stakeholders to ensure that their interests and concerns are addressed. A total five (5) stakeholder groups were involved in our materiality assessment process, namely shareholders/ investors, employees, customers, suppliers and government/regulatory authorities. We used survey forms to gather their insights on the relative importance of sustainability matters that our Group should prioritise in relation to our operations.

Based on the collected survey forms, we compiled and identified a total of fifteen (15) material sustainability matters. The outcomes are tabulated with different weightage scores for different stakeholder groups and plotted into a materiality matrix. The outcomes are also being presented for Board's review and approval.

In FY2024, we conducted an internal review of our materiality assessment outcomes and concluded that the materiality assessment performed in FY2023 remains valid.

#### **Economic**

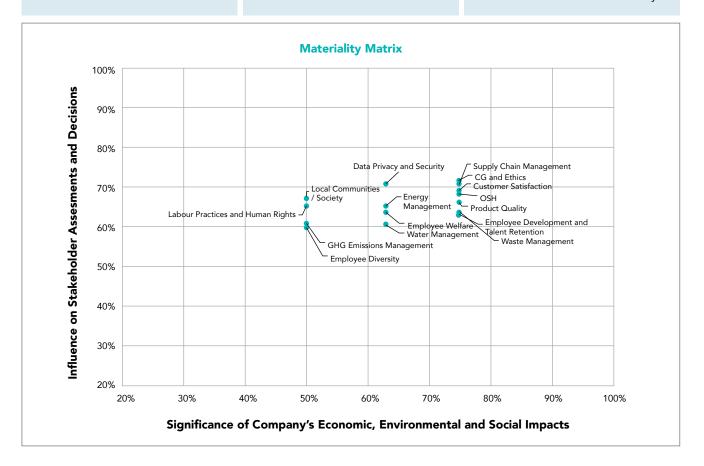
- 1. Customer Satisfaction
- 2. Product Quality
- 3. Supply Chain Management
- 4. Corporate Governance and Ethics
- 5. Data Privacy and Security

#### **Environment**

- 6. Energy Management
- 7. GHG Emissions Management
- 8. Water Management
- 9. Waste Management

#### Social

- 10. Employee Diversity
- 11. Labour Practices and Human Rights
- 12. Employee Welfare
- 13. Employee Development and Talent Retention
- Occupational Safety and Health
- 15. Local Communities/ Society



#### PERFORMANCE SCORECARD

Sustainability Topics	Material Sustainability Matters	Targets	FY2024 Performance	
Economic	Customer satisfaction	No major customer complaints	No major customer complaints	
	Product quality	and uphold product quality	received	
	Supply chain management	Prioritised local procurement	94% spending with local suppliers	
	Corporate governance and ethics	Zero confirmed incidents of corruption	Zero confirmed incidents of corruption	
	Data privacy and security	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data	
Environment	Energy management	Efficient use of energy	20.67 tco2e of Scope 1, 912	
	GHG emissions management		tco2e of Scope 2 and 89.77 tco2e of Scope 3 GHG emission:	
	Water management	Efficient use of water	Consumed 23,153m³ of water	
	Waste management	Promote 3Rs in workplace (Reuse, Recycle and Recovery)	152,101 mt of wastes diverted from disposal	
Social	Employee diversity	Promote board diversity	40% of Board is represented by women	
		Promote employee diversity	44% of our workforce is female. 43% of managerial role (manager and above) is represented by women	
	Labour practices and human rights	Zero substantiated complaints concerning human rights violations	Zero substantiated complaints concerning human rights violations	
	Employee welfare	Reduce employee turnover	36 employees turnover	
	Employee development and talent retention	Invest and develop human capital	387 hours of training to employee	
	Occupational safety and health	Zero work related fatalities and lost time incident rate	Zero work related fatalities and lost time incident rate	
		Promote awareness on health and safety standards among employees	126 employees trained on health and safety standards	
	Local communities/society	Contribute back to the communities	Organised a beach cleaning activity	

### **ECONOMIC**

Economic sustainability refers to practices that support long-term economic growth without negatively impacting social, environmental, and cultural aspects of the community. The principles of sustainability are integral in our pursuit of economic growth. We are conscious of the needs to integrate sustainability into our business strategy in terms of effective cost management, economies of scale and innovation in order to consistently deliver solid results.

Businesses that embrace sustainability are able to thrive in the long-term, together with society as a whole. In line with this, our business units embrace sustainable business practices in tandem with our pursuit of sustainable economic growth. We understand that our sustainability and long-term success depend on our ability to gain access to new business opportunities and the strength of our relationships with key stakeholders such as customers, employees, suppliers, shareholders and regulators.



#### **CUSTOMER SATISFACTION AND PRODUCT QUALITY**

At SkyGate, we believe in striving for greater heights in every aspect of our day-to-day business operations. We take pride in the awards and recognition we have received over the years, which attest to the quality of our products and services. These honours reflect our commitment to delivering high-quality products and services and ensuring customer satisfaction.

Below are the awards and recognitions we received for Property Development Segment (completed project – City Of Dreams) and Manufacturing Segment SkyGate Precision (M) Sdn. Bhd. (Formerly known as Tekun Asas Sdn. Bhd. or "SPSB"):

- 2019/2020 Asia Pacific Property Awards for Residential High-Rise Development
- Guang Ming Excellent Achievement Entrepreneur Award Diamond 2017
- Focus Malaysia Best Under Billion Awards 2017
- InPenang Top Developer (Northern Penang) Award 2017
- PUMM Top 50 Team Enterprise Award Platinum Award 2016
- ASEAN Master Class Award in Urban Development 2016
- Best Luxury Lifestyle Development Award 2016
- KWYP Dr. Sun Yat-Sen Enterprise Award
- Property Insight Prestigious Developer Award 2016
- Nanyang Siang Pau Outstanding Developer Award
- Champion of Entry Point Project 10 (EPP 10)
- The Malaysia Book of Records Award
- Green Building Index Provisional Platinum
- Sony Certificate Of Appreciation 2011 (Highest Ever Production Volume in 2010)
- Sony Certificate of Green Partner 2011
- Sony The Best Performance Award 2010
- Sony Certificate of Green Partner 2010

- Sony Certificate of Green Partner 2009
- Toshiba Best Quality Award (Best Quality) 2008
- Kontron Excellent Award 2008
- Sony Certificate of Green Partner 2008
- Toshiba Best Partner Award 2007
- Sony The Best Performance Supplier Award 2007
- Sony Supplier Quality Partnership Shadow Project Appreciation Award 2006
- Toshiba Best Partner Award 2006
- Avocent Corporation Outstanding Effort In New Product Launch Award 2006
- Sony Certificate of Appreciation Improving Quality 2005
- Sony Certificate of Green Partner 2005
- Sony Best Achievement Award 2005
- Toshiba Best Partner Award 2005
- Sony Achievement Award Vendor PPM Programme 2000
- Sony Best Cost Improvement Award (Mechanical Category) 1997
- Philips Best Performance Award Quality, Delivery & Service 1997
- Philips Best Performance Award Quality, Delivery & Service 1996
- Sony Most Improved Vendor Award (Mechanical Category) 1996
- Philips Certificate of Appreciation Valuable Support & Services 1995
- Sony Certificate of Autonomous Quality Control Approval 1995
- Philips Certificate of Appreciation Valuable Support & Services 1994
- Philips Certificate of Appreciation Valuable Support & Services 1993
- Philips Certificate of Recognition Preferred Vendor 1993/1994
- Philips Certificate of Recognition Preferred Vendor 1992/1993

### ECONOMIC (Cont'd)

## CUSTOMER SATISFACTION AND PRODUCT QUALITY (CONT'D)

At SPSB, we uphold the belief in quality from the very beginning, implementing three (3) levels of quality assurance - incoming, inline, and final. Quality is ensured from the moment we receive the job request from our clients, throughout every stage of production, and during the final quality check before products are packed and shipped to the clients.

SPSB is certified with Quality Management System ISO 9001:2015. We aim to market, design, produce and deliver quality precision stamping products consistently to meet the customers' expectations and requirements, which are discernibly better than the competitors' offerings.

In order to achieve that, the Group:

- Operates within a well-defined Quality Management System based on the requirements of ISO 9001.
- Continuously improve Quality Management System through a systematic review programme.
- Continuously improve and upgrade our products and process through efforts in stringent quality control.
- Continuously develop and upgrade employees both in technical and management field.
- Complies with all applicable statutory and regulatory requirements.

#### **SUPPLY CHAIN MANAGEMENT**

Supply chain management is essential as it impacts various aspects of a business organisation, including sustainability and the ability to meet customer expectations. While factors such as price, quality of products and services are crucial in supplier selection, we are equally committed to supporting local businesses and fostering economic growth in the communities where we operate. This dedication is evident in the consistent increase of our spending with local suppliers over time, as shown below.



	Unit	FY2022	FY2023	FY2024
Local supplier	%	98	99	94
Foreign supplier	%	2	1	6

#### **CORPORATE GOVERNANCE AND ETHICS**

At SkyGate, we firmly believe in conducting its business in a manner that is fair, transparent, ethical, and with integrity. Beyond complying with the relevant legal and regulatory requirements, SkyGate also promises to practice the highest degree of integrity in all of its business dealings and relationships. This aligns with our Code of Ethics and Conduct which requires our employees to develop a reputation for honesty, fairness, responsibility and integrity with the person or party who has a business relation with the Group. In addition, the Code explicitly prohibits the acceptance of gifts in cash or in kind, for personal benefit. Our Code of Ethics and Conduct also applies to suppliers, subcontractors, agents and consultants, who are expected to adhere to the relevant provisions of this Code while performing their respective works and services.

SkyGate adopts a zero-tolerance approach to all forms of corruption. With the implementation of the Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 which introduces corporate liability provision for bribery and corruption offences that came into effect on 1 June 2020, the Board has established Anti-Bribery and Corruption Policy to provide guiding principles to effectively prevent, detect, mitigate bribery and corruption risks.

To facilitate the disclosure of any bribery and corruption activities, the Board has established a Whistleblowing Policy. This Policy provides a proper channel for stakeholders to report and raise genuine concerns or allegations to an independent member of management upon the discovery of possible bribery and corruption conduct. Whistleblowers can submit reports to the Chairman of the Audit Committee via a dedicated email address, as outlined in the Policy. Upon receipt of a report, the necessary investigations will be conducted, and the whistleblower will be kept informed of the results of investigations. All concerns raised will be treated fairly, properly and confidentially. To further encourage disclosure of concerns, protection will be provided to the individuals who have made the allegation or reported the misconduct.

Our Anti-Bribery and Corruption Policy, Code of Ethics and Conduct and Whistleblowing Policy are made available on our Company's website at <a href="https://www.skygate.com.my">www.skygate.com.my</a>.

## ECONOMIC (Cont'd)

#### **CORPORATE GOVERNANCE AND ETHICS (CONT'D)**

During orientation, we brief our new employees on the Policy related to Anti-Bribery and Corruption.

	Unit	FY2022	FY2023	FY2024
	ı	1		
Manager and above	%	50	9	33
Executive	%	79	13	61
Non-Executive	%	100	22	15

Currently, we have not conducted corruption risk assessments. We will review and perform these assessments in the future.

	Unit	FY2022	FY2023	FY2024
Operations assessed for corruption related risks	%	0	0	0

As of FY2024, we recorded zero incidents of corruption across our business operations.

	Unit	FY2022	FY2023	FY2024
Confirmed incident of corruption	No.	0	0	0

#### **DATA PRIVACY AND SECURITY**

In recent years, there has been a notable increase in cybersecurity risks. As a result, we acknowledge our responsibility to effectively manage the escalating threat of cyberattacks on our operations. This includes a steadfast commitment to safeguarding our sensitive information, proactively preventing any potential leaks, threats, or loss of our confidential information which includes customer data. In response to this, we have implemented several cybersecurity measures as outlined below and we remain committed to adopting new safeguards as the threats evolves over time.

- Use of anti-virus and firewall protection
- Use of physical security measures
- Access restriction to data information
- Ongoing education to our employees on IT best practices
- Signing Non-Disclosure Agreements with our employees
- Established Code of Ethics and Conduct which requires our employees to treat all information in relation to the Group's business, or to its customers, with confidentiality
- Periodic data backup
- Regular security updates and patch management

As of 31 December 2024, there were zero substantiated complaints concerning breaches in customer privacy and data loss.

	Unit	FY2022	FY2023	FY2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	0	0	0

### **ENVIRONMENT**

We believe that the wellbeing of the environment is the foundation on which we are able to build and retain a sustainable business. We comply with the required environmental controls and monitoring regulations in all our Company's activities.



#### **ENERGY AND GHG EMISSIONS MANAGEMENT**

Climate change is recognised as one of the global challenges, bringing both transition risks (policy, legal, technology, market, reputation risk) and physical risks (acute and chronic risk) to societies, organisations and ecosystems worldwide. Therefore, it is imperative to implement strategies to effectively manage these challenges and risks. We acknowledge the importance of transitioning to sustainable energy sources, reducing carbon emissions, conserving water resources and minimising waste generation. These efforts are integral to mitigate the impacts of climate change and ensuring the preservation of our planet for the well-being of present and future generations.

In response to growing concerns about climate change, we have implemented strategies for effective energy management and GHG emissions management. These initiatives include:

- √ Incorporate Green Building features in our completed project City of Dreams, such as solar panel installation;
- √ Promote energy-saving habits among our employees;
- √ Implement practices to conserve energy, such as switching off lights and air conditioning when not in use across our facilities and operations;
- $\sqrt{}$  Use of energy saving LED light; and
- $\checkmark$  Scheduled power off.

	Unit	FY2022	FY2023	FY2024
Total petrol consumption	Liter	N/A	18.44	4,921.95
Total LPG	KG	3,822	2,800	3,150
Total electricity consumption	kWh	1,361,890	1,181,443	1,169,230

#### Note:

(i) N/A refers to not available due to data tracking commenced in FY2023.

	Unit	FY2022	FY2023	FY2024
	I.	Ì	İ	
Scope 1 GHG emission	tco2e	11.21	8.25	20.67
Scope 2 GHG emission	tco2e	1,062.27	921.53	912
Scope 3 GHG emission	tco2e	87.64	96.05	89.77

#### Note:

- (i) Scope 1 GHG emissions refer to emissions come from the actual consumption of LPG for forklift and canteen, and petrol for company vehicles. The emission factor for LPG is obtained from the GHG protocol while the emission factor for petrol is obtained from US Environmental Protection Agency ("EPA") 2021 AR5. Data tracking for petrol consumption by company vehicles commenced in FY2023.
- (ii) Scope 2 GHG emissions refer to emissions come from the actual consumption of electricity which was compiled based on the monthly utility bills and calculated using the emission factor obtained from Malaysia Energy Commission 2019 Grid Emission Factor.
- (iii) Scope 3 GHG emissions that we compiled as of now cover employee commuting only. The emission factor obtained from US Environmental Protection Agency ("EPA") 2021 AR5.

### ENVIRONMENT (Cont'd)

#### WATER MANAGEMENT

Access to clean and safe water is not just fundamental for human activities but also a basic human right and essential for life itself. Unfortunately, many regions face water scarcity due to factors such as climate change. While our business operations may not currently operate in a water-stressed regions, we recognise the importance of effective and responsible water management. We are committed to implementing sustainable practices that conserve water, prevent pollution of water and ensure the responsible use of this vital resource across our business operations.

For water sourcing, we source our water from established water supply companies with well-developed water distribution infrastructure. We do not withdraw water from oceans, rivers, lakes, natural ponds and wells.

For water discharge, we do not discharge our wastewater into oceans, rivers, lakes, natural ponds and wells. Instead, all wastewater is directed to the sewage system for comprehensive treatment, ensuring responsible and sustainable water use throughout our operations and preventing water pollution.

Some of our initiatives for effective water management include:

- Install Rain/Condensation Water Harvesting System, which reduces water consumption for cleaning and irrigation of the building; and
- √ Reduce water usage in each toilet flush and wash.

Our water consumption primarily arises from spray booth usage and air cooler activities as well as sanitary and amenity purposes. We monitor our water consumption based on the monthly utility bills.

	Unit	FY2022	FY2023	FY2024
Water consumption	m³	41,290	20,548	23,153

#### **WASTE MANAGEMENT**

We recognise the importance of effective waste management in protecting the environment, reducing pollution and combating climate change. We understand that by recycling and recovering valuable resources from waste, we can conserve energy and reduce greenhouse gas emissions. Practices like recycling also help minimise methane emissions, which contribute to climate change. Overall, proper waste management is essential for preserving ecosystems and mitigating the impacts of climate change and promoting a more sustainable future.

Examples of waste we generated include:

- Recycle carton;
- Wrapping plastics;
- White cloth glove;
- Reject material; and
- Recycle chemicals like Xelene/PCE.

Some of our initiatives for waste management include:

- $\sqrt{\phantom{a}}$  Reduce the use of printing or photocopying whenever possible to promote a paperless environment;
- $\checkmark$  Print on both sides of paper whenever possible to optimise the paper usage;
- √ Promote recycling at workplace;
- $\sqrt{\phantom{a}}$  Rework whenever possible to reduce rejection rate, setting KPI for rejection rate;
- √ Provide waste segregation bins;
- √ Reuse packaging boxes; and
- $\sqrt{}$  Organise/ participate in community clean up events like clean up beaches.

	Unit	FY2022	FY2023	FY2024
Waste diverted from disposal	mt	310,455	205,065	152,101
Waste directed to disposal	mt	N/A	N/A	57
Waste generated	mt	N/A	N/A	152,158

#### Note:

(ii) N/A refers to not available due to data tracking commenced in FY2024.

### **SOCIAL**

#### **EMPLOYEE DIVERSITY**

Diversity, Equity and Inclusion is an essential element to measure good corporate governance of an effective and well-functioning organisation and cultivating a sense of belonging for everyone. We acknowledge that a diverse group of employees will be able to provide the necessary range of perspectives, experience and expertise required in promoting better corporate governance to enhance prudent business decision making process and to ensure sustainable growth.





SkyGate embraces the Diversity, Equity and Inclusion Policy to ensure that the organisation is steered by a diverse group of employees in terms of age, ethnicity and gender.

#### **Diversity**

All the attributes or characteristics that make individuals different from each other which includes, but is not limited to age, gender, experience, education, background, expertise, origin, disability, race, nationality, culture, language and perspectives.

#### **Equity**

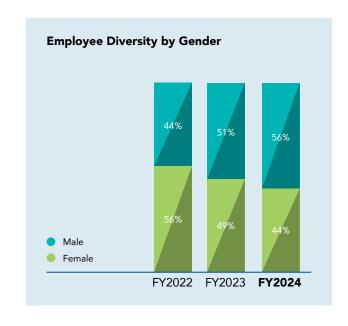
The act of promoting justice, impartiality and fairness within the procedures, processes, programme and distribution of resources in ensuring equal possible outcomes for every individual.

#### Inclusion

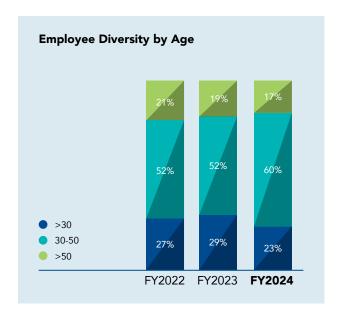
The practice of ensuring that employees feel a sense of belonging in SkyGate and behaviours to respond to people in order to ensure that individual needs are met and they feel included, engaged and connected within workplace activities.

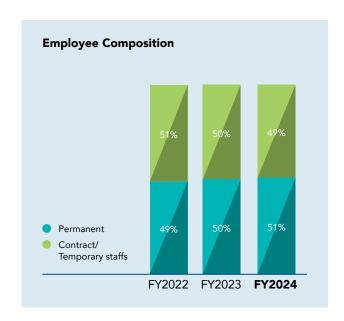
We support the promotion of all aspects of the Policy and apply them in overall people practices at work for all levels inclusive Board and Senior Management including but not limited to career opportunities, training and development, recruitment, compensation and benefits, talent identification, retention, performance management, promotions, job assignments, succession planning and engagement activities. Our Employees are to be treated fairly and respectfully and ensure that they are not judged by their gender, age, race, religion cultural background, ethnicity or disability. Discrimination, harassment, victimisation will not be tolerated at SkyGate. Any breach of the Policy may subject an employee to disciplinary action up to termination of service.

In FY2024, we recorded a total of 144 employees.



## SOCIAL (Cont'd)



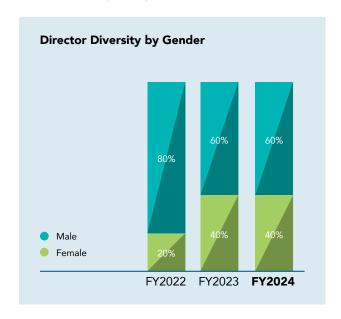


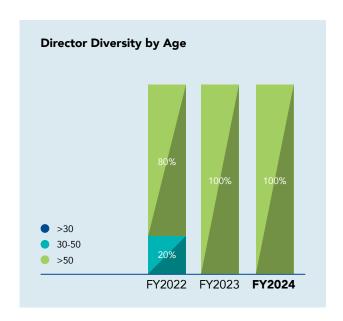
	Unit	FY2022		FY2022 FY2023		FY2024	
By Gender		Male	Female	Male	Female	Male	Female
Executive	%	43	57	53	47	56	44
Non-Executive	%	42	58	50	50	55	45
Manager and above	%	55	45	41	59	57	43
Total	%	44	56	51	49	56	44

	Unit	FY2022		FY2023			FY2024			
By Age		<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Executive	%	7	72	21	13	67	20	5	67	28
Non-Executive	%	33	54	13	37	51	12	31	60	9
Manager and above	%	14	27	59	0	41	59	0	52	48
Total	%	27	52	21	29	52	19	23	60	17

	Unit	FY2022	FY2023	FY2024
Contract/Temporary staffs	%	51	50	49
Permanent staffs	%	49	50	51

## SOCIAL (Cont'd)





	Unit	FY2022		FY2022 FY2023		FY2	024
By Gender		Male	Female	Male	Female	Male	Female
Director	%	80	20	60	40	60	40

	Unit	FY2022		FY2023			FY2024			
By Age		<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Director	%	0	20	80	0	0	100	0	0	100

#### **LABOUR PRACTICES AND HUMAN RIGHTS**

At SkyGate, we are committed to protecting and respecting human rights across all our business operations. We respect all international standards, local laws and regulations applicable to the protection of human and labour rights. We recognise the importance of evading all forms of human rights abuses, including any form of harassment, discrimination, threatening or inappropriate behaviour.

O1 Embrace Diversity, Equity and Inclusion	O2 Prohibit child labour and forced labour	O3 Support harassment free and non-discrimination workplace	O4  Ensure fair compensation and comply with local minimum wage order
Promote balanced work life environment and comply with laws governing working hours	O6 Provide healthy and safe working condition	Uphold employees' rights to freedom of association	Provide grievance mechanism/whistleblowing channel for employees to raise concerns pertaining to human rights

## SOCIAL (Cont'd)

#### LABOUR PRACTICES AND HUMAN RIGHTS (CONT'D)

Employees are encouraged to raise any concerns related to human rights violations through our whistleblowing channel provided. The details of Whistleblowing Policy is made available on our company's website. As of 31 December 2024, there were zero substantiated complaints concerning human rights violations.

	Unit	FY2022	FY2023	FY2024
Number of substantiated complaints concerning human rights violations	No.	0	0	0

#### EMPLOYEE WELFARE, EMPLOYEE DEVELOPMENT AND TALENT RETENTION

We acknowledge that our employees are one of our key stakeholders whose contributions are vital to the success execution of our Group's strategies. As such, we are committed to recruiting, retaining and rewarding our employees in line with fair and equal employment practices. Below is the list of employee benefits and welfare programmes.

Categories	Benefits
Statutory Benefits	<ul> <li>Adherence to minimum wage law</li> <li>Statutory contributions, i.e. EPF, SOCSO, EIS and HRDF</li> <li>Public holidays</li> </ul>
Leave Provision	<ul> <li>Annual leave</li> <li>Medical leave</li> <li>Maternity leave</li> <li>Paternity leave</li> <li>Marriage leave</li> <li>Compassionate leave</li> <li>Hospitalisation leave</li> <li>Unpaid leave</li> </ul>
Employment Benefits	<ul> <li>Hospitalisation</li> <li>Personal Accident</li> <li>Skill development</li> <li>Medical</li> </ul>
Facilities	Prayer room     Cafeteria



## SOCIAL (Cont'd)

#### EMPLOYEE WELFARE, EMPLOYEE DEVELOPMENT AND TALENT RETENTION (CONT'D)



Deepavali 2024 Celebration



Hari Raya Celebration 2024

In addition to prioritising employee welfare, we firmly believe that continuous development is crucial for attracting and retaining talents. We are committed to offering our employees a diverse learning environment aimed at fostering excellence in their respective fields. By doing so, we not only empower them to thrive professionally but also enhance their work productivity and efficiency. In FY2024, we delivered a total of 387 hours of training to our employees.

	Unit	FY2022	FY2023	FY2024
	ı	I	I	
Executive	Hours	1,729	74	107
Non-Executive	Hours	6,172	572	93
Managers and above	Hours	3,172	136	187
Total	Hours	11,073	782	387

We are committed to retaining our employees and thus we monitor our employee turnover rate. In FY2024, we observed a slight decrease in the number of employee turnovers, from 37 employees to 36 employees.

	Unit	FY2022	FY2023	FY2024
Executive	No.	2	2	7
Non-Executive	No.	70	29	21
Managers and above	No.	6	6	8
Total	No.	78	37	36

### SOCIAL (Cont'd)

#### OCCUPATIONAL SAFETY AND HEALTH

We are committed to cultivate a healthy relationship with employees, shareholders, partners, customers, vendors, stakeholders and the communities. This includes developing our human capital, making a difference in the community, and making sustainable practices a way of life. We provide a safe and healthy working environment for all employees and will make every possible effort to prevent accident and preserve the health of the employees which include the following:

- $\sqrt{}$  Ensure the working areas and systems of work that are safe and free from health risk;
- √ Provide employees with safety information, supervision and appropriate trainings to the hazard that they are likely to encounter;
- $\sqrt{\phantom{a}}$  Continuously develop and upgrade the standard of safety and health system for all employees;
- $\sqrt{\phantom{a}}$  Ensure that the policy is communicated to the employees and is available to interested parties;
- √ Prepare for emergencies and other contingencies;
- $\sqrt{}$  Comply with the established safety and health procedures; and
- √ DOSH approved third-party testing and certification where an independent organisation reviews to see if it meets certain regulation standards. Its include medical Surveillance, Noise monitoring, Audiometric test, Air emission, LEV, CHRA and etc.

#### Safety and Health Training

Safety and health training needs are identified annually. Based to these needs, trainings are provided and employees will undergo the relevant planned trainings. Depending on the requirements, trainings are organised either in-house by the Safety and Health Officer or attending public trainings conducted by external parties.

The employees also attend competency trainings which are organised by Federal of Malaysian Manufactures ("FMM Institute") that are approved by Department of Occupational Safety & Health ("DOSH"). In FYE2024, a total of 126 employees was trained on the health and safety standards, making our employees competent in health and safety, help business avoid the distress that accidents and ill health cause, and help avoid or reduce the financial costs of accidents & occupational ill health.

The Safety Committee always encourage employees to work towards a safety culture - including improving office ergonomics, developing custom tools and equipment to reduce maintenance ergonomics risks, and providing safety coaching and communications. Safety related trainings conducted cover safety at workplace, use of Personal Protective Equipment ("PPE") correctly, chemical spillage & handling and fire drill training by Angkatan Pertahanan Malaysia to all workers.

	Unit	FY2022	FY2023	FY2024
Number of employees trained on health and safety standards	No.	184	101	126

#### Work related injuries

Preventing workplace injuries include offer accident prevention and wellness programmes, provide ongoing education for employees and this includes briefing on Code of Ethics and Conduct related Safety and Health, issue adequate safety equipment to employees working at marginally risk area.

	Unit	FY2022	FY2023	FY2024
Work-related fatalities	No.	0	0	0
Lost time incident injuries	No.	0	0	0
Lost time incident rate	No.	0	0	0

#### **Health Surveillance**

An assessment based on chemical health risk assessment ("CHRA") was carried out on all chemicals used in the workplace in order to identify, evaluate and control any health risk associated with work activities involving the use of chemicals. The objective is not using any chemicals which is hazardous to health unless an assessment has been conducted in accordance with the Occupational Safety and Health (Use and Standard of Exposure of Chemicals Hazardous to Health) Regulations 2000 (USECHH Regulations 2000). SPSB also conducted audiometric test based on the code of practice for managing occupational noise exposure and hearing conservation 2019.

## SOCIAL (Cont'd)

#### LOCAL COMMUNITIES/SOCIETY

Community surrounding the business premises is one of the key foundations of our existence, success and survival. The community provides the market, human capital and a range of supporting services and activities crucial to our business growth and operations. Hence, we take every opportunity to build rapport with people in the communities around us. In addition, we are committed to giving back to the community particularly to the underprivileged and those with financial burdens with vision let's build it together.

On 19 October 2024, we organised a Corporate Social Responsibility initiative: Cleaning Activities at Pantai R&R Bagan Ajam. The purpose of this project was to help preserve the environment by cleaning the beach. A total of 55 employees actively participated in this event.









Unit	FY2022	FY2023	FY2024
RM	0	2,971.75	1,647.80
No.	0	41	0
	RM	RM 0	RM 0 2,971.75

Indicator	Measurement Unit	2022	2023	2024	
Bursa (Anti-corruption)					
Bursa C1(a) Percentage of employees who have received training on anti- corruption by employee category					
Management	Percentage	50.00	9.00	33.00	
Executive	Percentage	79.00	13.00	61.00	
Non-executive/Technical	Percentage	100.00	22.00	15.00	
Staff Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	0.00	
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	
Bursa (Community/Society)					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00	2,971.75	1,647.80	
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	41	0	
Bursa (Diversity)					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category  Age Group by Employee Category					
Management Under 30	Percentage	14.00	0.00	0.00	
Management Between	Percentage	27.00	41.00	52.00	
30-50 Management Above 50	Percentage	59.00	59.00	48.00	
Executive Under 30	Percentage	7.00	13.00	5.00	
Executive Between 30-	Percentage	72.00	67.00	67.00	
50					
Executive Above 50	Percentage	21.00	20.00	28.00	
Non-executive/Technical Staff Under 30	Percentage	33.00	37.00	31.00	
Non-executive/Technical Staff Between 30-50	Percentage	54.00	51.00	60.00	
Non-executive/Technical Staff Above 50	Percentage	13.00	12.00	9.00	
Gender Group by Employee Category					
Management Male	Percentage	55.00	41.00	57.00	
Management Female	Percentage	45.00	59.00	43.00	
Executive Male	Percentage	43.00	53.00	56.00	
Executive Female	Percentage	57.00	47.00	44.00	
Non-executive/Technical Staff Male	Percentage	42.00	50.00	55.00	
Non-executive/Technical Staff Female	Percentage	58.00	50.00	45.00	
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	80.00	60.00	60.00	
Female	Percentage	20.00	40.00	40.00	
Under 30	Percentage	0.00	0.00	0.00	
Between 30-50	Percentage	20.00	0.00	0.00	
Above 50	Percentage	80.00	100.00	100.00	
Bursa (Energy management) Bursa C4(a) Total energy consumption	Megawatt	1,362.00	1,181.00	1,169.00	
Bursa (Health and safety)					
Bursa C5(a) Number of work-related fatalities	Number	0	0	0	
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00	
Bursa C5(c) Number of employees trained on health and safety standards	Number	184 *	101 *	126*	
Bursa (Labour practices and	standards)				
Internal assurance	External assurance	No assurance	(*)Restated		

Indicator	Measurement Unit	2022	2023	2024	
Bursa C6(a) Total hours of training by employee category					
Management	Hours	3,172	136	187	
Executive	Hours	1,729	74	107	
Non-executive/Technical Staff	Hours	6,172	136	93	
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	51.00	50.00	49.00	
Bursa C6(c) Total number of employee turnover by employee category					
Management	Number	6	0	21	
Executive	Number	2	0	7	
Non-executive/Technical Staff	Number	70	41	8	
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	
Bursa (Supply chain manage	ment)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.00	99.00	94.00	
Bursa (Data privacy and secu	ırity)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	
Bursa (Water)					
Bursa C9(a) Total volume of water used	Megalitres	41.290000	20.548000	23.153000	
Bursa (Waste management)					
Bursa C10(a) Total waste generated	Metric tonnes	-	-	152,158.00	
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	310,455.00	205,065.00	152,101.00	
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	57.00	
Bursa (Emissions manageme	ent)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	11.21	8.25	20.67	
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	1,062.27	921.53	912.00	
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	87.64	96.05	89.77	

# **BOARD OF DIRECTORS**



**Mr. Tay Seng Chew** Executive Chairman

Mr. Goh Kiang Teng Executive Director & Chief Executive Officer

**Mr. Tan Yen Yeow** Independent Non-Executive Director

PIONEERING SUCCESS THROUGH EFFECTIVE LEADERSHIP



**Ir. Rosnani Binti Hj Mahmod**Independent Non-Executive Director

**Pn. Mazlina Binti Mohamad** Independent Non-Executive Director

## DIRECTORS' PROFILE

MR. TAY SENG CHEW

• Executive Chairman

 Chairman of Executives' Share Option Scheme Committee

Nationality Malaysian

Gender **Male** 

Age 60



**Mr. Tay Seng Chew** was appointed as an Executive Chairman of SkyGate Solutions Berhad on 22 August 2023. Mr. Tay has more than 25 years of combined working experience in the field of banking and finance in Malaysia.

In 1989, he started his career at Bank Buruh (M) Berhad as a bank officer responsible for the handling of banking operations. In addition, he was assigned to develop bank products and harmonise banking systems and operational methods under a task force that reported directly to the bank's senior management.

In 1991, he joined United Malayan Banking Corporation Berhad as a credit officer where he was responsible for undertaking credit evaluation as well as developing and maintaining relationships with customers.

In 1993, he joined Deutsche Bank (M) Berhad as an officer. He was promoted to senior officer in 1995 and assistant manager in 1996. During his stint with the bank, he was involved in the provision of corporate banking services to both domestic and international clients.

In 1996, he was offered to join the bank's regional head office in Singapore to conduct credit assessment for the Asia Pacific region. However, he left the bank during the same year to join Beauty Harvest Trading Sdn Bhd (a company involved in the trading and distribution of children's clothing) as a Finance and Administrative Director responsible for advising, structuring and executing the potential listing of the company on the stock exchange.

From 2000 to 2016, he was the Head of Corporate and Commercial Banking for the Northern region at United Overseas Bank (M) Berhad. He was responsible for supervising and developing the corporate and commercial banking business covering Perak, Penang, and Kedah.

He was the Independent Non-Executive Director of XL Holdings Berhad, a company listed on the Main Market of Bursa Securities, from May 2018 to March 2020.

In June 2020, Mr. Tay came out of retirement to join NationGate Solution (M) Sdn. Bhd. as Corporate Services Director and is presently serving as Corporate Services Director at NationGate Group.

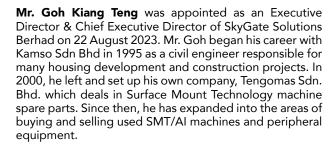
Mr. Tay does not hold any other directorships in other public companies and listed issuer. He has no family relationship with any other Director and/or major shareholder of the Company.

# DIRECTORS' PROFILE

## MR. GOH KIANG TENG

- Executive Director & Chief Executive Officer
- Member of Risk Management Committee
- Member of Sustainability Committee
- Member of Executives' Share Option Scheme Committee

Nationality	Malaysian
Gender	Male
Age	53



In 2009, he co-founded VS Solution Services Sdn Bhd. The company is involved in the manufacturing of racking system, machinery and related components through its wholly-owned subsidiary, VS Precision Sdn Bhd which deals in manufacturing, distributing, importing and



exporting all kinds of lamination parts for official security documents, all kinds of metal stamping and related products and services.

Mr. Goh is also a director and substantial shareholder of Wawasan Cahayamas Sdn Bhd, the investment holding company of Doublemax Development Sdn Bhd, Asas Dagang Sdn Bhd and Ecoberry Sdn Bhd which are involved in property development.

Mr. Goh does not hold any other directorships in other public companies and listed issuer. He has no family relationship with any other Director and/or major shareholder of the Company.

## MR. TAN YEN YEOW

- Independent Non-Executive Director
- Chairman of Audit Committee
- Chairman of Risk Management Committee
- Chairman of Sustainability Committee
- Member of Nominating Committee
- Member of Remuneration Committee



**Mr. Tan Yen Yeow** was appointed as an Independent Non-Executive Director of SkyGate Solutions Berhad on 27 May 2015. He is a member of the Malaysian Institute of Accountants and the Institute of Internal Auditors Malaysia.

Mr. Tan began his professional career with KPMG in 1990 as an articled student under the MICPA programme. After serving for 9 years at KPMG, he left and set up his audit firm, Tan Yen Yeow & Company in 2001. He has been involved in providing professional services which include auditing, internal auditing and risk management.

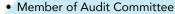
Mr. Tan currently sits on the board of Volcano Berhad and two private companies. He has no family relationship with any Director and/or any major shareholder of the Company.

# DIRECTORS' PROFILE

## IR. ROSNANI BINTI HJ MAHMOD

- Independent Non-Executive Director
- Chairman of Nominating Committee
- Chairman of Remuneration Committee

Nationality	Malaysian
Gender	Female
Age	59



- Member of Risk Management Committee
- Member of Sustainability Committee
- Member of Executives' Share Option Scheme Committee



**Ir. Rosnani Binti Hj Mahmod** was appointed as an Independent Non-Executive Director of SkyGate Solutions Berhad on 22 August 2023. Ir. Rosnani graduated from Royal Melbourne Institute of Technology (RMIT) University, Melbourne, Australia with a Bachelor's Degree of Engineering (Civil Engineering).

In 1991, she started her professional career as a site engineer. Later in the year, she joined the Seberang Perai Municipal Council ("SPMC") as an engineer and as Director of Urban Services Department in SPMC from 2011 to 2015. In 2015 until 2017, she was the Director of Engineering Department in SPMC before serving as the First City Council Secretary in the Seberang Perai City Council from 2017 to 2022.

After 30 years with the Seberang Perai City Council, Ir. Rosnani has vast experience in local government affairs, especially development control, solid waste management and engineering matters.

Ir. Rosnani does not hold any other directorships in other public companies and listed issuer. She has no family relationship with any other Director and/or major shareholder of the Company.

## PN. MAZLINA BINTI MOHAMAD

- Independent Non-Executive Director
- Member of Audit Committee

Member of Nominating Committee

 Member of Remuneration Committee



Age **59** 

**Pn. Mazlina Binti Mohamad** was appointed as an Independent Non-Executive Director of SkyGate Solutions Berhad on 22 August 2023. Pn. Mazlina graduated from Universiti Teknologi MARA (UiTM).

In 1988, she began her career in a legal firm. In 1989, she left and subsequently served as a secretary cum personal assistant to a Project Director in a public listed construction firm until 2001. From 2002 to 2009, she was the Human Resources & Administration Manager in a construction firm.

Pn. Mazlina joined Right Pristine Manpro Sdn Bhd as Human Resources Manager from 2009 to 2015 and has been promoted as senior manager in year 2016. She left Right Pristine Manpro Sdn Bhd in 31 July 2023 and subsequently joined SkyGate Solutions Berhad as Independent Non-Executive Director.

Pn. Mazlina does not hold any other directorships in other public companies and listed issuer. She has no family relationship with any other Director and/or major shareholder of the Company.

#### Note:

All of the above Directors do not have any conflict of interest with SkyGate Solutions Berhad.

Other than traffic offences, none of the Directors of the Company have any convictions for offences within the past five (5) years or have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2024.

The Directors' shareholdings are disclosed in this Annual Report.

# KEY MANAGEMENT PROFILE

MANUFACTURING

### MR. GOH KIANG TENG

The profile of Mr. Goh is listed on the Directors' Profile on page 32

### MR. CHUAH POH LIM

Malaysian / Male / Age 57

**Mr. Chuah** started his career with Philips Electronics (M) Sdn. Bhd. as Purchasing Assistant in 1986, where he was involved in sourcing, purchasing of mechanical parts from local and overseas vendors.

Subsequently he joined SkyGate Precision (M) Sdn Bhd ("SPSB") as a Purchasing Executive in 1990. He was promoted to Material Control & Marketing Manager in 1993 and General Manager in 1998. As a General Manager, he was responsible for the overall operation and administration of SPSB.

With his hard work and invaluable experiences, he completed his Master of Business Administration ("MBA") in 2009 and was promoted to Deputy Managing Director of SkyGate in 11 January 2008 and redesignated to Managing Director on 17 December 2020. He resigned as Managing Director on 22 August 2023 and now focus on SPSB business performance.

Mr. Chuah is Director of SPSB, Kelpen Plastics Technology Sdn Bhd ("KPTSB"), SkyGate Properties Sdn Bhd ("SPRSB"), SkyGate City of Dreams Sdn Bhd ("SCODSB"), Jintec Innovation Sdn Bhd ("JISB"), Jintec Innovation Pte Ltd ("JISG"), Maxcode Technology (M) Sdn Bhd ("Maxcode") and The Esplanade Park Sdn Bhd ("TEPSB").



### MS. LIM CHOOI PENG

#### **HR Manager**

Malaysian / Female / Age 54

Ms. Lim Chooi Peng was appointed as the Human Resources ("HR") Manager of the Group on 1 June 2006. She began her career at SPSB as a Personnel Clerk after graduating from Bukit Mertajam High School in 1990 with Sijil Pelajaran Malaysia ("SPM"). In 1993, she was promoted to Senior Personnel Clerk, where she was responsible for recruitment activities, HR activities, foreign workers affairs, payroll and coordination of training programmes for SkyGate Group's employees. She was later promoted to Administration Supervisor and Assistant Administration Manager in 1 January 2000 and 1 January 2001 respectively. Currently, Ms. Lim is the HR Manager of SkyGate Group, overseeing all of SkyGate Group's HR activities.

## MR. CHEW TIEN KEE

Malaysian / Male / Age 54

Mr. Chew is the co-founder, director and shareholder of VS Solution Services Sdn Bhd ("VSS"). He is responsible for the sales, management, production and project handling of VSS. Mr Chew commenced his early education in the Industry Engineering course in Politeknik Jitra (currently known as Politeknik Sultan Abdul Halim Muadzam Shah) in 1991. Prior to pursuing his degree in Mechanical Engineering from the University of Technology Malaysia, he was working as a technician for Komag USA (M) Sdn Bhd, where he was responsible for handling the manufacturing process of hard disks. Upon graduation, he commenced his career at lomega (M) Sdn Bhd as a procurement engineer tasked with the procurement of incoming indirect materials, parts and quality. In 1997, he joined Chiptronics (M) Sdn Bhd as a sales engineer, where he was responsible for the advertising and promoting the use of SMT equipment, tools, chemical and all peripheral item related to electronics industry. In 2004, he joined Koki Singapore Pte Ltd as a sales manager, where he was responsible for the advertising and promoting the use of SMT equipment such as Saki Corporation's latest Automated Optical Inspection (AOI) Systems. In 2007, he co-founded VS Solution Services Sdn Bhd ("VSS") together with Dato Ooi Eng Leong and Mr. Goh Kiang Teng.

# KEY MANAGEMENT PROFILE

MANUFACTURING

### MR. LEE TZE KIANG

Singaporean / Male / Age 50

Mr. Lee is the co-founder, director, and shareholder of JISB and JISG, where he leads sales, management, production, and projects. He holds a Higher National Diploma in Engineering from Nanyang Polytechnic, Singapore, along with professional certifications in Lean Manufacturing, Six Sigma, OEE, Leadership, Business Management & Marketing, and Digital Transformation Integration. With over 25 years in the EMS industry across Singapore, China, and Malaysia, he has managed over US\$300 million in revenue and more than 10,000 employees, specialising in manufacturing excellence, cost optimisation, and business expansion. He has played a key role in plant setups and operational efficiency for Hi-P, Kersen, Dynacast, and Flex, serving major clients such as Apple, Dyson, Tesla, Seagate, Huawei, Dexcom, Illumina, and Intuitive. His expertise includes mechanical and semiconductor manufacturing, which encompasses stamping, CNC machining, plastic moulding, SMT, diecasting, plating, and box-build processes. In 2021, he founded JISG in Singapore, expanding to Penang, Malaysia in 2024 and collaboration with SkyGate. After acquiring a machining facilities, he continues to enhance in-house capabilities and customer reach by delivering high-precision machining solutions for wafer chips, food processing equipment, and medical devices.

### MR. YEOH AIK KHONG

Malaysian / Male / Age 48

**Mr. Yeoh** is an accomplished finance professional with over two decades of experience in accounting, auditing, and financial management. He holds a degree in Accounting and Finance from Deakin University, Australia, and has been a Certified Practising Accountant (CPA Australia) and a Member of the Malaysian Institute of Accountants (MIA) since 2004.

He commenced his career in 2000 at Horwath, an audit firm, where he gained extensive expertise in financial auditing, regulatory compliance, and risk assessment. In 2006, he transitioned to the manufacturing sector, assuming the role of Finance Manager in companies specialising in polymer lithium battery packs and brushed motors. Throughout this tenure, he was instrumental in financial planning, cost optimisation, and strategic decision-making, ensuring sustainable business growth and operational efficiency.

## MR. ENG YIK JIN

Malaysian / Male / Age 50

Mr. Eng is co-founder, director & shareholder at JISB.

He assists Mr. Lee Tze Kiang in overseeing sales, management, production, operations, and project handling at JISB. His role is key in ensuring the smooth functioning of the company's daily operations, as well as driving its growth and strategic projects. He graduated with an Automotive Engineering course from Politeknik Sultan Ahmad Shah Pahang.

He began his career as an Assistant Engineer at Fujikura Federal Cable, where he gained valuable technical experience in cable manufacturing and production processes, contributing to his expertise in engineering.

Following his role at Fujikura, he joined GPI Electronic, where he focused on selling Printed Circuit Boards (PCB) and Flexible Printed Circuits (FPC). This position allowed him to gain extensive sales and marketing experience in the electronics industry.

He expanded his scope by exploring opportunities in upstream FPC raw materials. He became the sole distributor of market-leading Japanese material for the flexible circuit industry in Malaysia, further diversifying his business portfolio and establishing strong partnerships in the sector.

As a key figure in JISB, he continues to play an instrumental role in shaping the company's direction. His extensive experience in both technical and business domains, combined with his expertise in sales, marketing, and raw material distribution, has helped JISB expand its presence in the market.

From 2017 to 2024, Mr. Yeoh served as the Chief Financial Controller of a medical devices manufacturing company, a joint venture with a German partner. His leadership in cross-border financial management, corporate governance, and strategic financial planning facilitated seamless financial integration and enhanced operational synergies between the two entities. He played a pivotal role in aligning business objectives, optimising financial structures, and ensuring regulatory compliance across multiple jurisdictions.

In November 2024, he joined SkyGate Group as General Manager, bringing a wealth of expertise in financial strategy, operational leadership, and business transformation.

# KEY MANAGEMENT PROFILE

PROPERTY INVESTMENT & MANAGEMENT

MR. TAY SENG CHEW

The profile of Mr. Tay is listed on the Directors' Profile on page 31

MR. GOH KIANG TENG

The profile of Mr. Goh is listed on the Directors' Profile on page 32

## MR. ARAVINTHAN @ ARVIND

### **Property Manager**

Malaysian / Male / Age 39

Mr. Arvind worked with SPRSB since 1 August 2015. Before this role, He started his career as HR Executive for Penang Sports Club and Chaswoods Resources Ltd. (Selangor), where he oversees internal staff and conduct training. He is also the Vice President for Malaysian Disabled Golf Association for 10 years and pursuit to help the disabled to achieve their dream in sports. Arvind holds a Bachelor Degree in Law and Commerce majoring in Human Resource from the University of Management and Science (MSU) at Shah Alam. He was later promoted to Property Manager since 1 April 2021. He is handling maintenance request and other management related duties.



# KEY MANAGEMENT PROFILE

PROPERTY DEVELOPMENT

MR. TAY SENG CHEW

The profile of Mr. Tay is listed on the Directors' Profile on page 31

MR. GOH KIANG TENG

The profile of Mr. Goh is listed on the Directors' Profile on page 32

## MR. DONALD WONG SEI CHOONG

#### **Project Manager**

Malaysian / Male / Age 64

Mr. Donald Wong Sei Choong was appointed as the Project Manager of SCODSB on 1 January 2018. He currently primarily in charge of managing the planning, quality control, compliance and safety aspects of the development processes to ensure timely completion of design development of the projects within the specified budget.

Mr. Wong holds of a degree in manufacturing management from Asia Pacific International University, New Zealand. Prior to joining SCODSB, he was with Hewlett Package Inc as its CREWS (Corporate Real Estate Workplace Solutions) Area Delivery Manager on site to manage and prepare the handover of new manufacturing sites by third party service providers and to ready the sites for operation. His scope of work includes risk mitigation and managing defect liability period handover.

His role as the Project Manager is further enhanced with his experience in facilities and real estate management, new facilities set-up and project management (construction and engineering support).

# MS. CHIAM CHING TENG

#### **Finance Manager**

Malaysian / Female / Age 41

Ms. Chiam is the Finance Manager of SkyGate Group. She obtained a Diploma in Accounting in 2005 and started her career as an Accounts Assistant. In 2007, she joined Belleview Group and was subsequently promoted as Senior Accounts Officer in 2012. In 2016, she obtained her Bachelor of Business (Hons) in Accounting from Wawasan Open University. In 2020, she joined SkyGate Group as Assistant Finance Manager and subsequently promoted to Finance Manager in 2022. She is responsible for handling part of SkyGate Group's accounts and finance related matters.

## MS. CHAN CHEA FANG

#### **Marketing Manager**

Malaysian / Female / Age 44

**Ms. Chan Chea Fang** obtained her Diploma in Executive Secretaryship from Olympia College in Year 2001. In 2001, she began her career as Secretary in Kim Construction Sdn Bhd. In 2004, she was promoted as Purchaser, while in 2007 as Procurement Officer and finally in 2012, she attained the position of Assistant Procurement and HR Manager. She was responsible for the overall operation in purchasing, HR and administration division.

In 15 January 2017, she joined SCODSB as Procurement Manager where she was responsible for the purchasing activities and has be re-designated as Marketing Manager on November 2023.

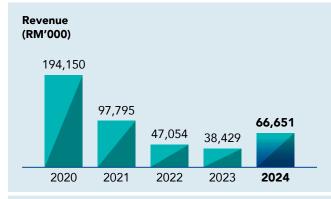
#### Note:

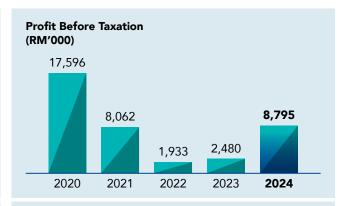
None of the Key Senior Management:

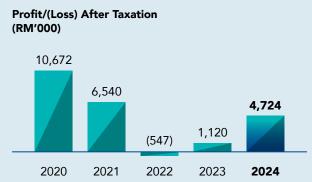
- hold any directorship in public companies and listed issuers, save for Mr. Tay Seng Chew and Mr. Goh Kiang Teng are currently the Directors of SkyGate Solutions Berhad.
- · has any family relationship with any director and/or major shareholder of the Company.
- has conviction for any offences, other than traffic offences (if any), within the past five (5) years and any public sanction or imposed any penalty by the relevant regulatory bodies during the FY2024.
- has any conflict of interest with the Company.

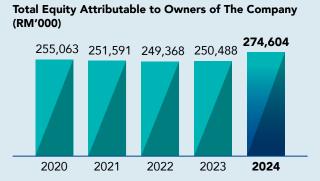
# FINANCIAL HIGHLIGHTS

Year Ended 31 December	2020 RM′000	2021 RM′000	2022 RM′000	2023 RM′000	2024 RM'000
	(Restated)	(Restated)	(Restated)		
Revenue	194,150	97,795	47,054	38,429	66,651
Profit Before Taxation	17,596	8,062	1,933	2,480	8,795
Profit/(Loss) After Taxation	10,672	6,540	(547)	1,120	4,724
Profit/(Loss) Attributable to Owners of The Company	9,672	6,540	(547)	1,120	5,640
As at 31 December					
Total Assets Employed	366,051	313,752	284,337	323,326	420,382
Total Equity Attributable to Owners of The Company	255,063	251,591	249,368	250,488	274,604
Earnings/(Loss) Per Share (Sen)	3.24	2.19	(0.18)	0.37	1.84













The Board views Corporate Governance as vitally important to the success of SkyGate's business and is unreservedly committed to ensure that high standards of corporate governance are practiced throughout the Group to deliver long-term sustainable value to shareholders and other stakeholders. With the publication of Malaysian Code on Corporate Governance 2021 ("MCCG"), the Board has taken the necessary steps to set out a summary of the Group's corporate guidance practices during the financial year in this Corporate Governance Overview Statement. In addition to this, the application of each of the Practices sets out in the MCCG is disclosed in our Corporate Governance Report which is available on the Company's corporate website (<a href="https://www.skygate.com.my">www.skygate.com.my</a>).

#### A. BOARD LEADERSHIP & EFFECTIVENESS

#### **Board Activities**

The business and affairs of the Group are managed under the direction and oversight of the Board, which also has the responsibility to periodically review and approve the overall strategies, business, organisation and significant policies of the Group. The Board also sets the Group's core values, adopts proper standards to ensure that the Group operates with integrity, and complies with the relevant rules and regulations.

#### **Board Composition**

The Board currently consists of five (5) Directors; comprising:

- (a) Three (3) Independent and Non-Executive Directors; and
- (b) Two (2) Executive Directors.

The Board consists of members from a wide range of discipline and background, providing in-depth and diversity in experience to the Group's operations. The Board is led by the Executive Chairman and is helmed by the Executive Director/Executive Officer. All Independent and Non-Executive Directors are free from any business dealings and other relationship with the Group and therefore play a crucial role in corporate accountability with their independent, unbiased views, advice and judgment in the decision making process. The Board, from time to time undertakes a review of its composition to determine areas of strengths and improvement opportunities.

With Mr. Tay Seng Chew as the Executive Chairman, and Mr. Goh Kiang Teng as Executive Director & Chief Executive Officer, there is a clear division of responsibilities between these roles to ensure a balance of power and authority. The Executive Chairman is responsible to instilling good corporate governance practices, leadership and effectiveness of the Board. The CEO is responsible in the day-to-day management of the business and operations of the Group. He is supported by senior management team, various management committees or working groups are set-up as and when necessary to facilitate implementation of strategies and operational decisions.

The senior management of the Group is selected based on the criteria of recognised skills, experiences or capabilities in their specific field of expertise and whose knowledge and abilities support the delivery of the performance objectives and growth of the Group.

The complement of Non-Executive Directors provides an effective Board with a mix of industry-specific knowledge, technical and commercial experience. This balance enables the Board to provide a clear and effective leadership to the Group and to bring informed and independent judgment to various aspects of the Group's strategies and performance.

The Independent and Non-Executive Directors further strengthen the Board in providing unbiased and independent views, advice and judgement. They also contribute to the formulation of policies and decision-making through their expertise and experience. Appointments of Board members and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

A brief profile of each Director is presented on page 31 to page 33 of this Annual Report.

#### **Board Responsibilities and Duties**

The Group is led by an experienced and dynamic Board. It has a balanced board composition with effective independent directors. The Board takes full responsibility and retains full and effective control over the affairs of the Group. The Board's functions and responsibilities are as stipulated in the Board Charter, their primary focus is on overall strategic planning including business plan and annual budget, performing quarterly review of business and financial performance, reviewing risk management, exercising internal controls and enforcing legal and statutory compliance.

### A. BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

#### **Board Charter**

The Board has established a Board Charter which sets out the duties and responsibilities of individual directors, Board Committees and the Board as a whole in accordance with the principles of good corporate governance. The Board Charter is published on the Company's corporate website (<a href="https://www.skygate.com.my">www.skygate.com.my</a>) and will be periodically reviewed by the Board.

The Board assumes the following duties:

- i. Establishing and reviewing the strategic direction of the Group;
- ii. Overseeing and evaluating the conduct of the Group's businesses;
- iii. Identifying principal risks and ensure that the risks are properly managed;
- iv. Establishing a succession plan;
- v. Developing and implementing an investor relations programme or shareholder communication policy; and
- vi. Reviewing the adequacy of the internal control policy.

#### **Code of Ethics and Conduct**

The Group has adopted a Code of Ethics and Conduct ("the **Code**") that applies to all Directors and employees of the Group. The Code is to assist the Directors and all personnel of the Group in defining the ethical standards based on trustworthiness and values as well as uphold the spirit of responsibility in line with the regulations, legislation, and quideline for administration of the Group.

A copy of the Code is available for reference at the Company's website at www.skygate.com.my.

#### **Whistleblowing Policy**

The Board has adopted a Whistleblowing policy to improve the overall organisational effectiveness and uphold the Group's business ethics of honesty, integrity and transparency.

The Whistleblowing Policy is intended to provide and facilitate a mechanism for employees and other stakeholders to report their concerns related to any suspected and/or known unethical, unlawful, fraud, bribery, abuse of power or other improper conduct without fear of reprisal or intimidation.

Employees and other stakeholders are encouraged to report genuine concerns of breach of legal obligation, miscarriage of justice, danger of health and safety to the organisation or to the environment and the cover up of any of these in the workplace can be reported and email to:

Attention: Mr. Tan Yen Yeow

Designation: Chairman of Audit Committee Email: <a href="mailto:tyymanagement@yahoo.com">tyymanagement@yahoo.com</a>

A copy of the Whistleblowing policy is available at the Company's website at www.skygate.com.my.

#### **Anti-Bribery and Corruption Policy**

In line with the amendments to the Malaysian Anti-Corruption Commission Act 2009 that incorporated a new Section 17A on corporate liability for corruption which took effect on 1 June 2020, the Group had on 27 May 2020 adopted an Anti-Bribery and Corruption ("**ABC**") Policy.

The Group had also conducted briefings and trainings to all employees of the Group to create awareness on the ABC Policy to foster commitment of the employees instilling the spirit of integrity and avoid all forms of corruption practices within the organisation.

A copy of the ABC Policy is available at the Company's website at www.skygate.com.my.

#### A. BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

#### **Company Secretaries**

The Company Secretaries provide support to the Board in fulfilling its fiduciary duties and leadership role in shaping the Corporate Governance ("**CG**") of the Group. In this respect, they play an advisory role to the Board, particularly with regard to the Company's constitution, Board policies and procedures, and its compliance with regulatory requirements, codes, guidance and legislations.

The Company Secretaries ensure that deliberations at Board and Board Committee meetings are well documented, and subsequently communicated to the Management for appropriate actions.

The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in CG through attendance at relevant conferences and training programmes. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging their functions.

#### Supply of Information

Meeting materials are sent to the Directors prior to each meeting to enable the Directors to obtain information, where necessary to allow them to effectively discharge their responsibilities. The Board has access to all information in relation to the Group whether as a full Board or in their individual capacity to assist them in the furtherance of their duties.

In addition, the Directors, if necessary, may also seek professional advice, at the Company's expense, if required. The Directors may also consult the Chairman and other Board members prior to seek any independent professional advice.

#### **Board Meetings and time commitment**

During the financial year ended 31 December 2024, the Board met on 4 occasions. Meeting agendas included review of quarterly financial results and announcements, plan and direction of the Group.

The next Board meeting is fixed in advance during each quarterly Board Meeting to enable the Directors to plan ahead and incorporate the next meeting into their own schedules. Board meetings are held every quarter and additional meetings are held as and when necessary. Senior management are invited to board meetings to furnish details or clarifications on matters tabled for the Board's consideration.

The Board is satisfied with the time commitment given by the Directors of the Company in discharging their duties for the financial year ended 31 December 2024.

Where the Board is considering a matter in which a Director has an interest, such Director will be abstained from all deliberations and decision making on the subject matter. In the event of any Directors are unable to attend Board meetings physically, the Company's Constitution allow for such meetings to be conducted via telephone, video conference or any other form of electronic communication.

Details of each existing Director's meeting attendances are as follows:

Name of Director	Designation	Attendance	% of Attendance
Mr. Tay Seng Chew	Executive Chairman	4/4	100
Mr. Goh Kiang Teng	Executive Director & Chief Executive Officer	4/4	100
Mr. Tan Yen Yeow	Independent Non-Executive Director	4/4	100
Ir. Rosnani Binti Hj Mahmod	Independent Non-Executive Director	4/4	100
Pn. Mazlina Binti Mohamad	Independent Non-Executive Director	4/4	100

#### A. BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

#### **Directors' Trainings**

The Directors undergo trainings to equip themselves to effectively discharge their duties as Directors and for that purpose, they ensure that they attend such training programmes. The Board encourages its Directors to attend talks, seminars, workshops and conferences to update and enhance their skills and knowledge to enable them to carry out their roles as directors effectively, more specifically in discharging their responsibilities towards corporate governance and regulatory compliances.

During the financial year ended 31 December 2024, the seminars and training programmes attended by various members of the Board included the following:

Date	Name of Director	Seminar/Training
4 & 5 March 2024	Mr. Tan Yen Yeow	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
23 April 2024	Ir. Rosnani Binti Hj Mahmod	Embracing BIM and IBS as Catalysts for Industry Advancement
12 & 13 June 2024	Ir. Rosnani Binti Hj Mahmod	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
12 & 13 June 2024	Pn. Mazlina Binti Mohamad	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
26 July 2024	Mr. Tan Yen Yeow	Ethics for Internal Auditors Workshop
2 September 2024	Mr. Tan Yen Yeow	MIA Webinar Series: Digital Technology and Artificial Intelligence as Productivity Tools for Accounting and Finance Professionals
28 September 2024	Ir. Rosnani Binti Hj Mahmod	ESG Sustainability Framework: The Role and Importance of Its Pillars In The Manufacturing Industries Revolution
1 October 2024	Mr. Tan Yen Yeow	MIA Webinar Series: Financial Reporting on Impact of Climate Change Effects
8 October 2024	Mr. Tan Yen Yeow	Understanding Corporate Governance in the ESG Context
9 November 2024	Ir. Rosnani Binti Hj Mahmod	Risk Based Inspection (RBI) Introduction for Malaysia Offshore Structure
27 & 28 November 2024	Mr. Tay Seng Chew	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
27 & 28 November 2024	Mr. Goh Kiang Teng	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
3 December 2024	Mr. Tan Yen Yeow	MIA Webinar Series: Engagements to Review Financial Statements: Applying ISRE 2400
4 December 2024	Ir. Rosnani Binti Hj Mahmod	Building Tomorrow: Geopolymer as A Sustainable Cement Alternative
12 December 2024	Ir. Rosnani Binti Hj Mahmod	Lessons Learnt from Injection Pile Foundation

## **Board Committees**

The Board has delegated appropriate responsibilities to the Board Committees, namely Audit Committee, Nominating Committee, Remuneration Committee, Sustainability Committee and Risk Management Committee, in order to enhance business and operation efficiency and efficacy. The respective references have been established for all Board Committees and the Board received reports of their proceedings and deliberations. The chairman of the respective Committees reports to the Board the outcome of the respective Committee meetings and such reports are incorporated in the minutes of the full board meeting.

#### A. BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

#### **Nominating Committee**

All the members of the Nominating Committee ("NC") are Non-Executive Directors. The members of the NC are as below:

Name of Director	Designation
Ir. Rosnani Binti Hj Mahmod	Chairman, Independent Non-Executive Director
Mr. Tan Yen Yeow	Member, Independent Non-Executive Director
Pn. Mazlina Binti Mohamad	Member, Independent Non-Executive Director

The Company has adopted the Fit and Proper Policy on 24 May 2022, when considering new appointment, the NC shall evaluate the skills, knowledge and experience on the Board. In identifying suitable candidates, the NC should consider the following fit and proper criteria of the candidates:

- (i) Character and integrity
- (ii) Experience and competence
- (iii) Time and commitment

The NC has conducted the fit and proper assessment on Directors who were proposed for re-election at the nineteenth Annual General Meeting of the Company in accordance with the Fit and Proper Policy. The NC is satisfied with the performance of the retiring Directors.

The NC assesses the effectiveness of the Board, the Board Committees and individual Directors. NC assesses the competencies of each Director in the areas of their contribution, performance and personality in relation to the mix of skills, experience and other qualities including core competencies.

The NC also undertakes annual assessment of the independence of its independent Directors based on criteria of independence as per requirements of Main Market Listing Requirements.

The Board recognises the importance of independence and objectivity in the decision making process. The Board and its NC in their annual assessment concluded that each of the three Independent Non-Executive Directors continues to demonstrate conduct and behaviour that are essential indicator of independence. Each of them continues to fulfil the definition and criteria of independence as set out in Main Market Listing Requirements to Bursa Malaysia Securities Berhad.

The NC had met one time during the financial year 2024 and the activities of the NC are summarised as follows:

- i. Reviewed the current board structure, size and composition;
- ii. Reviewed and assessed the mix of skills, experience and other qualities of the Board;
- iii. Assessed the effectiveness of the Board, the Committees and the contribution of each individual Director;
- iv. Assessed the performance of Independent Directors;
- v. Reviewed the terms of office and performance of the Audit Committee and each of its members;
- vi. Assessed the Terms of Reference of NC;
- vii. Recommenced the re-election of Directors at the forthcoming Annual General Meeting;
- viii. Reviewed the Directors' Fit and Proper Policy; and
- ix. Reviewed the performance of the Board and Senior Management in addressing the Company's Sustainability or Environmental, Social and Governance ("**ESG**").

### **Re-election of Directors**

The Nominating Committee also conducted an assessment of the Directors who are subject to retirement at the forthcoming annual general meeting ("**AGM**") in accordance with the Constitution of the Company. The Constitution also required that one-third of the Directors to retire by rotation and seek re-election at each AGM and that each Director shall submit himself/herself for re-election once every three years. Any Director newly appointed, shall hold office until the next AGM of the Company and shall be eligible for re-election but shall not take into account in determining the Directors who are to retire by rotation at the meeting.

### A. BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

#### **Tenure of Independent Directors**

The Board adopted a 9-year-policy for Independent Directors taking into account the need for progressive refreshing of the Board.

- (a) The tenure of an Independent Director does not exceed a limit of nine (9) years.
- (b) If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

The Board adopts a 12-year-policy for Independent Directors where all long-serving Independent Director of more than twelve (12) years must resign or be-redesignated as Non-Independent Directors, and related consequential Listing Requirements amendments.

The Nominating Committee had also assessed the independency Mr. Tan Yen Yeow who will serve the Company as Independent Director for a cumulative term of more than 10 years in FYE2025. The Nominating Committee upon its assessment carried out and is satisfied that Mr. Tan has satisfactorily demonstrated that he is independent from the management and free from any business dealings with the Group that could be perceived to interfere in his exercise of independent judgement. The Board took note of recommendation of the MCCG but immediate compliance with the said recommendation posed a disadvantage to the Company in terms of losing an experienced independent director who over the years had contributed to the effectiveness of the Board as a whole. Nevertheless, Mr. Tan will be seeking shareholders' approval on his re-appointment as Independent Director at the forthcoming Annual General Meeting. In view thereof, the Board recommends and supports his re-appointment as Independent Non-Executive Director of the Company at the forthcoming 19th Annual General Meeting of the Company.

#### Diversity, Equity and Inclusion Policy ("DEIP")

The Group has adopted the DEIP on 25 February 2023. In line with Group's philosophy, the Group shall support the promotion of all aspects of the DEIP and apply them in overall people practices at work for all levels inclusive Board and Senior Management including but not limited to career opportunity, training and development, recruitment, compensation and benefits, talent identification, retention, performance management, promotion, job assignments, succession planning and engagement activities.

Employees are to be treated fairly and respectfully and ensure that they are not judged by their gender, age, race, religion cultural, background, ethnicity or disability. Discrimination, harassment, victimisation will not be tolerated at SkyGate. Any breach of the DEIP may subject an employee to disciplinary action up to termination of service. The Board is also mindful of the recommendation of the MCCG to have at least 30% women decision-makers in the Board. Currently, there is two women Directors on board, Pn. Mazlina Binti Mohamad and IR. Rosnani Binti Hj Mahmod which represented 40% of women directors in the Board.

#### **Remuneration Committee**

The Remuneration Committee is established to ensure that remuneration arrangement is sufficient to support the strategic aims of the business and enable the recruitment, motivation and retention of the Board and Senior Management.

All the members of the Remuneration Committee are Non-Executive Directors who are responsible for recommending the remuneration packages of the Executive Directors of the Company to the Board on a yearly basis. The Board determines the remuneration of Non-Executives Directors who abstain from deliberation and decision made in respect of their individual remuneration. The RC had met one time during the financial year 2024.

Currently, the members of the Remuneration Committee are:

Name of Director	Designation
Ir. Rosnani Binti Hj Mahmod	Chairman, Independent Non-Executive Director
Mr. Tan Yen Yeow	Member, Independent Non-Executive Director
Pn. Mazlina Binti Mohamad	Member, Independent Non-Executive Director

### A. BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

#### **Directors' Remuneration**

The Group's framework on Directors' remuneration has the underlying objectives of attracting and retaining Directors of high calibre needed to run the Group successfully. Remuneration of Directors for the financial year ended 31 December 2024 is as follows:

Group					
Executive Directors	Fees (RM)	Salary & bonus (RM)	EPF and other contribution (RM)	Other allowances (RM)	Total (RM)
Mr. Tay Seng Chew	23,000	280,000	54,417	3,500	360,917
Mr. Goh Kiang Teng	23,000	280,000	54,417	4,289	361,706
Total	46,000	560,000	108,834	7,789	722,623

Group			
	Fees	Other allowances	Total
Non-Executive Directors	(RM)	(RM)	(RM)
Pn. Mazlina Binti Mohamad	21,000	3,500	24,500
Ir. Rosnani Binti Hj Mahmod	28,000	3,500	31,500
Mr. Tan Yen Yeow	31,000	3,500	34,500
Total	80,000	10,500	90,500

Company			
Directors	Fees (RM)	Other allowances (RM)	Total (RM)
Executive Directors			
Mr. Tay Seng Chew	23,000	3,500	26,500
Mr. Goh Kiang Teng	23,000	3,500	26,500
Total	46,000	7,000	53,000
Non-Executive Directors			
Pn. Mazlina Binti Mohamad	21,000	3,500	24,500
Ir. Rosnani Binti Hj Mahmod	28,000	3,500	31,500
Mr. Tan Yen Yeow	31,000	3,500	34,500
Total	80,000	10,500	90,500

### A. BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

#### Top Senior Management's Remuneration

The remuneration of the top Senior Management of the Group for the financial year ended 31 December 2024 fall within certain bands are as follows:

Salary Bands	RM50,001- RM100,000	RM100,001- RM150,000	RM150,001- RM200,000	RM350,001- RM400,000
Mr. Chuah Poh Lim	-	-	-	1
Mr. Chew Tien Kee	-	-	1	-
Mr. Lee Tze Kiang	-	1	-	-
Mr. Eng Yik Jin	1	-	-	-
Mr. Donald Wong Sei Choong	-	1	-	-

#### B. EFFECTIVE AUDIT AND RISK MANAGEMENT

#### **Financial Reporting**

The Board is responsible to ensure that the Company's financial statements are prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016. The Company publishes its financial statements annually and financial information quarterly as required by the Bursa Malaysia Securities Berhad. The Directors' responsibility statement in respect of the preparation of the financial statements is set out on page 48 of this Annual Report.

#### **Audit Committee**

The Audit Committee is relied upon by the Board to, amongst others, provides advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations. The Audit Committee also undertakes to provide oversight on the risk management framework of the Group. The Audit Committee is chaired by an Independent Director who is distinct from the Chairman of the Board. All members of the Audit Committee are financially literate, whilst the Chairman of the Audit Committee is a member of the Malaysian Institute of Accountants. The Audit Committee has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the Audit Committee. The role of the Audit Committee and the number of meetings held during the financial year as well as the attendance record of each member are set out in the Audit Committee Report in the Annual Report.

### **Relationship with Auditors**

The Company's external auditors continue to provide the independent assurance to shareholders on the Group's and the Company's financial statements. The Board maintains a formal and transparent relationship with the auditors to meet their professional requirements.

The Board maintains formal and transparent relationship with its External Auditors through the Audit Committee. The Audit Committee has been conferred with the authority to directly liaise with both the External and Internal Auditors. It is a policy of the Audit Committee that it meets with External Auditors at least twice a year to discuss and review of their audit plans, scope of audit and audit reports as well as their professional fees. The Audit Committee will review the appointment and re-appointment of External Auditors and to assess the performance and independence of the External Auditors on annual basis. The External Auditors is expected to report their findings to the Audit Committee and to discuss with the Board of Directors on matters that necessitate the Board's attention.

The auditors, Messrs. Grant Thornton Malaysia PLT had confirmed to the Audit Committee in writing that they are, and have been independent throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements.

### B. EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### **Risk Management and Internal Control framework**

The Board has overall responsibility for maintaining a sound system of internal controls that provides reasonable assurance of effective and efficient business operations, compliance with laws and regulations as well as internal procedures and guidelines. The effectiveness of the system of internal controls of the Company and of the Group is reviewed by the Audit Committee and Risk Management Committee during its quarterly meetings. The review covers the financial, operational and compliance controls as well as risk management functions. The Statement on Risk Management and Internal Control, which provides an overview of the state of the internal control, anti-corruption, whistleblowing and governance processes within the Group, is set out on pages 50 to 51 of the Annual Report.

#### **Risk Management Committee**

The Risk and Management Committee consists majority of Independent and Non-Executive Directors. The composition of the Risk Management Committee can be found in page 50 of the Annual Report. The Risk Management Committee assists the Board in ensuring that the risk exposures and outcomes affecting the Group are effectively managed and addressed by the Board. More specifically, the Risk Management Committee is responsible for formulating policies and frameworks to identify, monitor, manage and control material risks impacting the Group.

#### C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosure relating to the Company and its subsidiaries to be made to the regulators, shareholders, and stakeholders.

The Group continues to recognise the importance of transparency and accountability to its shareholders and investors. The Board endeavours to keep its shareholders and investors informed of its progress through a comprehensive annual report and financial statements, circulars to shareholders, quarterly financial reports, periodic press releases and the various announcements made during the year. These will enable the shareholders, investors and members of the public to have an overview of the Group's performance and operation.

The Group also maintains a corporate website at <a href="www.skygate.com.my">www.skygate.com.my</a> whereby shareholders as well as members of the public may access to the latest information on the Group. Alternatively, they may obtain the Group's latest announcements via the website of Bursa Malaysia Securities Berhad at <a href="www.bursamalaysia.com">www.bursamalaysia.com</a>.

The Group is guided by the Bursa Malaysia Securities Berhad Listing Requirements in regard to the Corporate Disclosure Policy.

#### Communication with Shareholders and Investors

The Board adheres to the disclosure requirements of Bursa Malaysia Securities Berhad and ensures timely release of the financial results on a quarterly basis in order to provide its shareholders with an overview of the Group's financial and operational performance. In addition, it communicates with its shareholders, institutional and potential investors through various announcements made during the year. Dialogue with stakeholders is a necessary and beneficial process as it enables the Company to understand and address stakeholders' concern when making decision.

In addition, shareholders and investors can have a channel of communication with the following person to direct queries and provide feedback to the Group:

Mr. Grace Chan

Corporate Communication Tel No.: +604-291 0036 Fax No.: +604-291 0037

Email address: grace\_ccf@skygate.com.my

### Investor relations

Information of the Group is also accessible through the Company's website at <a href="www.skygate.com.my">www.skygate.com.my</a> which is updated on a regular basis. Information available in the website includes, among others, the Group Annual Report, quarterly financial announcements, major and significant announcements, press releases and latest corporate developments of the Group.

#### C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### Shareholder participation at general meeting

The forthcoming Annual General Meeting is the Company's 19th Annual General Meeting as a listed company and this will provide the opportunity for shareholders to raise questions pertaining to issues in the Annual Report, Audited Financial Statements and corporate developments in the Group, the resolutions being proposed and/or on the business of the Group. At the Annual General Meeting, shareholders are given direct access to the Board and are encouraged to participate in its proceedings and seek clarification on the performance of the Group.

All Directors are committed to attend the general meetings and the Chairman of the Audit, Nominating, Remuneration, Sustainability and Risk Management Committees will provide meaningful response to questions addressed to them.

#### Poll voting

Pursuant to the Paragraph 8.29A(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions as tabled at the general meetings will be put to vote by way of poll and the voting results will be released to Bursa Malaysia Securities Berhad on the same day.

### D. KEY FOCUS AREAS AND FUTURE PRIORITIES

Moving forward, the Board will continue to refine and seek to build upon the enhanced corporate disclosure requirements as required by Bursa Malaysia Securities Berhad (and other regulators), to better operationalise and improve the Group's corporate governance practices and procedures in the best interest of all our stakeholders.

This Corporate Governance Overview Statement is to be read in conjunction with the Corporate Governance Report, which is made available on the Company's website at <a href="https://www.skygate.com.my">www.skygate.com.my</a>.

The Corporate Governance Overview Statement was approved by the Board of Directors on 30 April 2025.

## STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act 2016 to prepare financial statements for the financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and the results and cash flows of the Group and of the Company for the financial year ended.

In preparing the financial statements, the Directors have used appropriate and relevant accounting policies that are consistently applied and supported by reasonable as well as prudent judgements and estimates, and have ensured that all applicable approved accounting standards in Malaysia have been complied with.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records which disclose with reasonable accuracy the financial positions of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors also have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group, to detect and prevent fraud and other irregularities.

# ADDITIONAL DISCLOSURE STATEMENTS

## **Audit and Non-Audit Fees**

During the financial year, the amount of audit fees paid to external auditors by the Company and the Group respectively were as follows:

	Audit Fees (RM)
Company	100,000
Group	253,000

During the financial year, the amounts of non-audit fees paid to external auditors and its affiliates by the Company and the Group respectively were as follows:

	Non-Audit Fees (RM)
Company	11,000
Group	73,000

The Group's non-audit fees consist of tax services, review of the Statement of Risk Management and Internal Control.

### **Material Contracts Involving Directors and Major Shareholders**

There were no material contracts of the Company and its subsidiaries, involving interest of Directors and/or major shareholder, still subsisting at the end of the financial year.

#### **Utilisation of Proceeds**

During the financial year there were no proceeds raised by the Company from any corporate proposals.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

#### Introduction

The Board is pleased to provide the Statement on Risk Management and Internal Control ("**Statement**") pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"). The Statement is prepared with reference to the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers endorsed by Bursa Malaysia. It outlines the key features of the risk management and internal control system of the Group during the year under review.

The Board recognises the importance of a sound system of internal controls and an effective risk management framework for good corporate governance. The Board also acknowledges its responsibility for maintaining a sound system of internal controls, and for reviewing its adequacy and integrity. The Board is committed to maintaining a system of internal controls which covers financial, operational and compliance control as well as risk management to achieve the following objectives:

- Safeguard the assets of the Group and shareholders' interests;
- Identify and manage the risks affecting the Group;
- Ensure compliance with regulatory requirements; and
- Ensure operational results are closely monitored and substantial variances are promptly explained for.

However, the Board recognises that reviewing of the Group's system of internal controls is a concerted and continuing process, designed to manage rather than eliminate the risk of failure to comply with the Group's policies and to achieve business objectives. In pursuing these objectives, internal control can only provide reasonable and not absolute assurance against material misstatements or losses.

In striving for continuous improvement, the Board will put in place appropriate action plans, when necessary, to enhance the Group's system of internal controls.

#### **Risk Management Committee**

The Board has delegated the risk management and internal control system oversight responsibility to the Risk Management Committee ("RMC"). The RMC is responsible for formulating policies and frameworks to identify, measure, monitor, manage and control the material risk components impacting the businesses. Necessary actions will be taken to remedy any significant findings identified from the review. The adequacy and effectiveness of the risk management and internal control system is monitored and evaluated on an on-going basis. Further information on the roles and responsibilities and specific duties of the RMC is included in the Corporate Governance Overview Statement.

Currently, the members of the Risk Management Committee are:

Name of Director	Designation
Mr Tan Yen Yeow	Chairman, Independent Non-Executive Director
Mr. Goh Kiang Teng	Member, Executive Director & Chief Executive Officer
Ir. Rosnani Binti Hj Mahmod	Member, Independent Non-Executive Director

#### Internal Control

The Group's system of internal controls comprises the following key elements:

- Organisational structure and accountability levels
   Key responsibilities and lines of accountability within the Group are defined, with clear reporting lines up to the Senior
   Management of the Group and to the Board of Directors of the Company. The Group's delegation of authority sets out the decisions that need to be made by the appropriate authority levels within Management.
- Control procedures
   Operating Procedures Manual that sets out certain policies and procedures are maintained by those companies in the
   Group which were awarded with the ISO 9001:2015 accreditation to ensure that standard control procedures are in
   place.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

#### **Internal Audit**

The Group has engaged an independent professional consulting firm ("the **Internal Auditors**") to carry out its internal audit functions. During the financial year ended 31 December 2024, the Internal Auditors had conducted an assessment of the risks applicable to certain operating subsidiaries of the Group. Risks are assessed in terms of their likelihood and impact to the organisation. The Internal Auditors also conducted internal audits on property, plant and equipment management of SkyGate Precision (M) Sdn Bhd. Arising from the audits performed, the Internal Auditors highlighted to the Management certain areas for improvement. The Internal Auditors also presented their reports to the Audit Committee for deliberation. In turn, the Audit Committee reported to the Board of Directors the internal audit findings, the recommendations for improvements and the response from Management thereto. Minutes of the meetings were tabled to the Board. A summary of these issues, if material, and other matters highlighted by the Internal Auditors for the year were also tabled for the Board's attention.

### **Risk Management Framework**

For long-term viability of the Group, it is crucial to achieve a critical balance between risks occurred and potential returns. Taking cognisance of this, the Board has been mandated to drive the risk management process whilst focusing on the critical business agenda of the Group. The Board, through the internal audits conducted, strives to develop and implement internal controls at appropriate levels of the organisation.

At the individual company level, management meetings held between the Executive Director and head of departments seek to identify and manage any operational risks faced by the Group.

The Board has received assurance from the Executive Director that the Group's risk management and internal control system is operating adequately and effectively in all material aspects based on the risk management and internal control system adopted.

For bribery and corruption risk, the Group has adopted the Guidelines and Adequate Procedures pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission (Amendment) Act 2018 to prevent, detect and respond to bribery and corruption risks.

#### Conclusion

The Board is of the view that the risk management and internal control system put in place during the financial year and up to the date of approval of this Statement is sound and adequate to safeguard shareholders' investments, other stakeholders' as well as the Group's assets. The Board remains committed to strengthen the risk management and internal control environment of the Group.

This Statement is issued in accordance with a resolution of the Directors dated on 30 April 2025.

# AUDIT COMMITTEE REPORT

#### Composition

Name of Director	Designation
Mr. Tan Yen Yeow	Chairman, Independent Non-Executive Director
Ir. Rosnani Binti Hj Mahmod	Member, Independent Non-Executive Director
Pn. Mazlina Binti Mohamad	Member, Independent Non-Executive Director

#### Meetings Held During The Financial Year Ended 31 December 2024

During the financial year, four (4) meetings were held and the table of attendance of each committee member is as follows:

Name of Director	Attendance
Mr. Tan Yen Yeow	4/4
IR. Rosnani Binti Hj Mahmod	4/4
Pn. Mazlina Binti Mohamad	4/4

#### **Summary Of Work Of Audit Committee**

During the financial year, the Audit Committee ("AC") had carried out the following activities to meet their responsibilities as set out in the terms of reference of the AC which is available for viewing on the Company's corporate website www.skygate.com.my.

- i) Financial Reporting Oversight
  - a) Reviewed the quarterly unaudited financial results with the finance team and thereafter recommended to the Board for approval, for announcement to Bursa Malaysia Securities Berhad.
- ii) Oversee Activities of External Auditors in dealing with the Group
  - a) Reviewed and approved the external auditors' audit plan for the Group and the Company for the year ended 31 December 2024. The audit plan outlining the engagement team, the audit objective and scope, the audit approach, the areas of audit focus, audit timeline, proposed audit fees and other matters.
  - b) The AC also discussed and reviewed with external auditors the applicability of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board.
  - c) The AC reviewed the external auditors' status of the audit and audit findings for the financial year ended 31 December 2024.
  - d) The AC met two times in FYE 2024 with the external auditors without the presence of the Executive Directors and management staff to discuss any issues of concern to the External Auditors arising from the annual statutory audit
  - e) The AC reviewed the audit fees of the external auditors for the ensuing year prior to the Board of Directors for approval.
  - f) The AC reviewed and evaluated the performance and independence of the external auditors. The AC recommended the re-appointment of external auditors to the Board.
- iii) Internal Audit ("IA")
  - a) Reviewed IA report from internal auditors and assessed the internal auditors' findings, recommendations together with the management's comments. Relevant management members including Executive Directors were invited to the AC meetings to provide insight and clarification on specific matters raised in the IA report. The internal auditor also provided status update to the AC in respect of implementation of management action plans or agreed course of action on the findings reported in previous audit cycles to ensure that issues have been resolved satisfactorily.
  - b) Reviewed the risk management report from internal auditors in respect of the Group and assessed the internal auditors' findings. Based on the report, the Board and management would be able to pinpoint significant risk relevant to the Group and the corresponding controls to manage the risks.

# AUDIT COMMITTEE REPORT

### **Summary Of Work Of Audit Committee (Cont'd)**

- iv) Related Party Transactions
  - a) Reviewed any related party transactions and conflict of interest situation that may arise within the Company and the Group.
  - b) Reviewed on quarterly basis, the recurrent related party transaction ("RRPT") entered into by the Group (if any).

### **Internal Audit Function And Summary Of Work**

The Group had outsourced its internal audit function to an independent professional internal audit service provider firm to support the Audit Committee in discharging its duties and responsibilities. The main role of the internal auditors is to review the effectiveness of the Group's system of internal controls and this is performed with impartiality, proficiency and due professional care.

The internal auditors report directly to the Audit Committee the effectiveness of risk management, internal control system and governance processes within the Group. The internal auditors adopt a risk based auditing approach by focusing on identify high risk areas and to recommend corrective measurements for compliance with control policies and procedures, identifying business risks which have not been appropriately addressed and evaluating the adequacy and integrity of control.

During the financial year, the internal auditors carried out review property, plant and equipment management of SkyGate Precision (M) Sdn Bhd. The results of the internal audit reviews and the recommendations for improvement were presented to the Audit Committee for deliberation. The internal auditors also conducted follow-up audit reviews to monitor and ensure that audit recommendations for improvement have been effectively implemented by the Management.

The internal audit reports on the reviews carried out, weaknesses identified with suggested recommendations for improvements to management for further action, were presented to the Audit Committee.

Further information regarding the Internal Audit function is detailed under Statement on Risk Management and Internal Control in this Annual Report.

The internal audit costs incurred during the financial year were RM31,270.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended **31 December 2024.** 

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Company in the course of the financial year remains unchanged and consists of investment holding.

The principal activities of its subsidiaries are disclosed in Note 9 to the financial statements.

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

#### **CHANGE OF NAME**

The Company has changed its name from Ewein Berhad to Skygate Solutions Berhad effective from 11 July 2024.

#### **RESULTS**

	GROUP RM	COMPANY RM
Profit for the financial year	4,723,665	1,116,470
Attributable to:		
Owners of the Company	5,640,426	1,116,470
Non-controlling interests	(916,761)	
	4,723,665	1,116,470

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **31 December 2024** have not been substantially affected by any item, transaction or event of a material and unusual nature.

#### **DIVIDEND**

No dividends have been declared or paid by the Company since the end of the previous financial year.

The directors do not recommend any dividend payment for the financial year.

#### **RESERVES AND PROVISIONS**

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

### **SHARES CAPITAL AND DEBENTURES**

During the financial year, the Company has increased its issued and fully paid up ordinary share capital by way of the issuance of 17,978,000 new ordinary shares at an issue price of RM1.26 each on 15 July 2024 pursuant to the acquisition of VSS as disclosed in Note 9.4 to the financial statements.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### **DIRECTORS**

The directors of the Company in office since the beginning of the financial year to the date of this report are:

#### **Directors of the Company:**

- \* Tay Seng Chew
- \* Goh Kiang Teng Tan Yen Yeow Rosnani Binti Hj Mahmod Mazlina Binti Mohamad

#### Directors of the certain subsidiaries:

Chew Tien Kee Chuah Poh Lim Eng Yik Jin Lee Tze Kiang Lim Chin Hon

#### **DIRECTORS' INTERESTS IN SHARES**

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

	1.1.2024	Bought	Sold	31.12.2024
The Company				
Direct Interest:				
Tay Seng Chew	100,000	1,000,000	-	1,100,000
Goh Kiang Teng	7,800,000	6,280,417 (2)	(1,000,000)	13,080,417
Indirect Interest:				
(1) Goh Kiang Teng	126,500	-	-	126,500

### Note:

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

<sup>\*</sup> These directors are also directors of the certain subsidiaries of the Company.

Deemed interested pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held by his spouse.

<sup>&</sup>lt;sup>(2)</sup> Included herein are 6,180,417 shares acquired as part of the consideration received for disposal of VS Solution Services Sdn. Bhd. to the Group.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### **DIRECTORS' REMUNERATION AND BENEFITS**

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Salaries, allowances and bonus	17,500	560,789	578,289
Defined contribution plan	-	106,400	106,400
Fees	126,000	-	126,000
Social security contribution	-	2,184	2,184
Employment insurance scheme		250	250
	143,500	669,623	813,123

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

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a 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.

#### **OPTIONS GRANTED OVER UNISSUED SHARES**

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

At an extraordinary general meeting held on 26 June 2019, the Company's shareholders approved the establishment of an Executives' Share Option Scheme ("ESOS").

The salient features of the scheme are, inter alia, as follows:

- (a) The maximum number of shares which may be made available under the scheme shall not in aggregate exceed 10% of the total number of issued shares (excluding treasury shares, if any) of the Company at any one time.
- (b) Eligible person(s) are Executive Directors and senior management of any company (which is not dormant) within the Group, at least 18 years of age on 11 July 2019 and must have been employed for such a period as may be determined by the ESOS committee prior to and up to the date of offer.
- (c) No eligible person(s) are allowed to participate in more than one ESOS implemented by any company within the Group.
- (d) The maximum number of new shares that may be offered and allotted to an eligible person shall be determined at the discretion of the ESOS Committee after taking into consideration the work performance, designation and length of service and/or such other offer factors that the ESOS Committee may deem relevant.
- (e) The option price shall be the higher of the price to be determined by the ESOS Committee based on the five (5)-day weighted average market price of the Company's shares as shown in the daily official list of Bursa Malaysia Securities Berhad immediately preceding the offer date of the option, with a discount of not more than 10%.
- (f) All remaining unexercised options shall lapse and/or be deemed to be cancelled and cease to be exercisable upon the cessation of employment with a company of the Group, upon winding up or liquidation of the Company or upon bankruptcy of the employee.
- (g) The ESOS shall continue to be in force for a period of ten (10) years from 11 July 2019.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### **INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS**

The amount of indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial year amounted to RM10,000,000 and RM9,833 respectively.

#### 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 proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

- (i) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing methods 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 which would render any amount stated in the financial statements misleading.

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

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

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) the results of operations of the Group and of the Company during the financial year were not substantially affected by an item, transaction or event of a material and unusual nature; and
- (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

### SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

The details of the significant event after the reporting period are disclosed in Note 34 to the financial statements.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### **AUDITORS**

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

The total amount of fees paid to or receivable by the auditors and its affiliate as remuneration for their services to the Group and the Company for the financial year ended 31 December 2024 are as follows:

	GROUP RM	COMPANY RM
Statutory audit Assurance related and non-audit services	253,000 73,000	100,000 11,000
Total	326,000	111,000

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

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

Tay Seng Chew	Goh Kiang Teng

Penang,

Date: 30 April 2025

# DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 64 to 124 are properly drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December 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 Board of Directors:
Tay Seng Chew	Goh Kiang Teng
Date: 30 April 2025	
STATUTORY DECLARATION	
known as Ewein Berhad) do solemnly and	sponsible for the financial management of <b>SkyGate Solutions Berhad (formerly</b> sincerely declare that the financial statements set out on pages 64 to 124 are to ect and I make this solemn declaration conscientiously believing the same to be Statutory Declarations Act, 1960.
Subscribed and solemnly declared by the abovenamed in Penang this <b>30th</b> day of <b>April 2025</b> .	) ) )
	Goh Kiang Teng
Before me,	
Commissioner for Oaths	

TO THE MEMBERS OF SKYGATE SOLUTIONS BERHAD (FORMERLY KNOWN AS EWEIN BERHAD)

Registration No. 200601023136 (742890-W) (Incorporated in Malaysia)

#### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of SkyGate Solutions Berhad (formerly known as Ewein Berhad), which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 64 to 124.

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 December 2024, and of their financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### **Basis for Opinion**

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

#### Independence and Other Ethical Responsibilities

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

## **Key Audit Matters**

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

## **Key Audit Matters**

## How our audit addressed the Key Audit Matters

Valuation of completed development properties Our audit procedures included, amongst others, the following: (Refer note 3.2(v) and 7.3 to the financial statements)

The Group holds significant inventory properties as at 31 December 2024 which comprise of completed development properties amounted to . RM65.59 million.

We considered this area as the area of audit focus as the estimate of net realisable value of the . completed development properties often involve certain degree of subjectivity.

- Obtained an understanding of the management's process in identifying and writing down slow moving completed development properties to net realisable value;
- Evaluated the management's assumptions applied in estimating write down of slow-moving completed development properties to net realisable value:
- Compared recorded selling prices of similar units sold by the Group during/subsequent to the financial year end by tracing to the latest signed sales and purchase agreements, expert valuation report or recently transacted price of properties sold within the same vicinity of the completed properties to ascertain the net realisable value of the inventory properties; and
- On a sampling basis, performed site visits to completed inventory properties and verified its existence and condition.

TO THE MEMBERS OF SKYGATE SOLUTIONS BERHAD (FORMERLY KNOWN AS EWEIN BERHAD)

Registration No. 200601023136 (742890-W) (Incorporated in Malaysia)

### Key Audit Matters (Cont'd)

#### **Key Audit Matters**

#### How our audit addressed the Key Audit Matters

## Valuation of investment properties

(Note 6 to the financial statements)

The Group's investment properties are measured at fair value with any changes in the fair value recognised in profit or loss.

The valuations are carried out by external independent property valuers engaged by the Group.

We considered this area as the area of audit focus as the determination of the fair value of the investment properties requires significant judgement due to the use of the estimates in the valuation techniques based on certain key assumptions.

Our audit procedures included, amongst others, the following:

- Considered the competency, capabilities and objectivity of the independent external valuers;
- Reviewed the valuation reports prepared by the independent external valuers and understood the methodology adopted by the independent external valuers in estimating the fair value of the investment properties;
- Had discussion with the independent external valuers to obtain an understanding of the key input data and key assumptions used by the independent external valuers; and
- Considered the adequacy of the disclosures in the financial statements, in describing the inherent subjectivity and key assumptions in the estimates.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

#### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

### Responsibilities of the Directors for the Financial Statements

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

TO THE MEMBERS OF SKYGATE SOLUTIONS BERHAD (FORMERLY KNOWN AS EWEIN BERHAD)

Registration No. 200601023136 (742890-W) (Incorporated in Malaysia)

### 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 the 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 from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

TO THE MEMBERS OF SKYGATE SOLUTIONS BERHAD (FORMERLY KNOWN AS EWEIN BERHAD)
Registration No. 200601023136 (742890-W) (Incorporated in Malaysia)

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

#### **Other Matter**

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

Grant Thornton Malaysia PLT AF: 0737 201906003682 (LLP0022494-LCA) Chartered Accountants Yeap Bee Har No. 03715/02/2027 J Chartered Accountant

Penang
--------

Date:

# **STATEMENTS OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2024

			GROUP	C	OMPANY
	NOTE	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	43,286,114	6,098,436	_	_
Right-of-use assets	5	11,556,448	3,329,261	-	_
Investment properties	6	157,277,000	85,000,810	-	-
Inventory properties	7	41,927,324	41,866,435	-	-
Intangible assets	8	21,520,214	-	-	_
Investment in subsidiaries	9	_	-	187,239,307	133,808,902
Deferred tax assets	10	6,279,558	8,098,715	_	-
Trade and other receivables	11	185,000	-	_	-
		282,031,658	144,393,657	187,239,307	133,808,902
Current assets					
Inventory properties	7	65,691,392	90,566,083	-	_
Inventories	12	5,446,800	1,500,480	-	_
Contract assets	13	519,585	234,069	-	-
Contract costs	14	202,014	543,227	-	-
Trade and other receivables	11	16,968,086	17,263,679	29,533	27,006,107
Current tax assets		2,157,583	3,532,040	114,927	129,147
Fixed deposits with licensed	15	E7 000	01 411		
banks		57,000	91,611	42 205 204	10.057.227
Cash and cash equivalents	16	47,307,969	65,200,925	12,295,394	19,056,237
		138,350,429	178,932,114	12,439,854	46,191,491
TOTAL ASSETS		420,382,087	323,325,771	199,679,161	180,000,393
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	175,076,363	152,424,083	175,076,363	152,424,083
Treasury shares	17.1	(4,176,554)	(9)	(4,176,554)	(9)
Reserves	18	103,703,945	98,063,435	28,554,791	27,438,321
		274,603,754	250,487,509	199,454,600	179,862,395
Non-controlling interests		(892,713)	<u> </u>	<u> </u>	
Total equity		273,711,041	250,487,509	199,454,600	179,862,395

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	GROUP		COMPANY		
	NOTE	2024 RM	2023 RM	2024 RM	2023 RM
Non-current liabilities					
Borrowings	19	110,382,827	43,065,667	-	-
Lease liability	5	58,027	-	-	-
Other payables	20	1,329,465	1,287,892	-	-
Deferred tax liabilities	10	3,470,108	2,715,774	<u>-</u>	
		115,240,427	47,069,333	<u>-</u>	
Current liabilities					
Borrowings	19	4,957,324	3,825,306	-	-
Lease liability	5	45,813	119,096	-	-
Trade and other payables	20	20,845,082	12,438,376	224,561	137,998
Contract liabilities	13	5,582,400	9,330,400	-	-
Current tax liabilities			55,751	<u> </u>	
Total current liabilities		31,430,619	25,768,929	224,561	137,998
Total liabilities		146,671,046	72,838,262	224,561	137,998
TOTAL EQUITY AND LIABILITIES		420,382,087	323,325,771	199,679,161	180,000,393

# **STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2024

			GROUP		COMPANY	
	NOTE	2024 RM	2023 RM	2024 RM	2023 RM	
Revenue	21	66,651,434	38,428,728	4,363,960	610,891	
Cost of sales		(47,181,428)	(27,168,443)	<u> </u>	<u>-</u> _	
Gross profit		19,470,006	11,260,285	4,363,960	610,891	
Other income		7,779,610	1,235,502	278	205,825	
Selling and distribution expenses		(369,922)	(1,745,808)	-	-	
Administrative expenses		(16,530,393)	(8,731,385)	(1,361,093)	(929,443)	
(Impairment)/Reversal of impairment loss on investment in subsidiaries	24		-	(1,821,455)	1,731,497	
Net expected credit losses in receivable	24	-	(6,000)	-	-	
Other expenses			(510,803)	<u> </u>	<u>-</u> _	
Operating profit		10,349,301	1,501,791	1,181,690	1,618,770	
Finance income	22	881,830	2,005,681	-	-	
Finance cost	23	(2,436,373)	(1,027,678)	<u> </u>	<u>-</u>	
Profit before tax	24	8,794,758	2,479,794	1,181,690	1,618,770	
Taxation	25	(4,071,093)	(1,360,199)	(65,220)	(80,893)	
Profit for the financial year carried forward		4,723,665	1,119,595	1,116,470	1,537,877	

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

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

			GROUP		COMPANY
	NOTE	2024 RM	2023 RM	2024 RM	2023 RM
Profit for the financial year brought forward		4,723,665	1,119,595	1,116,470	1,537,877
Total other comprehensive income, net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		84	-	-	-
Item that will not be reclassified subsequently to profit or loss:					
Transfer of revaluation surplus to retained profits		2,151,591	-		-
Realisation of revaluation surplus upon depreciation		(2,151,591)			
Total comprehensive income for the financial year		4,723,749	1,119,595	1,116,470	1,537,877
Profit attributable to:					
Owners of the Company		5,640,426	1,119,595	1,116,470	1,537,877
Non-controlling interests		(916,761)			
		4,723,665	1,119,595	1,116,470	1,537,877
Total comprehensive income attributable to:					
Owners of the Company		5,640,510	1,119,595	1,116,470	1,537,877
Non-controlling interests		(916,761)			
		4,723,749	1,119,595	1,116,470	1,537,877
Earnings per share attributable to owners of the Company (sen)					
- Basic and diluted	26	1.84	0.37		

# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2024

		Attributa	Attributable to the owners of the Company -	he owners of the Co Non-distributable	company e				
	Share Capital RM	Treasury Shares RM	Reverse Acquisition Reserve Reserve	Revaluation Reserve RM	Foreign Currency Translation Reserve RM	Retained Profits RM	Total RM	Non- controlling interests RM	Total Equity RM
2024	450 404 000	Ś		6. 6. 6. 6.		200			401
Balance at beginning	152,424,083	(6)	•	3,631,591	-	94,431,844	250,487,509		250,487,509
Foreign currency translation differences for foreign operation	•		•		84	•	84	•	84
Transfer of revaluation surplus to retained profits Profit for the financial year				(2,151,591)		2,151,591 5,640,426	5,640,426	- (916,761)	4,723,665
Total comprehensive income for the financial year	•	•	•	(2,151,591)	84	7,792,017	5,640,510	(916,761)	4,723,749
Transactions with owners:									
Issuance of ordinary shares pursuant to acquisition of a subsidiary	22,652,280	•	•	•	•	•	22,652,280	•	22,652,280
Acquisition of subsidiaries	•	•	•	•	•	•	•	(146,962)	(146,962)
Issuance of ordinary shares to non-controlling interests	•	•	•	•	•	•		171.010	171.010
Treasury shares acquired	•	(4,176,545)	•	•	•	•	(4,176,545)		(4,176,545)
Total transactions with owners	22,652,280	(4,176,545)	•		•	•	18,475,735	24,048	18,499,783
Balance at end	175,076,363	(4,176,554)		1,480,000	84	102,223,861	274,603,754	(892,713)	(892,713) 273,711,041
2023									
Balance at beginning	152,424,083	(6)	(9) (31,482,494)	3,631,591	1	124,794,743	249,367,914	ı	249,367,914
Total comprehensive income for the financial year	ı	ı	ı	1	ı	1,119,595	1,119,595	ı	1,119,595
Transactions with owners: Strike off of a subsidiary		ı	31,482,494	ı	1	(31,482,494)	1	1	1
Balance at end	152,424,083	(6)	1	3,631,591	1	94,431,844	250,487,509	1	250,487,509

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

# **STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to			
	Share Capital RM	Treasury Shares RM	Distributable Retained Profits RM	Total Equity RM
2024				
Balance at beginning	152,424,083	(9)	27,438,321	179,862,395
Total comprehensive income for the financial year	-	-	1,116,470	1,116,470
Transactions with owners:				
Issuance of ordinary shares pursuant to acquisition of a subsidiary	22,652,280	-	-	22,652,280
Treasury shares acquired	-	(4,176,545)	-	(4,176,545)
	22,652,280	(4,176,545)	-	18,475,735
Balance at end	175,076,363	(4,176,554)	28,554,791	199,454,600
2023				
Balance at beginning	152,424,083	(9)	25,900,444	178,324,518
Total comprehensive income for the financial year		-	1,537,877	1,537,877
Balance at end	152,424,083	(9)	27,438,321	179,862,395

# **STATEMENTS OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2024

	GROUP		COMPANY		
	2024 RM	2023 RM	2024 RM	2023 RM	
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	8,794,758	2,479,794	1,181,690	1,618,770	
Adjustments for:					
Accretion of interest on lease liabilities	3,635	17,179	-	-	
Amortisation of intangible assets:	382,689	-	-	-	
Bad debt written off	-	2,583	-	-	
Depreciation of:					
- property, plant and equipment	1,143,567	500,762	-	-	
- right-of-use asset	201,533	175,555	-	-	
Dividend income	(43,000)	-	(4,000,000)	-	
Fair value (gain)/loss on investments properties	(1,267,620)	46,185	-	-	
Gain on:					
- disposal of plant and equipment	-	(114,496)	-	-	
- deposit forfeited	-	(10,943)	-	-	
- receipt of capital distribution	-	-	-	(85,825)	
Investment properties written off	3,700,000	-	-	-	
Loss on subsidiaries struck off	-	142,740	-	-	
Plant and equipment written off	169,587	396,490	-	-	
Addition/(Reversal) of impairment loss on:					
- goodwill	406,201	-	-	-	
- trade and other receivables	-	6,000	-	-	
- investments in subsidiaries	-	-	1,821,455	(1,731,497)	
- inventories written down	-	(93,255)	-	-	
Interest income	(1,245,790)	(2,616,572)	(363,960)	(610,891)	
Interest expense	2,432,738	1,010,499	-	-	
Provision of liquidated ascertained damage claims	-	81,440	-	-	
Unrealised (gain)/loss on foreign currency exchange	(135,899)	290,097	<u> </u>		
Operating profit/(loss) before changes in working capital/ Balance carried forward	14,542,399	2,314,058	(1,360,815)	(809,443)	

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

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

			GROUP	С	OMPANY
	NOTE	2024 RM	2023 RM	2024 RM	2023 RM
C					
Operating profit/(loss) before changes in working capital/ Balance brought forward		14,542,399	2,314,058	(1,360,815)	(809,443)
Changes in working capital:					
Inventories		(1,988,076)	1,283,991	-	-
Inventory properties		24,813,802	(31,203,253)	-	-
Contract assets		(285,516)	543,684	-	-
Contract cost		341,213	(543,227)	-	-
Trade and other receivables		4,204,613	9,592,971	25,155,119	8,026,201
Trade and other payables		7,118,890	430,245	86,563	(96,583)
Contract liabilities		(3,748,000)	6,530,400	<u>-</u>	
Cash generated from/(used in) operations		44,999,325	(11,051,131)	23,880,867	7,120,175
Income tax paid		(1,788,801)	(1,185,797)	(51,000)	(179,999)
Income tax refunded		1,912,500	294,487	<u> </u>	
Net cash from/(used in) operating activities		45,123,024	(11,942,441)	23,829,867	6,940,176
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from issuance of share capital to non-controlling interests		171,010	-	-	-
Acquisition of a subsidiary, net of cash acquired		(10,647,404)	(56,342)	(30,778,125)	-
Purchase of:					
- intangible assets		(40,877)	-	-	-
- investment properties	Α	(22,267,355)	-	-	-
- property, plant and machinery	В	(21,098,221)	(2,970,113)	-	-
Proceeds from disposal of plant and equipment		-	128,998	-	-
Interest received		1,245,790	2,616,572	363,960	610,891
Dividend received		43,000	-	4,000,000	-
Capital distribution from subsidiaries strike off		_	-	_	85,825
Uplift of fixed deposits with licensed banks		34,611	6,998,527	-	-
Loans to subsidiaries		-	-	-	(8,000,000)
Net repayment from subsidiaries		-	-	-	400,000
Lease payments received		148,820	577,953	-	-
Net cash (used in)/from investing activities		(52,410,626)	7,295,595	(26,414,165)	(6,903,284)
Balance carried forward		(7,287,602)	4,686,846	(2,584,298)	36,892

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

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

			GROUP	C	OMPANY
	NOTE	2024 RM	2023 RM	2024 RM	2023 RM
Balance brought forward		(7,287,602)	(4,646,846)	(2,584,298)	36,892
CASH FLOWS FROM FINANCING ACTIVITIES					
Net (repayment)/drawdown of term loans	С	(3,881,362)	29,971,053	-	-
Payment of lease liabilities	С	(141,500)	(480,000)	-	-
Interest paid		(2,432,738)	(1,010,499)	-	-
Repurchase of treasury shares		(4,176,545)		(4,176,545)	-
Net cash from/(used in) financing activities		(10,632,145)	28,480,554	(4,176,545)	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(17,919,747)	23,833,708	(6,760,843)	36,892
EFFECTS OF FOREIGN EXCHANGE RATES CHANGES		26,791	45,016	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING		65,200,925	41,322,201	19,056,237	19,019,345
CASH AND CASH EQUIVALENTS AT END		47,307,969	65,200,925	12,295,394	19,056,237
The cash and cash equivalents are represented by:					
Fixed deposits with licensed banks		57,000	91,611	-	-
Cash and cash equivalents		47,307,969	65,200,925	12,295,394	19,056,237
		47,364,969	65,292,536	12,295,394	19,056,237
Less: Fixed deposits with maturity more than three months		(57,000)	(91,611)		
		47,307,969	65,200,925	12,295,394	19,056,237
Purchase of investment properties					
Total acquisition cost		79,757,355	-	-	-
Acquired under term loans		(57,490,000)	<u> </u>	<u> </u>	
Total cash acquisition		22,267,355	<u> </u>	<u> </u>	
Purchase of property, plant and equipment					
Total acquisition cost		36,126,761	2,970,113	-	-
·		(15,028,540)	- -	_	_
Acquired under term loans		(13,020,340)		· ·	

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

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

### C. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities of the Group is as follows:

	Balance at beginning RM	Cash Flow RM	Others RM	Balance at end RM
2024				
Term loans	46,890,973	(3,881,362)	<b>72,330,540</b> <sup>1</sup>	115,340,151
Lease liability	119,096	(141,500)	126,244 <sup>1</sup>	103,840
Total liabilities arising from financing activities	47,010,069	(4,022,862)	72,456,784	115,443,991
2023				
Term loans	16,181,241	29,971,053	738,679 <sup>1</sup>	46,890,973
Lease liability	581,917	(480,000)	17,179 <sup>1</sup>	119,096
Total liabilities arising from financing activities	16,763,158	29,491,053	755,858	47,010,069

<sup>&</sup>lt;sup>1</sup> Others consist of non-cash movement as follows:

	GROUP	
	2024 RM	2023 RM
Accretion of interest on lease liabilities	3,635	17,179
Addition of lease liabilities	69,237	-
Arising from acquisition of a subsidiary	69,473	-
Acquisition of investment properties using term loans	57,490,000	-
Acquisition of properties, plant and equipment using term loans	15,028,540	-
Exchange differences	(204,101)	738,679
	72,456,784	755,858

31 DECEMBER 2024

#### 1. GENERAL INFORMATION

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

The registered office of the Company is located at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Penang.

The principal place of business of the Company is located at Suite 1-02-01 Menara IJM Land, No.1, Lebuh Tunku Kudin 3, 11700 Gelugor, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 April 2025.

#### **Principal Activities**

The principal activity of the Company in the course of the financial year remains unchanged and consists of investment holding.

The principal activities of its subsidiaries are disclosed in Note 9 to the financial statements.

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

#### 2. BASIS OF PREPARATION

#### 2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

# 2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for land and buildings under investment properties that are measured at fair values.

### 2.3 Functional and Presentation Currency

Ringgit Malaysia ("RM") is the presentation currency of the Group and of the Company.

RM is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operation has different functional currency.

#### 2.4 Adoption of New Amendments to MFRSs

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial years except for the adoption of the following amendments to MFRSs that are mandatory for the current financial year.

# 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
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier
Finance Arrangements

Initial application of the above new amendments to MFRSs did not have material impact to the financial statements.

**31 DECEMBER 2024** 

# 2. BASIS OF PREPARATION (CONT'D)

#### 2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the MASB but are not yet effective for the Group and the Company:

# Effective for annual period beginning on or after 1 January 2025

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

#### Effective for annual period beginning on or after 1 January 2026

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

Annual Improvements to MFRS Accounting Standards - Volume II

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

#### Effective for annual period beginning on or after 1 January 2027

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

#### Effective 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 initial application of the above standards/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for MFRS 18 Presentation and Disclosure in Financial Statements.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to MFRS 107 Statement of Cash Flows and MFRS 134 Interim financial Reporting.

The amendments will have an impact on the Group's and on the Company's presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group is currently assessing the impact of MFRS 18 and plans to adopt the new standard on the required effective date.

#### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements 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 estimate is revised and in any future periods affected.

31 DECEMBER 2024

#### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

# Determining the lease term of contracts with renewal and termination options - Group and Company as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has included the extension options period as part of the lease term for leases of premises and factory buildings as it is reasonably certain that the extension options will be exercised in view of the Group would suffer a significant economic disincentive and alternative premise is not readily available. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

#### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### (i) Fair value of investment properties

The Group measures its investment properties at fair value amount with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to determine fair values as at the end of reporting period.

The carrying amount of the investment properties as at the end of reporting period and the relevant valuation bases and fair value are disclosed in Note 6 to the financial statements.

# (ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires the management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying amount, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in assumptions are disclosed in Note 8 to the financial statements.

#### (iii) Useful lives of depreciable assets

The depreciable costs of property, plant and equipment are allocated on the straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 5 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of these assets affecting future depreciation charges.

31 DECEMBER 2024

### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### 3.2 Key sources of estimation uncertainty (Cont'd)

#### (iv) Inventories

The management reviews for damage, slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

The carrying amount of the Group's inventories as at the end of the reporting period is disclosed in Note 12 to the financial statements.

# (v) Inventory properties

Inventories are measured at the lower of cost and net realisable value ("NRV"). In estimating NRV, management takes into account the most reliable evidence available at the times the estimates are made.

#### Completed development properties

The management determines the NRV of unsold completed development properties based on estimated selling prices by reference to recent sales transactions of similar properties or comparable properties in similar or nearby locations. The estimation of the selling price in particular is subject to significant inherent uncertainties, in particular the volatility of the demand and supply in the property market.

The carrying amount of the Group's completed development properties is disclosed in Note 7.3 to the financial statements.

# (vi) Provision for expected credit losses ("ECL") of trade receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 30.3.1 to the financial statements.

31 DECEMBER 2024

#### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### 3.2 Key sources of estimation uncertainty (Cont'd)

#### (vii) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits would depend on the achievability of projected profits and this requires judgement of the management. These assumptions and judgement are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact on the amount of deferred tax assets recognised.

In the current financial year, a subsidiary of the Group had recognised deferred tax assets as at the end of the reporting period as management considered that it is probable that future taxable profits will be available against which the tax credits can be utilised. The carrying amount of deferred tax assets of the Group as at the end of the reporting period is disclosed in Note 10 to the financial statements.

# (viii) Impairment on investment in subsidiaries

Investment in subsidiaries is tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, management assesses the recoverable amount of the investment in subsidiaries based on the fair value less cost to sell which approximates the extent of the net assets held by the subsidiaries at the end of the reporting period. If the recoverable amount of the investment in a subsidiary is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in subsidiaries.

31 DECEMBER 2024

# PROPERTY, PLANT AND EQUIPMENT - GROUP

	Factory buildings RM	Plant and machinery, tools and factory equipment RM	Funiture, fittings and office equipment RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
2024						
At cost Balance at beginning Additions Arising from acquisition of a subsidiary	4,403,923 - 1,800,001	19,784,136 5,361,235 2,596,737	12,703,030 533,595 562,027	406,413 19,117 601,162	29,211 30,212,814 -	37,326,713 36,126,761 5,559,927
Written offs	(350,000)	(569,010)	(2,173,507)	-	-	(3,092,517)
Balance at end	5,853,924	27,173,098	11,625,145	1,026,692	30,242,025	75,920,884
Accumulated depreciation Balance at beginning Arising from acquisition of a subsidiary	2,189,382	18,245,855	10,250,377	392,976 505,198	-	31,078,590 3,185,856
Current charge Written offs	70,918 (183,930)	639,751 (569,010)	387,445 (2,169,990)	45,453 -	-	1,143,567 (2,922,930)
Balance at end	2,076,370	20,568,143	8,896,943	943,627	_	32,485,083
Accumulated impairment loss Balance at beginning/end	-	-	149,687	-	-	149,687
Carrying amount	3,777,554	6,604,955	2,578,515	83,065	30,242,025	43,286,114
2023						
At cost Balance at beginning Additions Disposals Written off Reclassifications	4,596,234 - - (161,790) (30,521)	18,959,482 1,313,160 - (507,577) 19,071	12,837,984 1,627,742 (1) (1,774,145) 11,450	2,187,606 - (1,781,193) - -	- 29,211 - - -	38,581,306 2,970,113 (1,781,194) (2,443,512)
Balance at end	4,403,923	19,784,136	12,703,030	406,413	29,211	37,326,713
Balance at end  Accumulated depreciation Balance at beginning Current charge Disposals Written off Reclassifications	4,403,923 2,192,614 82,727 - (78,829) (7,130)	19,784,136 18,652,943 93,996 - (505,537) 4,453	12,703,030 11,421,388 288,968 - (1,462,656) 2,677	406,413 2,124,597 35,071 (1,766,692) -	29,211 - - - -	37,326,713 34,391,542 500,762 (1,766,692) (2,047,022)
Accumulated depreciation Balance at beginning Current charge Disposals Written off	2,192,614 82,727 - (78,829)	18,652,943 93,996 - (505,537)	11,421,388 288,968 - (1,462,656)	2,124,597 35,071	29,211 - - - - -	34,391,542 500,762 (1,766,692)
Accumulated depreciation Balance at beginning Current charge Disposals Written off Reclassifications	2,192,614 82,727 - (78,829) (7,130)	18,652,943 93,996 - (505,537) 4,453	11,421,388 288,968 - (1,462,656) 2,677	2,124,597 35,071 (1,766,692) - -	29,211 - - - - -	34,391,542 500,762 (1,766,692) (2,047,022)

31 DECEMBER 2024

#### 4. PROPERTY, PLANT AND EQUIPMENT - GROUP (CONT'D)

#### Material accounting policy information

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

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

Categories	%
Factory buildings	1 - 2
Plant and machinery, tools and factory equipment	10 - 20
Furniture, fittings and office equipment	8 - 25
Motor vehicles	20

Capital expenditure-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital expenditure-in-progress is stated at cost and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital expenditure-in-progress is not depreciated until the assets are ready for their intended use.

#### 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

#### Group as a lessee

The Group has lease contracts for leasehold land and premises used in its operations that have lease terms between 2 to 48 years. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of premises with lease terms of 12 months or less and leases of low-value assets such as office equipment. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

### Right-of-use assets

Set out below are the carrying amount of right-of-use assets recognised and the movements during the financial year:

GROUP			
	Leasehold land RM	Premises RM	Total RM
2024			
Balance at beginning Additions	3,329,261 -	- 69,237	3,329,261 69,237
Acquisition of a subsidiary	3,400,000	59,483	3,459,483
Transfer from investment properties (Note 6)	4,900,000	-	4,900,000
Depreciation	(175,550)	(25,983)	(201,533)
Balance at end	11,453,711	102,737	11,556,448
2023			
Balance at beginning	3,504,816	-	3,504,816
Depreciation	(175,555)		(175,555)
Balance at end	3,329,261		3,329,261

31 DECEMBER 2024

# 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITY (CONT'D)

# Lease liability

Set out below is the carrying amount of lease liability recognised and the movement during the financial year:

GROUP		
	2024	2023
	RM	RM
Balance at beginning	119,096	581,917
Additions	69,237	-
Accretion of interest	3,635	17,179
Acquisition of a subsidiary	53,372	-
Payments	(141,500)	(480,000)
Balance at end	103,840	119,096
Represented by:		
Non-current liabilities	58,027	-
Current liabilities	45,813	119,096
	103,840	119,096

The maturity analysis of lease liability is disclosed in Note 31.4 to the financial statements.

The followings are the amounts recognised in profit or loss:

	GROUP	
	2024 RM	2023 RM
Accretion on lease liability	3,635	17,179
Lease income	-	(362,250)
Depreciation expense of right-of-use assets	201,533	175,555
Expenses relating to short-term leases	389,937	384,179
Expenses relating to leases of low-value assets	12,311	6,657
Total amount recognised in profit or loss	607,416	221,320

The total cash outflows for leases during the financial year are RM543,748 (FY2023: RM508,586).

# 5.1 Material accounting policy information

### Right-of-use assets

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Categories	Years
Leasehold land	30 - 48
Premises	2 - 4

#### 5.2 Security information

Certain leasehold land with carrying amount of **RM5,354,736** (2023: RM Nil) are pledged to a licensed bank for a term loan granted to a subsidiary as disclosed in Note 19 to the financial statements.

31 DECEMBER 2024

# 6. INVESTMENT PROPERTIES

		GROUP
	2024 RM	2023 RM
Balance at beginning	85,000,810	84,672,505
Additions	79,757,355	-
Change in fair value recognised in profit or loss	1,267,620	(46,185)
Transfer to right-of-use assets (Note 5)	(4,900,000)	-
Written offs	(3,700,000)	-
Effect of movement in exchange rate	(148,785)	374,490
Balance at end	157,277,000	85,000,810
The investment properties consist of the following:		
At fair value:		
Land	103,679,818	41,000,000
Buildings	48,411,563	44,000,810
At cost:		
Capital work-in-progress	5,185,619	
	157,277,000	85,000,810
The investment properties comprise of:		
- sixteen (16) storey office building and seven (7) storey car park, collectively		
known as Menara IJM Land	71,000,000	69,000,000
- a short-term leasehold land and factory building		8,900,000
- a townhouse	3,350,000	3,300,000
- a serviced apartment	3,511,563	3,800,810
- a water villa	6,350,000	-
- factory land	44,109,839	-
- freehold land	28,955,598	
	157,277,000	85,000,810

Certain investment properties are leased to third parties.

The following are recognised in profit or loss:

		GROUP
	2024 RM	2023 RM
Lease income	4,758,611	5,312,640
Direct operating expenses on income generating investment properties	1,280,463	1,456,744

31 DECEMBER 2024

# 6. INVESTMENT PROPERTIES (CONT'D)

The operating lease payments to be received are as follows:

		GROUP	
	2024 RM	2023 RM	
Less than one year	3,354,647	4,239,375	
Between one and five years	1,255,566	1,870,361	
	4,610,213	6,109,736	

# 6.1 Material accounting policy information

Investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise.

The investment properties under construction are measured at cost until the earlier of the date construction is completed or the date at which fair value becomes reliably determinable.

### 6.2 Security information

Certain investment properties with fair value of **RM144,065,437** (2023: RM69,000,000) are pledged to licensed banks for term loans granted to subsidiaries as disclosed in Note 19 to the financial statements.

#### 6.3 Fair value information

price per square foot.

Fair value of investment properties are categorised as follows:

GROUP				
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Land and buildings	<u> </u>	-	152,091,381	152,091,381
2023				
Land and buildings	-	-	85,000,810	85,000,810

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Income capitalisation approach (also known as investment approach):	<ul> <li>Occupancy rate</li> <li>96.44% (2023:</li> <li>90.74%).</li> </ul>	The estimated fair value would increase/(decrease) if:
The valuation method considers the net annual income to be generated from the property by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of investment.	al growth rate <b>5.00%</b> (2023: 7.50%). • Risk-adjusted discount	<ul> <li>Occupancy rate was higher/ (lower);</li> <li>Expected market rental growth rate was higher/(lower);</li> <li>Risk-adjusted discount rate were higher/(lower).</li> </ul>
Market comparison approach:  Sales price of comparable land and buildings in	Price per square foot ranging from <b>RM75 to RM6,150</b> (2023: RM54	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).
close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is	to RM6 656)	3 3 3 4 4 4 4

31 DECEMBER 2024

# 6. INVESTMENT PROPERTIES (CONT'D)

#### 6.3 Fair value information (Cont'd)

# Valuation processes applied by the Group for Level 3 fair value

The fair values of investment properties are determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. The property valuers provide the fair values of the Group's investment properties annually. Changes in Level 3 fair values are analysed by the management annually after obtaining the valuation reports from the property valuers.

#### 7. INVENTORY PROPERTIES

			GROUP
	Note	2024 RM	2023 RM
	Note	KIVI	KIVI
Non-current			
Land held for development	7.2	41,927,324	41,866,435
Current		(5 (04 000	00.5//.002
Completed development properties	7.3	65,691,392	90,566,083

### 7.1 Material accounting policy information

Inventory properties are measured at the lower of cost and net realisable value.

### (i) Land held for development

Land held for development consists of land where no significant 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 within non-current assets and is measured at the lower of cost and NRV.

#### (ii) Completed development properties

The cost of completed development properties is determined on the specific identification basis and includes costs of land, direct building costs and other related development cost.

#### 7.2 Land held for development

The freehold land with carrying amount of **RM41,927,324** (2023: RM41,866,435) is pledged to a licensed bank as securities for banking facilities granted to a subsidiary as disclosed in Note 19 to the financial statements.

#### 7.3 Completed development properties

During the financial year, the amount of inventories recognised as expense in cost of sales of the Group was **RM24,847,691** (2023: RM12,212,941).

#### 8. INTANGIBLE ASSETS

	GROUP	
	2024 RM	2023 RM
Goodwill on consolidation (Note 8.1)	14,862,026	-
Customer relationship (Note 8.2)	6,650,000	-
Computer software (Note 8.3)	8,188	
	21,520,214	

31 DECEMBER 2024

# 8. INTANGIBLE ASSETS (CONT'D)

#### 8.1 Goodwill on consolidation

	GROUP	
	2024 RM	2023 RM
Arising from acquisition of subsidiaries	15,268,227	-
Less: Allowance for impairment	(406,201)	
Balance at end	14,862,026	

#### Impairment testing for cash-generating units containing goodwill

The goodwill is arising from acquisition of VS Solution Services Sdn. Bhd. ("VSS"), Jintec Innovation Sdn. Bhd. ("JISB") and Jintec Innovation Pte. Ltd. ("JIPL"), subsidiaries of the Group within the manufacturing segment as disclosed in Note 9.4 to the financial statements.

For annual impairment testing purposes, the recoverable amount of the Cash Generating Unit ("CGU") is determined based on its value-in-use, which apply a discounted cash flow model using cash flow projections based on approved financial budget and projections covering a five (5)-year period.

The Group has recorded an impairment loss on goodwill amounting to RM406,201 allocated to JISB and JIPL as part of the administrative expenses of the Group in the statements of comprehensive income after assessing the estimated recoverable amount which were determined based on the value-in-use as the subsidiaries are in continuing loss position. The impairment loss on goodwill is included in segment profit of manufacturing segment.

#### Key assumptions used in value-in-use calculations

The key assumptions on which the management has based on for the computation of value-in-use are as follows:

(i) Cash flow projections and growth rate

The 5-year cash flow projections are prepared based on management's past experience. The revenue for the first year of the 5-year cash flow projections is prepared based on the most recent average trend of past 5-year financial performance approved by the Board of Directors and growth rate of 5% (2023: Nil) are applied.

(ii) Discount rate

The pre-tax discount rate of **10.76%** (2023: Nil) is applied to the cash flow projections, which is based on the weighted average cost of capital of the Group for the financial year.

# Sensitivity to changes in key assumptions

The management believes that any reasonable change in the key assumptions would not cause the recoverable amounts of the CGU to differ materially from their carrying amounts.

#### 8.2 Customer relationship

	2024 RM	GROUP 2023 RM
At cost Arising from acquisition of a subsidiary (Note 9)/Balance at end	7,000,000	<u>-</u> _
Accumulated amortisation  Current charge/Balance at end	350,000	
Carrying amount	6,650,000	

31 DECEMBER 2024

# 8. INTANGIBLE ASSETS (CONT'D)

#### 8.2 Customer relationship (Cont'd)

# Material accounting policy information

This represents the customer relationship arising from the acquisition of a subsidiary and is stated at cost less accumulated amortisation. Customer relationship is amortised on a straight-line basis over 10 years.

# 8.3 Computer software

	GROUP 2024 RM	2023 RM
At cost		
Additions/Balance at end	40,877	_
Accumulated amortisation		
Additions/Balance at end	32,689	-
Carrying amount	8,188	-

# Material accounting policy information

Computer software, which has a finite useful live, is measured at cost less accumulated amortization and any accumulated impairment losses. Computer software is amortised on a straight-line basis over the estimated useful live of 10 years.

#### 9. INVESTMENT IN SUBSIDIARIES

		C	OMPANY
	Note	2024 RM	2023 RM
Unquoted shares, at cost		80,929,265	41,177,405
Loans to a subsidiary	9.1	-	106,000,000
Unquoted redeemable preference shares ("RPS"), at cost		121,500,000	-
Less: Impairment loss	9.2		
Balance at beginning		(13,368,503)	(15,100,000)
(Addition)/Reversal		(1,821,455)	1,731,497
Balance at end	_	(15,189,958)	(13,368,503)
	_	187,239,307	133,808,902

31 DECEMBER 2024

# 9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, all of which are incorporated and having principal place of business in Malaysia (except for Jintec Innovation Pte Ltd, incorporated and having principal place of business in Singapore), are as follows:

	Equity	ctive Interest	
Name of Companies	2024 %	2023 %	Principal Activities
SkyGate Precision (M) Sdn. Bhd. (formerly known as Tekun Asas Sdn. Bhd.) ("SPMSB")	100	100	Manufacturing of precision sheet metal fabricated parts used in audio, video and acoustic equipment, satellite antennas, electrical and electronics equipment, KVM switches, computer monitors and keyboards.
SkyGate Properties Sdn. Bhd. (formerly known as Ewein Land Sdn. Bhd. ("SPSB")	100	100	Investment holding and property letting.
Kelpen Plastics Technology Sdn. Bhd	100	100	Investment holding and property letting.
The Esplanade Park Sdn. Bhd.	100	100	Managing a heritage/cultural property and car park. The Company has ceased operation and is presently dormant.
VS Solution Services Sdn. Bhd. ("VSS")	100	-	Manufacturing of racking system and machinery.
SkyGate Polymer Sdn. Bhd. ("SPOSB")	100	-	Manufacturing of plastics related products.
Indirectly - held through SPSB			
SkyGate City of Dreams Sdn. Bhd. (formerly known as Ewein City of Dreams Sdn. Bhd. ("SCOD")	100	100	Property development and property investment.
SkyDorm Sdn. Bhd. ("SSB")	100	100	Construction and letting of industrial properties.
SkyDorm Industries Sdn. Bhd. ("SISB")	100	100	Manufacturing of electronic component and medical equipment component.
Delight Island Sdn. Bhd. ("DISB")	100	100	Property investment.
Indirectly - held through SPMSB			
Jintec Innovation Sdn. Bhd. ("JISB")	51	-	Carrying on all or any of the business of manufacturers, designers, importers, exporters, assemblers, fabricators, distributors, purchasers and sellers of and dealers in all types of fabricated products, tailor made machineries, precision machinery parts and press related products and to carry on investment holding activities.
Jintec Innovation Pte. Ltd. ("JIPL")	51	-	Manufacturing solution, precision engineering support and marketing arm.
Maxcode Technology (M) Sdn. Bhd.("MTSB")	70	-	Subcontractor services.

31 DECEMBER 2024

# 9. INVESTMENT IN SUBSIDIARIES (CONT'D)

#### 9.1 Loans to a subsidiary

In the previous financial year, the loans to a subsidiary reclassified from receivables were regarded as net interest in a subsidiary as the Company recognised these amounts as a long-term source of capital to the subsidiary.

# 9.2 Impairment loss on investments in subsidiaries

#### 2024

In the current financial year, the Company recorded an impairment loss on investment in SPMSB amounted to RM1,821,455 in the statement of comprehensive income after assessing the estimated recoverable amount of SPMSB which were determined based on the fair value less cost to sell as the subsidiary is in continuing loss position.

2023

In the previous financial year, the Company recorded a reversal of impairment loss on investment in SPMSB amounted to RM1,731,497 in the statement of comprehensive income after assessing the estimated recoverable amount of SPMSB which were determined based on the fair value less cost to sell.

#### 9.3 Incorporation of new subsidiaries

#### 2024

#### **SPOSB**

On 11 June 2024, the Company had incorporated SPOSB with an issued share capital of RM100. The Company has subsequently subscribed for additional 99,990 new ordinary shares and 1,300,000 RPS issued by SPOSB for a total purchase consideration of RM1,399,990. There is no changes in the percentage of effective equity interest in SPOSB subsequent to the acquisition of ordinary shares.

#### **MTSB**

On 2 February 2024, the Company had through its wholly-owned subsidiary, SPMSB, incorporated a 70% owned subsidiary, MTSB, with an issued share capital of RM100.

2023

SSB

The Company had through its wholly-owned subsidiary, SPSB, incorporated SSB with an issued share capital of RM1,000,000 on 4 September 2023.

SISB

The Company had through its wholly-owned subsidiary, SPSB, incorporated SISB with an issued share capital of RM100 on 25 October 2023.

31 DECEMBER 2024

# 9. INVESTMENT IN SUBSIDIARIES (CONT'D)

#### 9.4 Acquisition of subsidiaries

# 2024

# VSS

On 15 July 2024, the Company had acquired the entire equity interest in VSS, in which a director of the Company has substantial financial interests, for a purchase consideration of RM22,652,280 by way of issuance of 17,978,000 new ordinary shares in the Company at issued price of RM1.26 each with reference to the quoted price of the share of the Company at the date of acquisition.

Fair value of VSS's assets and liabilities assumed at the date of acquisition were as follows:

	RM
Property, plant and equipment	2,072,768
Right-of-use assets	3,459,483
Intangible assets	7,000,000
Inventories	1,822,910
Receivables	4,024,218
Current tax assets	769,105
Cash and cash equivalents	5,372,820
Deferred tax liabilities	(466,510)
Borrowings	(16,101)
Lease liabilities	(53,372)
Payables	(195,487)
Share of net identifiable assets	23,789,834
Purchase consideration	38,651,860
Less: Fair value of net identifiable assets	(23,789,834)
Goodwill	14,862,026
Net cash outflow arising from acquisition of a subsidiary	
Purchase consideration	15,999,580
Less: Cash and cash equivalents	(5,372,820)
	10,626,760

31 DECEMBER 2024

# 9. INVESTMENT IN SUBSIDIARIES (CONT'D)

# 9.4 Acquisition of subsidiaries (Cont'd)

# JISB

On 22 July 2024, the Company had through its wholly-owned subsidiary, SPMSB acquired 51% equity interest in JISB for a purchase consideration of RM510.

Fair value of JISB's assets and liabilities assumed at the date of acquisition on 22 July 2024:

	RM
Property, plant and equipment	7,532
Cash and cash equivalents	31,520
Payables	(199,387)
Share of net identifiable assets	(160,335)
Purchase consideration	510
Add: Fair value of net identifiable liabilities	160,335
Less: Non-controlling interests	(78,564)
Goodwill	82,281
Net cash inflow arising from acquisition of a subsidiary	
Purchase consideration	510
Less: Cash and cash equivalents	(31,520)
	(31,010)

# JIPL

On 10 October 2024, the Company had through its wholly-owned subsidiary, SPSB acquired 51% equity interest in JIPL for a purchase consideration of RM252,700.

Fair value of JIPL's assets and liabilities assumed at the date of acquisition on 10 October 2024:

	RM
Property, plant and equipment	293,771
Inventories	135,334
Receivables	364,086
Cash and cash equivalents	201,046
Payables	(1,133,885)
Share of net identifiable assets	(139,648)

31 DECEMBER 2024

# 9. INVESTMENT IN SUBSIDIARIES (CONT'D)

# 9.4 Acquisition of subsidiaries (Cont'd)

# JIPL (Cont'd)

	RM
Purchase consideration	252,700
Add: Fair value of net identifiable assets	139,648
Less: Non-controlling interests	(68,428)
Goodwill	323,920
Net cash outflow arising from acquisition of a subsidiary	
Purchase consideration	252,700
Less: Cash and cash equivalents	(201,046)
	51,654

#### 2023

On 22 November 2023, the Company had through its wholly-owned subsidiary, SPSB acquired the entire equity interest in DISB for a purchase consideration of RM100,000.

Fair value of DISB's assets and liabilities assumed at the date of acquisition on 22 November 2023:

	RM
Receivables	456,342
Cash at bank	43,658
Payables	(400,000)
Share of net identifiable assets	100,000
Purchase consideration	100,000
Less: Fair value of net identifiable assets	(100,000)
Net cash outflow arising from acquisition of a subsidiary	
Purchase consideration	100,000
Less: Cash at bank	(43,658)
	56,342

31 DECEMBER 2024

### 9. INVESTMENT IN SUBSIDIARIES (CONT'D)

#### 9.5 Increased in investment in subsidiaries

#### 2024

#### **SPMSB**

In the current financial year, the Company has subscribed the additional ordinary shares and RPS issued by SPMSB by way of offsetting with the debts owing from SPMSB amounting to RM1,000,000 and RM14,200,000 respectively. There is no changes in the percentage of effective equity interest in SPMSB subsequent to the acquisition of ordinary shares.

#### **SPSB**

In the current financial year, the Company has subscribed the RPS issued by SPSB by way of offsetting with the debts owing from SPSB amounting to RM106,000,000.

### Material accounting policy information

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

# 10. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP	
	2024 RM	2023 RM
Balance at beginning	5,382,941	6,131,869
Recognition in profit or loss	(3,183,764)	(370,222)
	2,199,177	5,761,647
Under/(Over) provision in prior year	610,273	(378,706)
Balance at end	2,809,450	5,382,941

The recognised deferred tax assets/(liabilities), after appropriate offsetting, are as follows:

		GROUP	
	2024 RM	2023 RM	
Deferred tax assets	6,279,558	8,098,715	
Deferred tax liabilities	(3,470,108)	(2,715,774)	
	2,809,450	5,382,941	

31 DECEMBER 2024

# 10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The deferred tax assets/(liabilities) as at the end of the reporting period are made up of the temporary differences arising from:

	GROUP	
	2024 RM	2023 RM
Property, plant and equipment		
- Capital allowance	(253,277)	(695,692)
- Revaluation	(1,537,820)	(330,909)
Loans and borrowings	1,277,843	1,481,589
Real property gains tax on investment properties	(1,870,241)	(2,067,382)
Lease liabilities	28,848	28,583
Net investment in lease	(35,717)	(35,717)
Profit recognition on property development	487,532	693,059
Contract assets	(5,615)	(5,615)
Unused tax losses	4,582,071	5,574,353
Unabsorbed capital allowances	430,171	240,355
Provisions and others	(294,345)	500,317
	2,809,450	5,382,941

The following deferred tax assets have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised. As at the end of the reporting period, the Group's and the Company's deferred tax position are as follows:

		GROUP
	2024 RM	2023 RM
Deferred tax recognised:		
Property, plant and equipment	1,321,622	-
Unused tax losses	(1,321,622)	-
	-	-
Deferred tax assets not recognised:		
Unused tax losses	711,080	-
Unabsorbed capital allowances	1,722,902	-
Other deductible temporary differences	3,237	14,569
	2,437,219	14,569

31 DECEMBER 2024

# 10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The gross amount and future availability of unabsorbed tax allowances and unused tax losses which are available to be carried forward for set-off against future taxable income are estimated as follows:

		GROUP
	2024 RM	2023 RM
Unabsorbed capital allowances	3,515,281	1,001,479
Unused tax losses	21,124,664	23,226,471

The unused tax losses can be carried forward for ten (10) consecutive years of assessment immediately following that year of assessment ("YA") of which tax losses was incurred and this is effective from YA 2019. However, the unabsorbed capital allowances can be carried forward indefinitely.

The unused tax losses will be expired in the following YAs:

		GROUP
	2024 RM	2023 RM
YA 2030	1,599,588	6,957,497
YA 2031	13,961,142	13,961,142
YA 2032	1,452,692	1,452,692
YA 2033	855,140	855,140
YA 2034	3,256,102	
	21,124,664	23,226,471

# Material accounting policy information

The deferred tax on the revaluation surplus of the property measured at fair value is recognised using the tax rates that would apply for the property which is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time.

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using tax rates enacted or substantively enacted at the reporting date.

31 DECEMBER 2024

# 11. TRADE AND OTHER RECEIVABLES

			GROUP		COMPANY
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-removal					
Non-current					
Trade receivables					
Third party	11.2	185,000			
Current					
Trade receivables					
Third party	11.2	8,703,988	9,580,665		
Other receivables	г				
Other receivables	11.3	3,583,320	720,483	29,533	-
Net investment in lease	11.1	-	148,820	-	-
Goods and services tax ("GST") receivable		9,800	10,348	_	-
Deposits	11.4	3,455,799	6,540,867	-	-
Prepayments		1,215,179	262,496	-	6,107
Amount due from subsidiaries	11.5	-	_	-	27,000,000
	-	8,264,098	7,683,014	29,533	27,006,107
Total current trade and other					
receivables		16,968,086	17,263,679	29,533	27,006,107
Total trade and other					<b></b>
receivables		17,153,086	17,263,679	29,533	27,006,107

The currency profile of trade and other receivables is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	16,065,358	16,822,503	29,533	27,006,107
United States Dollar	1,052,231	441,176	-	-
Singapore Dollar	35,497	<u> </u>	<u> </u>	
	17,153,086	17,263,679	29,533	27,006,107

31 DECEMBER 2024

# 11. TRADE AND OTHER RECEIVABLES (CONT'D)

#### 11.1 Net investment in lease

		GROUP
	2024 RM	2023 RM
Balance at beginning	148,820	726,773
Interest income	1,180	22,047
Lease payment received	(150,000)	(600,000)
Balance at end		148,820

The Group leases a town house to a third party which the lease contains an initial non-cancellable period of 3 years.

#### **GROUP**

#### 11.2 Trade receivables

The credit terms granted by the Group to its trade receivables range from **7 to 365 days** (2023: 7 to 365 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

#### 11.3 Other receivables

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables	3,589,320	726,483	29,533	-
Less: Allowance for expected credit loss				
Balance at beginning	(6,000)	-	-	-
Addition	-	(6,000)	_	-
Balance at end	(6,000)	(6,000)		-
Balance at end	3,583,320	720,483	29,533	

### 11.4 Deposits

Included herein is a deposit paid amounting to **RM Nil** (2023: RM4,180,000) for the acquisition of properties of a subsidiary.

#### 11.5 Amount due from subsidiaries

#### **COMPANY**

The amount due from subsidiaries is unsecured, non-interest bearing and classified based on the expected timing of realisation.

31 DECEMBER 2024

#### 12. INVENTORIES

		GROUP
	2024 RM	2023 RM
At cost		
Raw materials	4,691,337	230,688
Work-in-progress	161,423	185,700
Manufactured inventories	488,619	951,266
Consumables	105,421	132,826
	5,446,800	1,500,480
		GROUP
	2024 RM	2023 RM
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	19,321,342	13,578,620
Reversal of inventories written down		93,255

The reversal of inventories written down was made in the previous financial year when the related inventories were sold above their carrying amounts.

# Material accounting policy information

The cost of inventories is calculated using the first-in, first-out method. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Subsequently, inventories are measured at the lower of cost and net realisable value.

#### 13. CONTRACT ASSETS/(LIABILITIES)

			GROUP
	Note	2024 RM	2023 RM
Contract assets			
- Manufacturing segment	13.2	519,585	234,069
Contract liabilities			
- Property development segment	13.3	5,582,400	9,330,400

# 13.1 Material accounting policy information

The contract assets comprise the Group's rights to consideration for work performed but not yet billed at the reporting date. Subsequently, contract assets will be transferred to trade receivables when the rights become unconditional.

31 DECEMBER 2024

# 13. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

#### 13.1 Material accounting policy information (Cont'd)

The contract liabilities comprise advance consideration received from customers to transfer the control of properties. Subsequently, the contract liabilities will be recognised as revenue when the control of a property is transferred to the customer.

# 13.2 Contract assets from manufacturing segment

The Group's contract assets relating to the manufacturing segment as at the end of the reporting period can be summarised as follows:

	GROUP	
	2024 RM	2023 RM
Balance at beginning	234,069	777,753
Revenue recognised during the financial year	7,569,980	8,333,990
Progress billings raised during the year	(7,284,464)	(8,877,674)
Balance at end	519,585	234,069

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following period:

		GROUP
	2024 RM	2023 RM
Within one year	519,585	234,069

#### 13.3 Contract liabilities from property development segment

The Group's contract liabilities relating to property development segment as at the end of the reporting period can be summarised as follows:

	GROUP	
	2024 RM	2023 RM
Balance at beginning	9,330,400	2,800,000
Revenue recognised during the financial year	(37,211,511)	(17,936,104)
Progress billings raised during the year	33,463,511	24,466,504
Balance at end	5,582,400	9,330,400

31 DECEMBER 2024

# 13. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

#### 13.3 Contract liabilities from property development segment

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following period:

	GROL	IP
	2024 RM	2023 RM
Within one year	5,582,400	9,330,400

#### 14. CONTRACT COSTS

	GROUF		GROUP
	Note	2024 RM	2023 RM
Costs to fulfil contract with customers	14.1	202,014	309,061
Costs to obtain contracts with customers	14.2		234,166
		202,014	543,227

### 14.1 Costs to fulfil contract with customers

Cost to fulfil contracts comprises costs relate directly to a contract that can be specifically identified.

During the financial year, the amount recognised in profit or loss is RM1,270,920 (2023: RM405,071).

# 14.2 Costs to obtain contract with customers

Cost to obtain contracts comprises sales commissions incurred to obtain contracts and they are recoverable.

During the financial year, the amount recognised in profit or loss is RM846,343 (2023: RM929,294).

### 15. FIXED DEPOSITS WITH LICENSED BANKS

# **GROUP**

The effective interest rate per annum and maturity of the fixed deposits with licensed banks of the Group as at the end of the reporting period are ranged from **2.60% to 2.80%** (2023: 2.80% to 3.05%) per annum and **12 months** (2023: 12 months) respectively.

# 16. CASH AND CASH EQUIVALENTS

		GROUP			COMPANY
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Short-term funds with licensed banks	16.1	16,700,371	33,127,606	-	8,279,622
Cash and bank balances	16.2	30,607,598	32,073,319	12,295,394	10,776,615
	_	47,307,969	65,200,925	12,295,394	19,056,237

31 DECEMBER 2024

# 16. CASH AND CASH EQUIVALENTS (CONT'D)

The currency profile of cash and cash equivalents is as follows:

	GROUP		C	OMPANY
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	46,105,151	64,953,524	12,295,394	19,056,237
United States Dollar	1,186,662	247,401	-	-
Singapore Dollar	9,254	-	-	-
Chinese Yuan	3,676	-	-	-
Japanese Yen	1,627	-	-	-
Thai Baht	1,599		<u>-</u>	
	47,307,969	65,200,925	12,295,394	19,056,237

#### 16.1 Short-term funds with licensed banks

Short term funds with licensed banks of the Group are funds invested in money market instruments. The funds can be redeemed at any time upon one (1) day prior notice given to the licensed banks.

#### 16.2 Cash and bank balances

Included in cash and bank balances of the Group is **RM207,550** (2023: RM204,899), the utilisation of which is subject to the Housing Development (Housing Development Account) Regulations 1991 (as amended by Housing Development (Housing Development Account) (Amendment) Regulations 2015).

### 17. SHARE CAPITAL

	Number of shares		Amount	
	2024 RM	2023 RM	2024 RM	2023 RM
Issued and fully paid with no par value:				
Balance at beginning	301,586,185	301,586,185	152,424,083	152,424,083
Issuance of ordinary shares pursuant to acquisition of a subsidiary	17,978,000	<u>-</u> _	22,652,280	
Balance at end	319,564,185	301,586,185	175,076,363	152,424,083

### 2024

During the financial year, the Company has increased its issued and fully paid up ordinary share capital by the way of issuance of 17,978,000 new ordinary shares at an issue price of RM1.26 each on 15 July 2024 pursuant to the acquisition of VSS as disclosed in Note 9.4 to the financial statements.

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

31 DECEMBER 2024

# 17. SHARE CAPITAL (Cont'd)

#### **17.1 TREASURY SHARES**

Treasury shares comprise cost of acquisition of the Company's own shares. At 31 December 2024, the Group held **4,039,226** (2023: 26) of the Company's own shares.

#### 18. RESERVES

		GROUP		C	COMPANY
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-distributable					
Revaluation reserve	18.1	1,480,000	3,631,591	-	-
Foreign currency translation reserve	18.2	84			
	_	1,480,084	3,631,591	-	-
Retained profits	18.3	102,223,861	94,431,844	28,554,791	27,438,321
	_	103,703,945	98,063,435	28,554,791	27,438,321

# 18.1 Revaluation reserve

The revaluation reserve relates to the difference between the carrying amount and the fair value of a land and factory building of the Group at the date of transfer of the said property to investment properties following a change in its use.

# 18.2 Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operation whose functional currency is different from that of the Group's presentation currency.

# 18.3 Retained profits

The franking of dividends is under the single tier system and therefore there is no restriction to distribute dividends subject to the availability of retained profits.

31 DECEMBER 2024

# 19. BORROWINGS

		GROUP
	2024 RM	2023 RM
Non-current liabilities		
Secured:		
Term loans		
Total amount repayable	115,340,151	46,890,973
Amount due within one year included under current liabilities	(4,957,324)	(3,825,306)
Total non-current liabilities	110,382,827	43,065,667
Current liabilities		
Secured:		
Term loans	4,957,324	3,825,306
Total borrowings	115,340,151	46,890,973

The borrowings are secured by way of:

- First party legal charge over certain right-of-use assets, investment properties and inventory property as disclosed in Note 5, Note 6 and Note 7 to the financial statement;
- Facility agreement; and
- Corporate guarantee of the Company and certain subsidiaries.

The currency profile of borrowings is as follows:

	GROUP		
	2024 RM	2023 RM	
Ringgit Malaysia	106,318,540	33,800,000	
United States Dollar	9,021,611	13,090,973	
	115,340,151	46,890,973	

31 DECEMBER 2024

# 19. BORROWINGS (CONT'D)

A summary of the effective interest rates and the maturities of the borrowings are as follows:

	Effective interest rate per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
GROUP						
2024						
Term loans	4.25 to 7.47	115,340,151	4,957,324	10,569,976	38,672,042	61,140,809
2023						
Term loans	4.30 to 7.47	46,890,973	3,825,306	3,825,306	12,200,441	27,039,920

# 20. TRADE AND OTHER PAYABLES

		GROUP			COMPANY
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-current					
Deposits received	20.1	1,329,465	1,287,892		
Current					
Trade payables	20.2	3,338,792	1,718,453	-	_
Trade accruals		-	4,918,425	-	_
		3,338,792	6,636,878	-	-
Other payables		7,599,281	800,936	11,561	17,380
Accrued expenses		9,664,238	4,623,099	213,000	120,618
Deposits received		242,771	377,463	-	_
	-	17,506,290	5,801,498	224,561	137,998
Total current trade and other					
payables		20,845,082	12,438,376	224,561	137,998
Total trade and other	Tradends and other				
payables		22,174,547	13,726,268	224,561	137,998

31 DECEMBER 2024

# 20. TRADE AND OTHER PAYABLES (CONT'D)

The currency profile of trade and other payables is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	21,212,510	13,704,143	224,561	137,998
Singapore Dollar	596,579	22,125	-	-
Japanese Yen	270,156	-	-	-
Chinese Yuan	60,341	-	-	-
United States Dollar	34,961	<u> </u>	<u> </u>	
	22,174,547	13,726,268	224,561	137,998

# **GROUP**

#### 20.1 Deposits

Deposits received mainly comprise of security and utility deposits collected from tenants of investment properties which are refundable upon the expiry or termination of the lease agreements.

# 20.2 Trade payables

The trade payables are normally settled within 14 to 60 days (2023: 14 to 60 days) credit terms.

# 21. REVENUE

# 21.1 Disaggregation of revenue

		GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM	
Revenue from contracts with customers					
Precision sheet metal fabricated parts	24,317,352	14,569,093	-	-	
Sale of completed development properties	37,211,511	17,936,104	-	-	
Rental and management of properties	4,758,611	5,312,640	<u> </u>		
	66,287,474	37,817,837	-	-	
Other revenue					
Interest income	363,960	610,891	363,960	610,891	
Dividend income	<u>-</u>	<u>-</u>	4,000,000		
_	66,651,434	38,428,728	4,363,960	610,891	

31 DECEMBER 2024

# 21. REVENUE (CONT'D)

# 21.1 Disaggregation of revenue (Cont'd)

	GROUP		COMPANY		
	2024 RM	2023 RM	2024 RM	2023 RM	
Timing of revenue recognition					
At a point in time	54,278,229	27,424,668	4,363,960	610,891	
Over time	12,373,205	11,004,060	<u> </u>		
	66,651,434	38,428,728	4,363,960	610,891	

# **Geographical markets**

The revenue contribution geographically is based on the geographical location of customers and is disclosed in Note 27 to the financial statements.

#### 21.2 Contract balances

		COMPANY
	2024 RM	2023 RM
Trade receivables (Note 11)	8,888,988	9,580,665
Contract assets (Note 13)	519,585	234,069
Contract liabilities (Note 13)	5,582,400	9,330,400

# 21.3 Material accounting policy information

Revenue is recognised only when the Group satisfies that performance obligation as disclosed below:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Warranty
Precision sheet metal fabricated parts and precision moulds, tools and dies	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers.	60 days to	Assurance warranty of one year is given to customers.
Made-to-order precision sheet metal fabricated parts	Revenue is recognised over time as costs are incurred. These contracts would meet the no alternative use and the Group has rights to payment for work performed.	60 days to 90 days from invoice date.	Assurance warranty of one year is given to customers.
Sale of completed development properties	Revenue is recognised at a point in time when the Group transfers the control of the property to the purchasers.		period of 2 years
Rental and management of properties	Revenue is recognised over time as the costs are incurred.	Credit period of 7 days from invoice date.	Not applicable.

31 DECEMBER 2024

# 21. REVENUE (CONT'D)

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

# 21.4 Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 on the exemption for disclosure of information on remaining performance obligations that has original expected durations of one year or less.

#### 22. FINANCE INCOME

	GROUP	
	2024 RM	2023 RM
Interest income from financial institutions	880,650	1,983,634
Interest income on net investment in lease	1,180	22,047
	881,830	2,005,681

#### 23. FINANCE COSTS

	GROUP	
	2024 RM	2023 RM
Accretion of interest on lease liability	3,635	17,179
Interest expense on term loans	2,432,738	1,010,499
	2,436,373	1,027,678

31 DECEMBER 2024

# 24. PROFIT BEFORE TAX

This is arrived at:

		GROUP			COMPANY
		2024 RM	2023 RM	2024 RM	2023 RM
	After shousings	Kivi	Kivi	KW	KW
	After charging:				
	Auditors' remuneration:				
	- Grant Thornton Malaysia PLT				
	- statutory audit				
	- current year	253,000	168,000	100,000	61,000
	<ul> <li>under/(over) provision in prior year</li> </ul>	23,487	(3,000)	15,000	-
	Assurance related and non-audit services				
	- Grant Thornton Malaysia PLT	6,000	6,000	6,000	6,000
	- Affiliate of Grant Thornton Malaysia PLT	67,000	46,834	5,000	7,360
	- KPMG PLT				
	- statutory audit				
	- under provision in prior year	-	8,280	-	-
	Accretion of interest on lease liability	3,635	17,179	-	-
	Amortisation of intangible assets:				
	- customer relationship	350,000	-	-	-
	- computer software	32,689	-	-	-
	Bad debt written off	-	2,583	-	-
	Depreciation of:				
	- property, plant and equipment	1,143,567	500,762	-	-
	- right-of-use assets	201,533	175,555	-	-
(i)	Emoluments for non-executive directors	90,500	92,267	90,500	92,267
	Fair value loss on investment properties	-	46,185	-	-
	- other receivables	-	6,000	-	-
	Investment properties written off	3,700,000	-	-	-
	Loss on subsidiaries struck off	-	142,740	-	-
	Impairment of goodwill	406,201	-	-	-
	Impairment of investments in subsidiaries	-	-	1,821,455	-
	Plant and equipment written off	169,587	396,490	-	-
	Provision of liquidated ascetained damage claims	-	81,440	-	-

31 DECEMBER 2024

## 24. PROFIT BEFORE TAX (CONT'D)

	GROUP			COMPANY
	2024	2023	2024	2023
	RM	RM	RM	RM
(ii) Staff costs	8,893,912	5,930,098	53,000	55,734
Realised loss on foreign exchange	109,159	-	-	-
Unrealised loss on foreign exchange	_	290,097	_	-
And crediting:		_,,,,,,,		
-				
Fair value gain on investment properties	1,267,620	-		-
Gain on:				
- disposal of plant and equipment	-	114,496	-	-
- deposit forfeited	-	10,943	-	-
- receipt of capital distribution	-	-	-	85,825
Income from subleasing of right-of-use assets	_	362,250	_	_
Reversal of:	-	302,230	_	
- inventories written down	_	93,255	_	_
- impairment on investments in		70,200		
subsidiaries	-	-	-	1,731,497
Realised gain on foreign exchange	-	7,184	-	-
Unrealised gain on foreign exchange	135,899	-		-
Rental income	134,256	86,000	-	-
Dividend income	43,000	-	-	-
(i) Emoluments for non-executive directors				
- Fees	80,000	80,267	80,000	80,267
- Allowances	10,500	12,000	10,500	12,000
	90,500	92,267	90,500	92,267
(ii) Staff costs				
<ul> <li>Salaries, wages, allowances and bonus</li> </ul>	8,013,212	5,387,017	53,000	55,734
<ul> <li>Defined contribution plans ("EPF")</li> </ul>	773,793	477,577	-	-
<ul> <li>Social security contributions ("SOCSO")</li> </ul>	98,728	60,848	-	-
- Employment insurance ("EIS")	8,179	4,656		
-	8,893,912	5,930,098	53,000	55,734

31 DECEMBER 2024

## 24. PROFIT BEFORE TAX (CONT'D)

Included in the staff costs of the Group and of the Company are directors' remuneration as follows:

## **Directors' remuneration**

The aggregate amount of remuneration received and receivable by the directors of the Company and its subsidiaries are as shown below:

	GROUP			COMPANY
	2024 RM	2023 RM	2024 RM	2023 RM
Executive directors of the Company				
- Salaries, allowances, bonus and	F/7 700	(70.070	7.000	0.000
others - EPF	567,789	672,070	7,000	8,000
	106,400	119,087	-	-
- Fees	46,000	47,734	46,000	47,734
- SOCSO	2,184	2,575	-	-
- EIS	250	237_		
_	722,623	841,703	53,000	55,734
Executive directors of subsidiaries				
- Salaries and bonus	-	137,500	-	-
- EPF	-	26,125	-	-
- SOCSO	-	347	-	-
- EIS	<u>-</u>	40		
	<u>-</u>	164,012		
Total executive directors' remuneration	722,623	1,005,715	53,000	55,734

The directors' remuneration can be further analysed as:

	GROUP		(	COMPANY
	2024 RM	2023 RM	2024 RM	2023 RM
Present directors	722,623	692,701	53,000	19,067
Past directors		313,014		36,667
	722,623	1,005,715	53,000	55,734

## 25. TAXATION

	GROUP			COMPANY
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysian income tax:				
Based on results for the financial year				
- Current tax	(1,100,402)	(764,152)	(51,000)	(97,000)
- Deferred tax relating to the origination and reversal of temporary differences	(1,977,532)	(295,782)	-	-
<ul> <li>Crystallisation of deferred tax on revaluation reserve</li> </ul>	(1,156,122)	-	-	-
- Real property gain tax	<u>-</u>	(74,440)		
	(4,234,056)	(1,134,374)	(51,000)	(97,000)
(Under)/Over provision in prior year				
- Current tax	(447,310)	152,881	(14,220)	16,107
- Deferred tax	610,273	(378,706)	_	_
_	162,963	(225,825)	(14,220)	16,107
_	(4,071,093)	(1,360,199)	(65,220)	(80,893)

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		СОМР	ANY
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	8,794,758	2,479,794	1,181,690	1,618,770
Statutory tax rate of 24%	(2,110,742)	(595,151)	(283,606)	(388,505)
Income not subject to tax	1,494,388	29,416	960,067	436,158
Expenses not deductible for tax purposes	(1,880,144)	(505,041)	(727,461)	(144,653)
Fair value gain on investment properties	(156,762)	(4,619)	-	-
Net deferred tax movement not recognised	(1,580,796)	(15,120)	-	-
Annual crystallisation of deferred tax on revaluation surplus	-	(6,250)	-	-
Others	<u>-</u>	(37,609)	<u> </u>	<u>-</u>
	(4,234,056)	(1,134,374)	(51,000)	(97,000)
(Under)/Over provision in prior year	162,963	(225,825)	(14,220)	16,107
<u>_</u>	(4,071,093)	(1,360,199)	(65,220)	(80,893)

**31 DECEMBER 2024** 

## 26. EARNINGS PER SHARE

#### **GROUP**

## (a) Basic earnings per share

The basic earnings per share of the Group is calculated by dividing the profit or the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year as below:

	2024	2023
Profit attributable to the owners of the Company (RM)	5,640,426	1,119,595
Weighted average number of ordinary shares in issue	306,805,057	301,586,185
Basic earnings per share (sen)	1.84	0.37

## (b) Diluted earnings per ordinary share

Diluted earnings per ordinary share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and for the effects of all dilutive potential ordinary shares, which comprise warrants and share options granted to employees.

The diluted earnings per ordinary share is the same as earnings per ordinary share as there are no dilutive potential ordinary shares as at the end of the reporting period.

## 27. OPERATING SEGMENT

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Group's Executive Chairman) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Manufacturing	Includes manufacturing of precision sheet metal fabricated parts and design and fabrication of moulds, tools and dies; manufacturing of electronic component and medical equipment component.
<ul> <li>Property development and construction</li> </ul>	Development of residential properties, trading in construction, furnishing materials and completed properties.
Property management	Letting and managing an office building, factory building, heritage/cultural property and car park.
Investment holding	Investment holding activities.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation as included in the internal management reports that are reviewed by the CODM. 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 asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total asset is used to measure the return on assets of each segment.

31 DECEMBER 2024

## 27. OPERATING SEGMENT (CONT'D)

## Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liability.

## Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, right-of-use assets and investment properties.

31 DECEMBER 2024

## 27. OPERATING SEGMENT - 2024

	Manufacturing RM	Property development RM	Property management RM	Investment holding RM	Total RM
2024					
Segment (loss)/profit before tax	(1,875,490)	13,394,983	(1,321,679)	(1,403,056)	8,794,758
Included in the measure of segment profit are:					
- Revenue from external customers	24,317,352	37,211,511	4,758,611	363,960	66,651,434
Not included in the measure segment profit but provided to CODM					
Depreciation of property, plant and equipment	(1,077,958)	(59,850)	(5,759)	-	(1,143,567)
Depreciation of right-of-use assets	(201,533)	-	-	-	(201,533)
Amortisation of intangible assets	382,689	-	_	_	382,689
Finance costs	(259,074)	_	(2,177,299)		(2,436,373)
Finance income	11,691	123,221	746,918	363,960	1,245,790
Gain on change in fair value of investment properties	-	-	1,267,620	-	1,267,620
Property, plant and equipment written off	(169,587)	-	-	-	(169,587)
Investment properties written off		-	(3,700,000)	-	(3,700,000)
Impairment of goodwills	(406,201)	-	-	-	(406,201)
Unrealised gain on foreign exchange	80,918		54,981		135,899
Segment assets	130,544,047	83,388,060	179,148,100	27,301,880	420,382,087
Included in the measure of segment assets are:					
- Additions to plant and equipment	36,091,255	5,506	30,000		36,126,761

31 DECEMBER 2024

## 27. OPERATING SEGMENT - 2023

	Manufacturing RM	Property development RM	Property management RM	Investment holding RM	Total RM
2023					
Segment (loss)/profit before tax	(1,254,729)	1,689,343	2,157,907	(112,727)	2,479,794
Included in the measure of segment profit are:					
- Revenue from external customers	14,569,093	17,936,104	5,312,640	610,891	38,428,728
- Reversal of inventories written down	93,255				93,255
Not included in the measure segment profit but provided to CODM					
Depreciation of property, plant and equipment	(423,258)	(72,245)	(5,259)	-	(500,762)
Depreciation of right-of-use assets	(175,555)	-	-	-	(175,555)
Finance costs	-	-	(1,027,678)		(1,027,678)
Finance income	79,528	1,745,154	180,999	610,891	2,616,572
Loss on change in fair value of investment properties	-	-	(46,185)	-	(46,185)
Property, plant and equipment written off	(85,706)	(310,784)	-	-	(396,490)
Unrealised loss on foreign exchange	72,745		(362,842)		(290,097)
Segment assets	23,058,680	177,158,543	103,917,057	19,191,491	323,325,771
Included in the measure of segment assets are:					
- Additions to plant and equipment	2,958,702	11,411			2,970,113

31 DECEMBER 2024

## 27. OPERATING SEGMENT (CONT'D)

## **Geographical Segments**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of noncurrent assets do not include financial instruments and deferred tax assets.

	20	024		2023
	External revenue RM	Non-current assets RM	External revenue RM	Non-current assets RM
Malaysia	50,136,516	272,055,537	29,745,552	132,494,132
People's Republic of China	7,061,921		3,073,605	-
Indonesia	-	-	2,905,600	-
Canada	4,080,000	_	-	-
Singapore	2,037,052	-	-	-
Europe	1,873,100	_	615,898	-
Japan	769,659	-	1,367,154	-
United States of America	652,533	-	640,782	-
Other countries	40,653	3,511,563	80,137	3,800,810
	66,651,434	275,567,100	38,428,728	136,294,942

## **Major customers**

The following is major customer with revenue equal or more than 10% of the Group's total revenue:

		Revenue			
	2024 RM	2023 RM	Segment		
Customer A	7,856,546	8,877,674	Manufacturing		

## 28. CAPITAL COMMITMENT

		GROUP
	2024 RM	2023 RM
Authorised but not contracted for:		
- Factory building	17,466,094	-
- Land held for development		37,620,000

31 DECEMBER 2024

## 29. RELATED PARTIES DISCLOSURES

## (i) Identity of related parties

The Company has related party relationship with its subsidiaries whilst the Group has related party relationship with its key management personnel and the following companies:

Related party	Relationship
Skygate Sciences Sdn. Bhd.	: A company in which a director is a major shareholder of the Company.
Nationgate System Sdn. Bhd.	: A company in which a director is a major shareholder of the Company.
Nationgate Solution (M) Sdn. Bhd.	: A company in which a director is a major shareholder of the Company.
Nationgate Computing Sdn. Bhd.	: A company in which a director is a major shareholder of the Company.

## (ii) Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

		GROUP		COMPANY			
	2024 RM	2023 RM	2024 RM	2023 RM			
Transactions with related parties:							
<ul> <li>Administrative expenses paid/payable to Skygate Sciences Sdn. Bhd.</li> </ul>	357,948	-	_	-			
- Sales to Nationgate System Sdn. Bhd.	1,160,031	-	-	-			
Nationgate Solution (M) Sdn. Bhd.	503,088	-	-	-			
Nationgate Computing Sdn. Bhd.	395,284	-	-	-			
Transactions with subsidiaries:							
<ul> <li>Conversion of debt to non-convertible redeemable preference shares</li> </ul>		-	120,200,000	-			
<ul> <li>Capital distribution from subsidiaries</li> </ul>	-	-	-	85,825			
Transactions with directors:							
- Sales of inventory properties	1,896,000	-	-	-			
- Progress billings to a director	2,093,400			<u> </u>			

31 DECEMBER 2024

## 29. RELATED PARTIES DISCLOSURES (CONT'D)

## (iii) Compensation of key management personnel

The Group and the Company have no other members of key management personnel apart from the Board of Directors which compensation has been shown in Note 24.

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly.

## 30. FINANCIAL INSTRUMENTS

## 30.1 Categories of financial instruments

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

	Carrying amount RM	AC RM
GROUP		
2024		
Financial assets		
Trade and other receivables	15,928,107	15,928,107
Fixed deposits with licensed banks	57,000	57,000
Cash and cash equivalents	47,307,969	47,307,969
	63,293,076	63,293,076
Financial liabilities		
Borrowings	115,340,151	115,340,151
Trade and other payables	22,174,547	22,174,547
	137,514,698	137,514,698
2023		
Financial assets		
Trade and other receivables	12,662,015	12,662,015
Fixed deposits with licensed banks	91,611	91,611
Cash and cash equivalents	65,200,925	65,200,925
	77,954,551	77,954,551
Financial liabilities		
Borrowings	46,890,973	46,890,973
Trade and other payables	13,726,268	13,726,268
	60,617,241	60,617,241

31 DECEMBER 2024

## 30. FINANCIAL INSTRUMENTS (CONT'D)

## 30.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM
COMPANY		
2024		
Financial assets		
Other receivables	29,533	29,533
Cash and cash equivalents	12,295,394	12,295,394
	12,324,927	12,324,927
Financial liability		
Other payables	224,561	224,561
2023		
Financial assets		
Other receivables	27,000,000	27,000,000
Cash and cash equivalents	19,056,237	19,056,237
	46,056,237	46,056,237
Financial liability		
Other payables	137,998	137,998

## 30.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations. The key financial risks include credit risk, liquidity risk, interest rate risk and currency rate risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transaction.

## 30.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from financial guarantees given and advances to its subsidiaries.

#### 30.3.1 Trade receivables

## Risk management objectives, policies and processes for managing the risk

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

At the end of each reporting date, the Group assesses the credit of the trade receivables that was impaired.

31 DECEMBER 2024

## 30. FINANCIAL INSTRUMENTS (CONT'D)

## 30.3 Credit risk (Cont'd)

## 30.3.1 Trade receivables (Cont'd)

## Risk management objectives, policies and processes for managing the risk (Cont'd)

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

There are no significant changes as compared to previous year.

The ageing of trade receivables and retention sum receivables and expected loss allowance of the Group is as follows:

	Gross RM	Allowance for ECL RM	Net RM
2024			
Not past due	6,010,763	-	6,010,763
1 to 30 days past due	1,812,699	-	1,812,699
31 to 60 days past due	414,655	-	414,655
61 to 90 days past due	650,871	_	650,871
	2,878,225	-	2,878,225
Individually impaired	149,682	(149,682)	
	9,038,670	(149,682)	8,888,988
2023			
Not past due	9,274,563	-	9,274,563
1 to 30 days past due	173,666	-	173,666
31 to 60 days past due	132,144	-	132,144
61 to 90 days past due	292	-	292
	306,102	-	306,102
Individually impaired	82,605	(82,605)	
	9,663,270	(82,605)	9,580,665

## Receivables that are individually impaired

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither pass due nor impaired has been renegotiated during the financial year.

The Group has trade receivables amounting to **RM2,878,225** (2023: RM306,102) that are past due but not impaired as the management is of the view that these debts will be collected in due course.

31 DECEMBER 2024

## 30. FINANCIAL INSTRUMENTS (CONT'D)

## 30.3 Credit risk (Cont'd)

## 30.3.1 Trade receivables (Cont'd)

Receivables that are individually impaired (Cont'd)

As at the end of the reporting period, the Group has significant concentration of credit risk in the form of outstanding balance due from **3 customers** (2023: 5 customers), representing **33%** (2023: 64%) of total trade receivables.

## 30.3.2 Intercompany balances

The Company provides advances to its subsidiaries and monitors the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by the carrying amount in the statements of financial position.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable. The Company does not specifically monitor the ageing of these advances.

## 30.3.3 Financial guarantees

The Company provides unsecured financial guarantees to financial institutions for banking facilities granted to certain subsidiaries. The limit of the financial guarantee and the maximum exposure of the financial guarantee are **RM303,102,500** (2023: RM72,012,500) and **RM115,340,151** (2023: RM46,890,973) respectively.

The Company monitors on an ongoing basis the financial performance of the subsidiaries and repayments made by them. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

The fair value of financial guarantees has not been recognised since the fair value on initial recognition was not material.

## 30.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

31 DECEMBER 2024

## 30. FINANCIAL INSTRUMENTS (CONT'D)

## 30.4 Liquidity risk (Cont'd)

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

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM	More than 5 years RM
GROUP						
2024						
Non-derivative financial liabilities						
Payables and accruals	22,174,547	22,174,547	20,845,082	1,329,465	-	-
Borrowings	115,340,151	160,134,688	10,747,072	17,435,058	53,464,333	78,488,225
Lease liability	103,840	110,620	50,400	31,940	28,280	
	137,618,538	182,419,855	31,642,554	18,796,463	53,492,613	78,488,225
2023						
Non-derivative financial liabilities						
Payables and accruals	13,726,268	13,726,268	12,438,376	1,287,892	-	-
Borrowings	46,890,973	67,519,135	6,181,380	5,835,911	16,858,550	38,643,294
Lease liability	119,096	120,000	120,000	-	-	
	60,736,337	81,365,403	18,739,756	7,123,803	16,858,550	38,643,294
COMPANY						
2024						
Non-derivative financial liabilities						
Payables and accruals	224,561	224,561	224,561	-	-	-
* Financial guarantees		115,340,151	115,340,151	-	-	
	224,561	115,564,712	115,564,712	<u>-</u>	<u>-</u>	

31 DECEMBER 2024

## 30. FINANCIAL INSTRUMENTS (CONT'D)

## 30.4 Liquidity risk (Cont'd)

		Carrying amount RM	Contractual cash flows RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM	More than 5 years RM
	2023						
	Non-derivative financial liabilities						
	Payables and accruals	137,998	137,998	137,998	-	-	-
*	Financial guarantees	-	46,890,973	46,890,973	-		
	_	137,998	47,028,971	47,028,971		-	

<sup>\*</sup> This has been included for illustration purpose only as the related financial guarantees have not crystallised as at the end of the reporting period.

## 30.5 Interest rate risk

The Group's and the Company's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and of the Company's interest-bearing financial instruments based on their carrying amount as at the end of the reporting period are as follows based on their carrying amount as at the end of the reporting period are as follows:

		GROUP		COMPANY			
	2024 RM	2023 RM	2024 RM	2023 RM			
Fixed rate instrument							
Financial assets	57,000	91,611					
Floating rate instruments							
Financial assets	16,690,371	33,127,606	-	8,279,622			
Financial liabilities	115,340,151	46,890,973					

## Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial instruments at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

31 DECEMBER 2024

#### 30. FINANCIAL INSTRUMENTS (CONT'D)

## 30.5 Interest rate risk (Cont'd)

## Sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have decreased the Group's profit before tax and equity by **RM246,624** (2023: RM34,408) and **RM187,435** (2023: RM26,150) respectively. A corresponding decrease an equal but opposite effect. This analysis assumes that all other variables remain constant.

#### 30.6 Foreign currency risk

The objectives of the Group's foreign exchange policies are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the functional currency of the Group entities. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currency giving rise to this risk is primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Japanese Yen ("JPY"), Chinese Yuan ("CNY") and Thai Baht ("THB").

## Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates against Ringgit Malaysia, with all other variables being held constant, of the Group's profit before tax. A 5% strengthening of the RM against the following currencies at the end of the reporting period would have decreased profit before tax and equity by the amount shown below and a corresponding weakening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

	2024 RM	2023 RM
United States Dollar	340,884	620,120
Singapore Dollar	27,591	-
Japanese Yen	13,426	-
Chinese Yuan	2,833	-
Thai Baht	(80)	
	384,654	620,120
Decreased in profit before tax	384,654	620,120
Decreased in equity	292,337	471,291

#### 31. FAIR VALUE MEASUREMENT

#### Fair value measurement of financial instruments

The carrying amounts of the Group's and of the Company's financial assets and financial liabilities as at the end of the reporting period approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The fair value of the non-current portion of trade receivable, trade and other payable, lease liabilities and borrowings is estimated by discounting expected cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the reporting date.

31 DECEMBER 2024

## 32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to its shareholder or sell assets to reduce debts. No changes were made in the objective, policy of process during the financial year under review as compared to the previous financial year.

#### 33. MATERIAL LITIGATION

## CRCC Malaysia Berhad. vs Ewein City of Dreams Sdn. Bhd. (ADM-1034-2021)

On 31 January 2022, the adjudicator delivered his decision in relation to CRCC Malaysia Berhad's ("CRCC") claims on Skygate City of Dreams Sdn. Bhd. ("SCOD"), a subsidiary of Skygate Solutions Berhad (formerly known as Ewein Berhad). SCOD decided to comply with the adjudication decision and paid CRCC a sum of RM6.3 million where the said amount has been recognised in the financial year ended 2021. In December 2021, SCOD commenced the arbitration proceedings at the Asian International Arbitration Centre claiming CRCC on the following:

- the sum of RM19 million being the Liquidated Ascertained Damages ("LAD") for the late completion of the works;
- in the alternative, general damages for the amount of LAD that SCOD is liable to pay to the purchasers of City
  of Dreams Project ("the Project");
- damages for the amount incurred to rectify the defects;
- interest at 5% per annum on the sum claimed from date of claim until date of full realisation.

CRCC has disputed on SCOD's claim and counter claimed as follows:

- CRCC is entitled to the extension of time of 344 days;
- SCOD is not entitled to LAD in the sum of RM24 million;
- a declaration that SCOD is not entitled to any of its set off;
- RM18.9 million being the set-off pursuant to the Adjudication decision, uncertified variation works and loss and expenses incurred; and
- · interest on the set-off pursuant to the Adjudication decision, uncertified variation works; and
- cost associated with the arbitration proceedings.

In response to CRCC's counterclaim, SCOD disputed the whole counterclaim on the following grounds:

- SCOD is entitled to back charge the amounts paid to third party contractors for expediting some of CRCC's works; and
- CRCC's claim for variation orders/additional works are capped at RM10,700,000 as stated in the supplemental
  agreement previously entered into between SCOD and CRCC.

On 5 December 2024, both parties executed a Settlement Agreement to amicably settle and resolve all ongoing disputes and differences arisen. On 19 December 2024, the Arbitrator has issued Termination Order dated 19 December 2024 to order and direct that:

- Claims against each other in the Arbitration proceedings are withdrawn;
- Arbitration proceedings are terminated.

#### 34. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

On 15 April 2025, the Company has entered into a share sale agreement with Ong Chee Fui, Kumpulan Modal Perdana Sdn. Bhd., E&E Catalyst Sdn. Bhd. and E&E Catalyst II Sdn. Bhd. in relation to the acquisition of 255,003 ordinary shares and 9,999,999 redeemable convertible preference shares in Leader Range Technology Sdn. Bhd. ("LRT"), which represent 51% of equity interest in LRT for a purchase consideration of RM10,710,000. The principal activities of LRT are manufacturing high-tech products and quality engineering related services and support.

## LIST OF **PROPERTIES**

Name of registered owner/ beneficial	Postal address and/or	Description/	Approximate age of	Tenure/ Expiry of	Land/ (Built-up area) (square	Restrictions	Land use	Major	Date of certificate	Audited carrying amount as at 31.12.2024
owner SPSB	H.S. (D) 43450, P.T. 805, and H.S. (D) 27771, P.T. 807 both in Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang	Existing use  Headquarters and Factory	<b>building</b> 40 years	Leasehold/ P.T. 805 - 07.03.2042; P.T. 807 - 03.10.2042	<b>feet)</b> 79,953/ (83,504)	Yes	conditions Industrial	encumbrances Nil	of fitness 07.03.2002, 18.10.1990, 11.11.1989, 24.1.1985	RM 1,508,021
SPSB	H.S. (D) 38123, P.T. 1090, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang	Construction work in progress	N/A	Leasehold/ 07.03.2042	43,751/ (35,803)	Yes	Industrial	Nil	N/A	30,720,539
KPTSB	H.S. (D) 36653, P.T. 2673, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang	Land	N/A	Leasehold/ 05.08.2048	38,148	Yes	Industrial	Nil	N/A	4 000 000
	H.S. (D) 41591, P.T. 2684, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang	Land	N/A	Leasehold/ 01.11.2048	36,655	Yes	Industrial	Nil	N/A	4,900,000
SPSB	H.S. (D) 44144, P.T. NO.806, Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang. Plot 319	Factory	31 years	Leasehold/ 07.03.2042	39,974/ (37,137)	Yes	Industrial	Nil	04.08.1993	1,959,319
SPSB	H.S.(D) 49827, Lot 4409, Mukim 16, Seberang Perai Tengah, Pulau Pinang (28, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters	25 years	Freehold	1,076/ (807)	Nil	Building	Nil	02.02.2000	72,290
SPSB	H.S.(D) 49856, Lot 4438, Mukim 16, Seberang Perai Tengah, Pulau Pinang (31, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters	25 years	Freehold	1,076/ (807)	Nil	Building	Nil	02.02.2000	68,077
SPSB	H.S.(D) 49855, Lot 4437, Mukim 16, Seberang Perai Tengah, Pulau Pinang (33, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters		Freehold	1,100/ (807)	Nil	Building	Nil	02.02.2000	68,077

# LIST OF PROPERTIES

Name of registered owner/ beneficial owner	Postal address and/or identification	Description/ Existing use	Approximate age of building	Tenure/ Expiry of lease	Land/ (Built-up area) (square feet)	Restrictions in interest		Major encumbrances	Date of certificate of fitness	Audited carrying amount as at 31.12.2024 RM
SPSB	H.S.(D) 49854, Lot 4436, Mukim 16, Seberang Perai Tengah, Pulau Pinang (35, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters	25 years	Freehold	1,100/ (807)	Nil	Building	Nil	02.02.2000	68,077
SPSB	H.S.(D) 49853, Lot 4435, Mukim 16, Seberang Perai Tengah, Pulau Pinang (37, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters	25 years	Freehold	1,100/ (807)	Nil	Building	Nil	02.02.2000	68,077
SPSB	H.S.(D) 49852, Lot 4434, Mukim 16, Seberang Perai Tengah, Pulau Pinang (39, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters	25 years	Freehold	1,076/ (807)	Nil	Building	Nil	02.02.2000	68,077
SPSB	H.S.(D) 49835, Lot 4417, Mukim 16, Seberang Perai Tengah, Pulau Pinang (44, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters	25 years	Freehold	1,100/ (807)	Nil	Building	Nil	02.02.2000	68,077
SPSB	H.S.(D) 49836, Lot 4418, Mukim 16, Seberang Perai Tengah, Pulau Pinang (46, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters	25 years	Freehold	1,100/ (807)	Nil	Building	Nil	02.02.2000	68,077
SPSB	H.S.(D) 49837, Lot 4419, Mukim 16, Seberang Perai Tengah, Pulau Pinang (48, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters	25 years	Freehold	1,100/ (807)	Nil	Building	Nil	02.02.2000	68,077
SPSB	H.S.(D) 49838, Lot 4420, Mukim 16, Seberang Perai Tengah, Pulau Pinang (50, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters	25 years	Freehold	1,100/ (807)	Nil	Building	Nil	02.02.2000	68,077

# LIST OF PROPERTIES

Name of registered owner/ beneficial owner	Postal address and/or identification	Description/ Existing use	Approximate age of building	Tenure/ Expiry of lease	Land/ (Built-up area) (square feet)	Restrictions in interest		Major encumbrances	Date of certificate of fitness	Audited carrying amount as at 31.12.2024 RM
SPSB	H.S.(D) 49845, Lot 4427, Mukim 16, Seberang Perai Tengah, Pulau Pinang (53, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters	25 years	Freehold	1,100/ (807)	Nil	Building	Nil	02.02.2000	68,077
SPSB	H.S.(D) 49844, Lot 4426, Mukim 16, Seberang Perai Tengah, Pulau Pinang (55, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters	25 years	Freehold	1,100/ (807)	Nil	Building	Nil	02.02.2000	68,077
SPSB	H.S.(D) 49843, Lot 4425, Mukim 16, Seberang Perai Tengah, Pulau Pinang (57, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters		Freehold	1,100/ (807)	Nil	Building	Nil	02.02.2000	68,077
SPSB	H.S.(D) 49842, Lot 4424, Mukim 16, Seberang Perai Tengah, Pulau Pinang (59, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters		Freehold	1,100/ (807)	Nil	Building	Nil	02.02.2000	68,077
SPSB	H.S.(D) 49825, Lot 4407, Mukim 16, Seberang Perai Tengah, Pulau Pinang (24, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters	25 years	Freehold	1,100/ (807)	Nil	Building	Nil	02.02.2000	76,054
SPSB	H.S.(D) 49829, Lot 4411, Mukim 16, Seberang Perai Tengah, Pulau Pinang (32, Lorong Bidara 23, 14020, Bukit Mertajam	Single storey terrace house/ Staff quarters		Freehold	1,100/ (807)	Nil	Building	Nil	02.02.2000	76,054
SPSB	H.S.(D) 49842, Lot 4406, Mukim 16, Seberang Perai Tengah, Pulau Pinang (22, Lorong Bidara 23, 14020, Bukit Mertajam)	Single storey terrace house/ Staff quarters		Freehold	1,100/ (807)	Nil	Building	Nil	02.02.2000	76,011

# LIST OF PROPERTIES

Name of registered owner/ beneficial owner	Postal address and/or identification	Description/ Existing use	Approximate age of building	Tenure/ Expiry of lease	Land/ (Built-up area) (square feet)	Restrictions in interest		Major encumbrances	Date of certificate of fitness	Audited carrying amount as at 31.12.2024 RM
SPRSB	Suite 01-01, Menara IJM Land No 1, Lebuh Tunku Kudin 3, 11700 Gelugor Penang	Menara IJM/ Commercial purpose	13 years	Freehold	46,823/ (135,001)	Nil	Building (16 Storey office and 7 storey car park)	Assigned to Public Bank Berhad	31.05.2012	^71,000,000
SPRSB	H.S (D) 117786, Lot No. 691, Seksyen 8, Daerah Timor Laut, Penang	Townhouse	10 years	Freehold	3,337	Nil	Building	Nil	22.10.2015	^3,350,000
SPRSB	B.7.03 Royal Mint Gardens, 85, Royal Mint Streets, London E1	Apartment	6 years	Leasehold/ 22.6.3004	(571)	Nil	Building	Nil	2019	^3,511,563
SKYDORM	Lot 10048, Mukim 06, Daerah Seberang Perai Tengah, Pulau Pinang	Factory building	2 years	Freehold	423,086	Nil	Building	Assigned to Ambank Berhad	-	41,927,324
SISB	Lot 3826, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	Factory building	20 years	Leashold/ 2.1.2058	262,392/ (194,056)	Nil	Building	Assigned to Malayan Banking Berhad	2024	
SISB	Lot 7067, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	Factory building	10 years	Leashold/ 7.1.2069	75,896/ (27,759)	Nil	Building	Assigned to Malayan Banking Berhad	2024	^ 44,109,839
DISB	PT788, PT789, PT790, PT791, PT792, PT793, PT794, PT795, PT796, PT797, PT798, PT799, PT813, PT814, Section 4, Town of Butterworth, District of Seberang Perai Utara, Penang	16-storey workers' dormitory	N/A	Freehold	172,265	Nil	Building	Assigned to AMMB Holdings Berhad	In construction	28,955,598
SPRSB	GRN117786, Lot No. 691, Section 8, Town of Georgetown, North East District, Penang	Water Villa	8 years	Freehold	(7,083)	Nil	Building	Nil	2017	^ 6,350,000
VSS	PT8, Mukim 1, Seberang Perai Tengah, Penang	Factory building	20 years	Leasehold	22,579/ (20,446)	Nil	Building	Nil	2005	5,200,000

Note: ^ - represents investment properties of the Group

## ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025

The total number of issued shares : 315,524,959 Ordinary Shares
Voting Rights : One vote for ordinary share by Poll

## **ANALYSIS BY SIZES AS AT 2 APRIL 2025**

Size of Shareholdings	No. of Shareholders	% of total Shareholders	No.of Shares	% of total issued capital
Less 100 Shares	819	20.750	31,872	0.010
100 to 1,000 Shares	1,004	25.437	230,602	0.073
1,001 to 10,000 Shares	1,054	26.704	5,457,542	1.730
10,001 to 100,000 Shares	824	20.877	27,973,083	8.866
100,001 to less than 5% of issued Shares	245	6.207	146,960,705	46.577
5% and above of issued Shares	1	0.025	134,871,155	42.745
Total	3,947	100.000	315,524,959	100.000

## **SUBSTANTIAL SHAREHOLDERS AS AT 2 APRIL 2025**

NAME OF SHAREHOLDER	SHARES	%
OOI ENG LEONG	134,871,155	42.745
OOI ENG LEONG	1,099	0.000
TOTAL	134,872,254	42.745

## **DIRECTORS' SHAREHOLDINGS AS AT 2 APRIL 2025**

		<nu< th=""><th>mber of</th><th>Shares Held</th><th>&gt;</th></nu<>	mber of	Shares Held	>
NO.	NAME OF SHAREHOLDER	Direct	%	Deemed	%
1.	GOH KIANG TENG TAY SENG CHEW	13,080,417	4.146	126,500(a)	0.04
۷.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY SENG CHEW (PNG)	1,000,000	0.317	-	-
	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY SENG CHEW	100,000	0.032	-	-

## Notes:

(a) Deemed interest pursuant to section 59(11) (C) of the companies Act 2016 by virtue of shares held by his spouse Ng Gim Saik

## **TOP 30 DEPOSITORS AS AT 2 APRIL 2025**

NO.	. NAME OF SHAREHOLDER	SHARES	%
1.	OOI ENG LEONG	134,871,155	42.745
2.	HONG YEAM WAH	14,718,000	4.665

# ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025

## TOP 30 DEPOSITORS AS AT 2 APRIL 2025 (CONT'D)

NO.	NAME OF SHAREHOLDER	SHARES	%
3.	GOH KIANG TENG	13,080,417	4.146
4.	LIEW SOW YING	10,146,000	3.216
5.	KENANGA NOMINEES (TEMPATAN) SDN BHD LEE KHAI	6,741,573	2.137
6.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TENG CHANG YEOW (7000717)	3,651,000	1.157
7.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE TOONG LEON	3,351,000	1.062
8.	CHEW TIEN KEE	3,201,303	1.015
9.	LIM LIEW HONG	2,163,300	0.686
10.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KAM SENG	1,767,100	0.560
11.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD(UOBESGSCEQ)	1,682,800	0.533
12.	TAN BENG BENG	1,546,500	0.490
13.	OOI ENG BEE	1,515,100	0.480
14.	GOH YIN ZE	1,476,703	0.468
15.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI YEN YI (E-PRA)	1,400,000	0.444
16.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEE BENG TEIK (E-SPG)	1,369,400	0.434
17.	CH'NG PIK SIANG	1,342,200	0.425
18.	POH CHUN CHING	1,295,000	0.410
19.	LEE CHIN AIK	1,290,000	0.409
20.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOO WEI LIAN (E-SPG)	1,227,500	0.389
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOO WEI SHEIN (E-SPG)	1,200,000	0.380
22.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOO WEI SHEIN (7011599)	1,132,000	0.359
23.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOW DAI YING (M&A)	1,110,000	0.352
24.	SIT CHIN LENG	1,081,632	0.343
25.	YAP SUAN SEE	1,072,800	0.340
26.	CHEE LEAN HUAT	1,026,750	0.325
27.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY SENG CHEW (PNG)	1,000,000	0.317
28.	TAY GUAT ENG @ TAI GUAT ENG	1,000,000	0.317
29.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEE BOAY LEAK (E-BMM)	991,500	0.314
30.	LEE YOKE MING	990,000	0.314
	TOTAL	218,440,733	69.231

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting ("AGM") of the Company will be held at Iconic Marjorie Hotel, 239A, Jalan Sultan Azlan Shah, 11900 Bayan Lepas, Pulau Pinang on Monday, 16 June 2025 at 10.00 a.m. for the following purposes:-

#### **AGENDA**

## **As Ordinary Business:**

- To receive the Audited Financial Statements of the Company for the financial year ended 31 Please refer to the December 2024 and the Reports of the Directors and Auditors thereon.
   Explanatory Notes
- 2. To approve the payment of Directors' fees and Directors' benefits of RM355,000.00 for the **Ordinary** financial year ending 31 December 2025. **Resolution 1**
- 3. To re-elect the following Directors who retire pursuant to the Company's Constitution:-
  - (a) Mr. Tay Seng Chew (Article 95)
     (b) Puan Mazlina Binti Mohamad (Article 95)
     Ordinary
     Ordinary
- 4. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the Conclusion of the next AGM and to authorise the Directors to fix their remuneration.

  Resolution 4

## As Special Business:

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

## 5. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF Ordinary THE COMPANIES ACT, 2016 Resolution 5

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (the "Act") and subject always to the approval of all the relevant regulatory authorities, the Board of Directors of the Company be and is hereby authorised to issue and allot from time to time such number of shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being.

AND THAT the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier."

## 6. AUTHORITY TO PURCHASE ITS OWN SHARES

"That subject to the Companies Act 2016, provisions of the Company's Constitution and the requirements of the Bursa Securities and other relevant governmental and regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to purchase its own shares through Bursa Securities, subject to the following: -

i. The maximum aggregate number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares in the ordinary share capital of the Company at any point in time;

Ordinary Resolution 6

**Resolution 3** 

#### 6. AUTHORITY TO PURCHASE ITS OWN SHARES (CONT'D)

- ii. The maximum fund to be allocated by the Company for the purpose of purchasing the Company's shares shall not exceed the retained profits of the Company. As at the latest financial year ended 31 December 2024, the audited retained profits of the Company stood at RM28,554,791;
- iii. The authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next AGM of the Company, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions or the expiration of the period within which the next AGM is required by law to be held or unless revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever occurs first;
- iv. Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:-
  - to cancel the shares so purchased; or
  - to retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or subsequently cancelled; or
  - retain part of the shares so purchased as treasury shares and cancel the remainder.

The Directors of the Company be and are hereby authorised to take all such steps as are necessary and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluation, variations and/or amendments, if any, as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares in accordance with the Act, provisions of the Company's Constitution, the requirements of the Bursa Securities and any other regulatory authorities, and other relevant approvals.

## PROPOSED NEW AND RENEWAL SHAREHOLDERS' MANDATE FOR RECURRENT Ordinary RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED Resolution 7 SHAREHOLDERS' MANDATE")

"THAT approval be and is hereby given to the Company and/or subsidiary companies (the "Group") to enter into all arrangements and/or transactions as specified in Section 2.4 of the Circular to Shareholders of the Company dated 30 April 2025 (the "Circular"), involving the interests of directors, major shareholders or persons connected with such directors or major shareholders of the Company ("Related Parties") as detailed in Section 2.4 of the Circular, provided that such arrangements and/or transactions are:-

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for day-to-day operations; and
- (iii) carried out in the ordinary course of business or the normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to be detriment of the minority shareholders of the Company.

## PROPOSED NEW AND RENEWAL SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE") (CONT'D)

(the "Shareholders' Mandate")

THAT the Shareholders' Mandate shall take effect from this resolution and shall continue to be in force until:-

- the conclusion of the next annual general meeting of the Company following the general meeting at which such Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 340 (2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act; or
- revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

## RETENTION OF MR. TAN YEN YEOW AS INDEPENDENT NON-EXECUTIVE DIRECTOR Ordinary

**Resolution 8** 

"THAT approval be and is hereby given to Mr. Tan Yen Yeow 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 an Independent Non-Executive Director of the Company until the conclusion of next AGM."

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

By Order of the Board,

**WONG YEE LIN (MIA15898)** SSM Practicing No: 201908001793

HING POE PYNG (MAICSA 7053526) SSM Practicing No: 202008001322

Joint Company Secretaries

Date: 30 April 2025

#### Notes:

- 1. A member entitled to attend and vote is entitled to appoint at least one (1) proxy but not more than two (2) proxies to attend, speak and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- 2. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the members to speak at the meeting. A member shall not appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two proxies, to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- 3. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- 4. The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
- 5. The instrument appointing a proxy must be deposited at the Registered Office, 51-8-A, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 24 hours before the time for holding the Meeting or any adjournments thereof PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).
- 6. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 69(2) of the Company's Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 05 June 2025 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
- 7. All resolutions as set out in this notice of Nineteenth Annual General Meeting are to be voted by poll.

## **Explanatory Note on Ordinary Business**

## Item 1 of the Agenda

To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon.

This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

## Ordinary Resolution 1 - Payment of Directors' fees and Directors' benefits

The proposed Ordinary Resolution 1 is to facilitate payment of Directors' fees and Directors' benefits on current financial year basis, calculated based on the number of scheduled Board and Committee meetings for financial year ending 2025 and assuming that all Directors will hold office until the end of the financial year. In the event the Directors' fees and Directors' benefits proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees and benefits to meet the shortfall.

## **Explanatory Note on Special Business**

## Ordinary Resolution 6 - Authority to Purchase its own Shares

The proposed Resolution 6, if passed, will give the Directors of the Company authority to purchase its own shares up to ten per centum (10%) of the total number of issued shares of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM.

#### **Explanatory Note on Special Business (Cont'd)**

## Ordinary Resolution 7 - Proposed New and Renewal Shareholders' Mandate ("Proposed Shareholders' Mandate")

The proposed Ordinary Resolution 7, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions under the Proposed Shareholders' Mandate pursuant to the provisions of the Main Market Listing Requirements of Bursa Securities without the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group, The Proposed Shareholders' Mandate is subject to renewal on an annual basis. Please refer to Part A of the Circular and Statement to Shareholders dated 30 April 2025 for further information.

## Ordinary Resolution 8 - Retention of Mr. Tan Yen Yeow as Independent Non-Executive Director

The proposed Ordinary Resolution 8, if passed, will allow Mr. Tan Yen Yeow to be retained as Independent Non-Executive Director ('INED') of the Company. The Board of Directors had, vide the Nominating Committee, conducted an annual performance evaluation and assessment of Mr. Tan Yen Yeow, who will serve as INED of the Company for a cumulative term of more than nine (9) years and recommended him to continue acting as INED of the Company based on the justifications as set out in Corporate Governance Overview Statement in the Annual Report 2024.

The Board will be seeking shareholders' approval to retain Mr. Tan Yen Yeow as on INED by way of Ordinary Resolution passed through two-tier voting process as recommended under practice 5.3 of MCCG at Nineteenth AGM.

## **PERSONAL DATA POLICY**

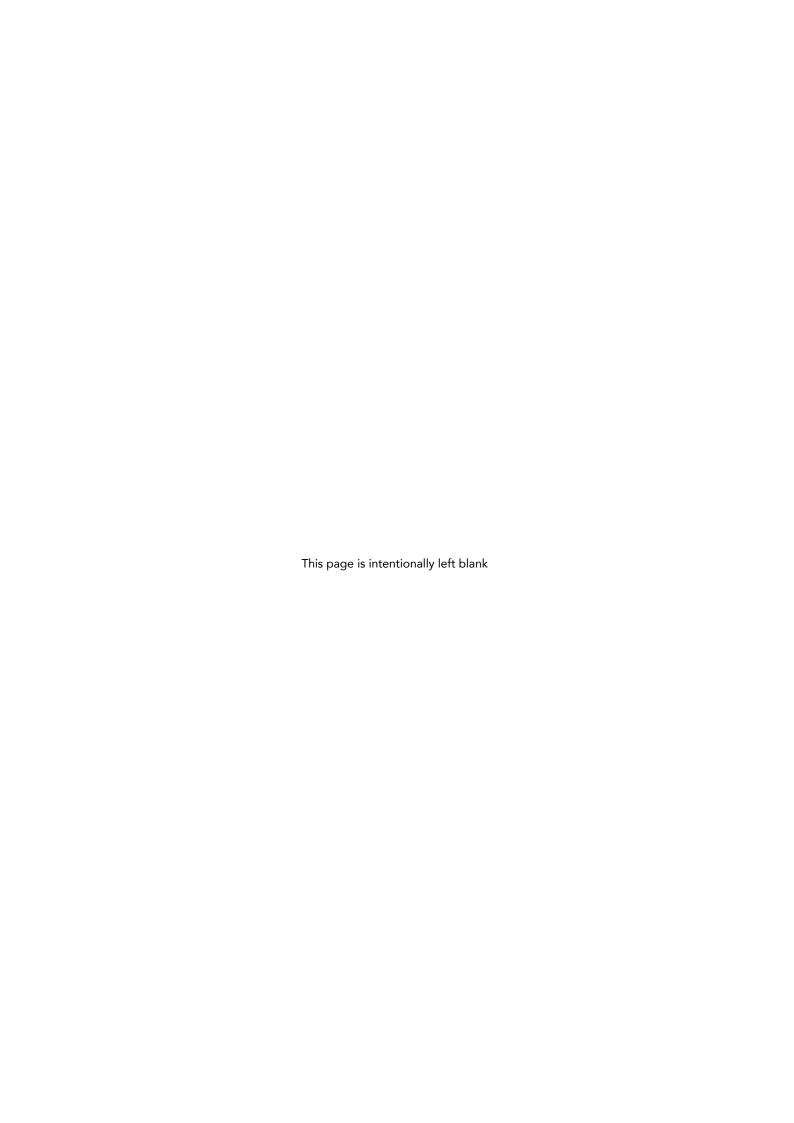
By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the Annual General Meeting, and any adjournment thereof.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming Annual General Meeting.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 5 as stated in the Notice of Annual General Meeting of the Company for the details.





#### SKYGATE SOLUTIONS BERHAD (FORMERLY KNOWN AS EWEIN BERHAD)

(200601023136 (742890-W)) (Incorporated in Malaysia)

FO	RN	FP	RC	XY
	1/14		III	//\ I

No. of Shares held	CDS Account No.

	Shareholder	Proxy 1	Proxy 2
Name			
NRIC/Passport/Company No.			
Phone No.			
Email Address			
Address			
Proportion of shareholdings (%)			

Or failing him, the Chairman of the Meeting as \* my / our proxy to vote for \* me / us on \* my / our behalf at the Nineteenth Annual General Meeting of the Company will be held at Iconic Marjorie Hotel, 239A, Jalan Sultan Azlan Shah, 11900 Bayan Lepas, Pulau Pinang on Monday, 16 June 2025 at 10.00 a.m. and any adjournment thereof.

NO.	RESOLUTIONS	For	Against
Ordinary Resolution 1	To approve the payment of Directors' fees and Directors' benefits amounting to RM355,000.00 for the financial year ending 31 December 2025.		
Ordinary Resolution 2	To re-elect Mr. Tay Seng Chew as Director.		
Ordinary Resolution 3	To re-elect Puan Mazlina Binti Mohamad as Director.		
Ordinary Resolution 4	To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company.		
Ordinary Resolution 5	To authorise Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		
Ordinary Resolution 6	To approve the Proposed Renewal of the Shareholders' Mandate For Share Buy-Back.		
Ordinary Resolution 7	To approve the Proposed New and Renewal Shareholders' Mandate For Recurrent Related Party Transactions.		
Ordinary Resolution 8	Retention of Mr. Tan Yen Yeow as Independent Non-Executive Director.		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction for voting is given, the proxy may vote as he thinks fit.

Signed this day of 2025.	
	••••••••••••••••••••••••••••••••••
	Signature of Member(s)/Common

## Seal

- 1. A member entitled to attend and vote is entitled to appoint at least one (1) proxy but not more than two (2) proxies to attend, speak and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of
- 2. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the members to speak at the meeting. A member shall not appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two proxies, to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his
- shareholding to be represented by each proxy.

  3. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member,
- the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised. The instrument appointing a proxy must be deposited at the Registered Office, 51-8-A, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 24 hours before the time for holding the Meeting or any adjournments thereof PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s)
- For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 69(2) of the Company's Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 05.06.2025 and only deposition of the Company pursuant of the Company pursuant to the Article Berhad, a Record of Depositors ("ROD") as at 05.06.2025 and only deposition of the Company pursuant of the Company pursu Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/ or speak and/or vote in his/her behalf.
- 7. All resolutions as set out in this notice of Nineteenth Annual General Meeting are to be voted by poll.

#### PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the Annual General Meeting, and any adjournment thereof.



S	TΑ	Ν	1P
Н	ΗE	R	Ε

SKYGATE SOLUTIONS BERHAD
(FORMERLY KNOWN AS EWEIN BERHAD)
(Company No.: 200601023136 (742890-W))
(Incorporated in Malaysia)
51-8-A, Menara BHL,
Jalan Sultan Ahmad Shah,
10050 Georgetown, Penang, Malaysia

