CLASSITA HOLDINGS BERHAD

Registration No. 199601036023 (408376-U)

INNOVATING GROWTH

ANNUAL REPORT 2024

MISSION

To be the No.1 International Lingerie Manufacturer in Malaysia and the Region.

MISSION

- To offer latest and highest quality products for our global customers.
- To offer world-class manufacturing solution and after sale service for total customer satisfaction.
- To provide employee and business associates with growth opportunities for greater success as a team.
- To restore and protect global environment with use of technologically advanced eco-friendly materials to promote long term sustainability for present and future generations.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Ng Keok Chai
Executive Chairman

Datuk Kuan Poh Huat
Executive Director

Dato' Pahlawan Mior Faridalathrash Bin Wahid
Executive Director

Lester Chin Kent Lake
Non-Independent Non-Executive Director

Dato' Kang Chez Chiang
Independent Non-Executive Director

Krishnan A/L Dorairaju
Independent Non-Executive Director

Chong Seng Ming
Independent Non-Executive Director

Datuk Aureen Jean Nonis
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
Krishnan A/L Dorairaju
Members
Dato' Kang Chez Chiang
Chong Seng Ming
Datuk Aureen Jean Nonis

RISK MANAGEMENT COMMITTEE

Chairman
Chong Seng Ming
Members
Krishnan A/L Dorairaju
Dato' Kang Chez Chiang
Datuk Aureen Jean Nonis

REMUNERATION COMMITTEE

Chairperson
Datuk Aureen Jean Nonis
Members
Chong Seng Ming
Dato' Kang Chez Chiang

NOMINATION COMMITTEE

Chairman
Dato' Kang Chez Chiang
Members
Chong Seng Ming
Krishnan A/L Dorairaju

COMPANY SECRETARY

P'ng Chiew Keem
(MAICSA 7026443)
(SSM Practicing Certificate No. 201908002334)

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : CLASSITA
Stock Code : 7154

REGISTERED OFFICE

51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 George Town, Penang
Malaysia
Tel : 04-210 8833
Fax : 04-210 8831
Email : corporatenet21@gmail.com

AUDITORS

PKF PLT 202206000012 (LLP0030836-LCA & AF 0911)
Chartered Accountants
No. 67, Jalan Seang Tek
10400 George Town, Penang
Malaysia
Tel : 04-218 9653
Fax : 04-218 9653

SHARE REGISTRAR

Symphony Corporate Services Sdn Bhd
[Registration No. 201201037454 (1021936-V)]
The Gamuda Biz Suites
S-4-04 No. 12, Jalan Anggerik Vanilla 31/99
Kota Kemuning, 40460 Shah Alam
Selangor, Malaysia
Tel : 03-2692 4271
Fax : 03-2732 5388

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Bhd
Malayan Banking Berhad
Ambank (M) Berhad
Affin Bank Berhad
CIMB Bank Berhad
RHB Bank Berhad

CLASSITA HOLDINGS BERHAD

Registration No. 199601036023 (408376-U)

- **100%** — **Classita (M) Sdn. Bhd.**
  Registration No. 198901012685 (189994-T)
  - **60%** — **PT Classita Indonesia Intimates**
    Registration No. 0201230004736
- **100%** — **Marywah Industries (M) Sdn. Bhd.**
  Registration No. 199101002555 (212866-H)
- **100%** — **Caely Ecommerce Sdn. Bhd.**
  Registration No. 202101001397 (1401695-U)
- **100%** — **Classita Capital Sdn. Bhd.**
  Registration No. 202401000814 (1546665-T)
- **100%** — **Caely (M) Sdn. Bhd.**
  Registration No. 198601008796 (157988-V)
- **100%** — **Kepayang Heights Sdn. Bhd.**
  Registration No. 200001024149 (526757-M)
- **100%** — **Longhorn Capital Sdn. Bhd.**
  Registration No. 201401019318 (1095405-U)
- **100%** — **Firstwide Success Sdn. Bhd.**
  Registration No. 201001017956 (901661-M)
- **100%** — **Caely Development Sdn. Bhd.**
  Registration No. 198901005844 (183149-V)

5 YEARS' FINANCIAL HIGHLIGHTS

	Financial Year Ended 30.06.2024 RM'000	Financial Year Ended 30.06.2023 RM'000	Financial Period Ended 30.06.2022 RM'000	Financial Year Ended 31.03.2021 RM'000	Financial Year Ended 31.03.2020 RM'000
FINANCIAL PERFORMANCE					
Revenue	50,495	44,788	75,827	57,486	69,456
Loss before tax	(1,857)	(9,494)	(1,758)	(13,701)	(8,637)
Loss after tax	(3,194)	(9,350)	(7,202)	(13,328)	(7,542)
Loss attributable to equity holders of the Company	(3,017)	(9,116)	(7,202)	(14,278)	(7,450)
FINANCIAL POSITION ASSETS					
Total Assets	217,646	204,905	120,792	107,732	126,474
Total assets less current liabilities	200,830	105,244	88,706	86,656	93,771
FD, Bank & Cash Balanes	85,216	81,105	25,312	5,931	5,184
LIABILITIES AND SHAREHOLDERS FUNDS					
Borrowings	6,535	8,526	16,911	16,557	25,553
Equity attributable to owners of the Company	189,280	105,244	78,814	75,084	82,319
Gearing (times)	0.03	0.08	0.21	0.21	0.31
Interest cover (times)	11.03	2.87	2.11	3.39	0.52
FINANCIAL RATIOS					
LBT Margin	(3.68)	(21.20)	(2.32)	(23.83)	(12.44)
LAT after NCI Margin	(5.98)	(20.35)	(9.50)	(24.84)	(10.73)
Net LPS (sen)	(0.91)	(3.23)	(3.54)	(7.70)	(4.53)
Return on total assets	-1.39%	-4.45%	-5.96%	-13.25%	-5.89%
Return on equity	-1.59%	-8.66%	-9.14%	-19.07%	-9.18%

NG KEOK CHAI

Executive Chairman

AGE 64 | MALE | MALAYSIAN

Mr. Ng Keok Chai was appointed to the Board on 15 June 2022 as Executive Director and subsequently re-designated as Executive Chairman of the Company on 29 August 2022.

Mr. Ng holds a degree in Bachelor of Laws (Hons.) from University of Wolverhampton, London in year 1996 while he was still in service with the Sarawak Police Contingent, Royal Malaysia Police. In year 1998, he obtained his Certificate in Legal Practice issued by the Legal Profession Qualifying Board.

His early career started when he was recruited as a Police Inspector with the Royal Malaysia Police in year 1982. He was then posted to serve in Sarawak and was promoted to Assistant Superintendent of Police before he was transferred from Sarawak after serving for twenty (20) years. During his posting in Sarawak, he served in the Criminal Investigation Department ("CID"), General Duty and Police Field Force.

In 2003, Mr. Ng was transferred to Selangor Police Contingent Headquarters. He was promoted to Deputy Superintendent of Police in year 2005 and served in the Commercial Crimes Investigation Department of Selangor Police Contingent Headquarters. He was then promoted to Superintendent of Police and was later transferred to Johor Police Contingent Headquarters as Deputy Head of Commercial Crimes Investigation Department in year 2014. Later in the same year, he was posted to the Commercial Crimes Investigation Department, Royal Malaysia Police Bukit Aman as an Assistant Director in the Forensic Accounting Investigation Division.

He was promoted to Assistant Commissioner of Police in year 2016 and his last held post was Principal Assistant Director in Forensic Accounting Investigation Division, Commercial Crimes Investigation Department, Royal Malaysia Police, Bukit Aman.

Throughout his thirty-six (36) years' service in Royal Malaysia Police, Mr. Ng was very much involved in police investigations due to his legal background. He specialises in criminal investigation across various fields which include commercial crime, general crime and forensic accounting with ample management and special operations experience.

Save as disclose+d above, he does not have any family relationship with any other Director and/or major shareholder of the Company and does not have any conflict of interest with the Company. He has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor any sanctions and/or penalties imposed on him by any relevant regulatory bodies during the financial period.

He attended all eight (8) Board Meetings of the Company held during the financial year ended 30 June 2024.

DATUK KUAN POH HUAT

Executive Director

AGE 56 | MALE | MALAYSIAN

Datuk Kuan Poh Huat was appointed to the Board on 22 December 2022 as an Executive Director.

Datuk Kuan graduated from University Sains Malaysia in 1993 with a Second Upper class Honours Degree in Civil Engineering. He started his career as a project coordinator in a construction firm in 1993 in which he was involved in coordination of construction and project management.

In late 1994, he joined another company as a Design Engineer in charge of design development proposal, design, and submission of construction drawings as well as project coordination. In 1996, he joined a property development company as a Project Manager where during his tenure in this company he had completed numerous commercial and residential development projects mainly in Johor Bahru.

In 2002, he became the Executive Director of a private limited company where he managed to complete various commercial, residential projects and public sectors contracts. He had also previously served as the Executive Director of Spring Gallery Berhad (now known as CSH Alliance Berhad) for two (2) years.

With more than 20 years of experience in the engineering, consultancy, construction and property development industries, Datuk Kuan is currently the Director of Skyline Works Sdn Bhd and Paris Dynasty Land Sdn Bhd, both a wholly owned subsidiary of Harvest Miracle Capital Berhad (formerly known as Vortex Consolidated Berhad). He is also the Managing Director of Hien Seng Group of Companies which consists of three private limited companies dealing in the property development and construction related businesses.

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

He attended all eight (8) Board Meetings of the Company held during the financial year ended 30 June 2024.

DATO' PAHLAWAN MIOR FARIDALATHRASH BIN WAHID

Executive Director

AGE 62 | MALE | MALAYSIAN

Dato' Pahlawan Mior Faridalathrash Bin Wahid was appointed to the Board on 27 September 2022, as an Independent and Non-Executive Director, subsequently re-designated as Executive Director of the Company on 11 April 2023.

Dato' Pahlawan Mior holds a Master in Intellectual Properties from Universiti Kebangsaan Malaysia and Bachelor of Laws (LLB) from Islamic International University.

Dato' Pahlawan Mior is a retired Chief of Police Perak Police Contingent has more than 40 years of successful experience as a Police Officer in a variety of designations dealing with crimes and criminal justice system. He led the police district and the state police contingent in creating the best policing excellence services with dynamic and proactive problem-solving skills.

Dato' Pahlawan Mior has commendable working knowledge and experience in criminal investigation and prosecution, supply chain in crimes and criminology, permits vast knowledge sharing and contribution to continuous professional development initiatives in policing.

Dato' Pahlawan Mior also actively pursuing training and professional networking growth locally and internationally will facilitate and maintain collaboration through networking with relevant stakeholders and law players, while simultaneously boosting public confidence and investment.

Dato' Pahlawan Mior's experience in managing the federal (Bukit Aman), state (Perak) and several police districts will be advantageous many in terms of contemporary man management and commercial operations.

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

He attended all eight (8) Board Meetings of the Company held during the financial year ended 30 June 2024.

DATO' KANG CHEZ CHIANG

Independent and Non-Executive Director

AGE 65 | MALE | MALAYSIAN

Dato' Kang Chez Chiang was appointed to the Board on 15 June 2022, as an Independent and Non-Executive Director. He is the Chairman of the Nomination Committee and, a member of Audit Committee, Remuneration Committee and Risk Management Committee.

Dato' Kang holds a Diploma in Police Science from University Kebangsaan Malaysia.

Dato' Kang is a retired Deputy Commissioner of Police of the Royal Malaysia Police. He had served the Police Force for 39 years 6 months. He joined the Royal Malaysia Police in 1979, serving in the Police Field Force under the Internal Security and Public Order Department and Narcotics Crime Investigation Department (NCID). In NCID, he held the post as Head of Intelligence Bukit Aman Section, Head of NCID Kuala Lumpur Police Contingent, progressing to Bukit Aman Principal Assistant Director of Intelligent and Operations and finally becoming Deputy Director of NCID Bukit Aman. Dato' Kang's experience is mainly in human management, intelligence gathering and operational skills from his field work at NCID acting at an advisory level to Police Directors.

Dato' Kang is also an Independent Non-Executive Director of Hong Seng Consolidated Berhad and Velocity Capital Partner Berhad (formally known as CSH Alliance Berhad).

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

He attended all eight (8) Board Meetings of the Company held during the financial year ended 30 June 2024.

KRISHNAN A/L DORAIRAJU

Independent and Non-Executive Director

AGE 35 | MALE | MALAYSIAN

Mr. Krishnan A/L Dorairaju was appointed to the Board on 15 June 2022 as an Independent Non-Executive Director. He is the Chairman of the Audit Committee and, a member of Risk Management Committee and Nomination Committee.

Mr. Krishnan obtained his Master in Business Administration from Cardiff Metropolitan University in 2015. He is also a licence tax agent approved by the Ministry of Finance and is a Member of Malaysia Institute of Accountants (MIA), Chartered Tax Institute by Malaysia (CTIM) and Associate of Chartered Certified Accountant (ACCA).

Mr. Krishnan has more than 14 years in the financial industry and a qualified Chartered Accountant, he is currently a Partner in a boutique professional firm that provides numerous services including corporate advisory, accounting, human resource management, secretarial, taxation, information technology and capital management. He is also an Executive Director in a fully licensed trust company that provides various trust services to high-net-worth individuals and large organisations both local and foreign.

Prior to venturing into the business arena, Mr. Krishnan has served in the Big Four as well as medium size accounting firms with experience encompassing various matters including M&A, restructuring, incentives, grants as well as regulatory compliance.

He is also an Independent Non-Executive Director of Revenue Group Berhad and Velocity Capital Partner Berhad (formally known as CSH Alliance Berhad).

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

He attended all eight (8) Board Meetings of the Company held during the financial year ended 30 June 2024.

CHONG SENG MING

Independent and Non-Executive Director

AGE 62 | MALE | MALAYSIAN

Mr. Chong Seng Ming was appointed to the Board on 27 September 2022 as an Independent Non-Executive Director. He is the Chairman of the Risk Management Committee and, a member of the Nomination Committee, Audit Committee and Remuneration Committee.

Mr. Chong holds a Bachelor of Law (LLB) (Honours) from University of Wolverhampton United Kingdom. He also obtained his Certificate Legal Practice issued by the Legal Profession Qualifying Board and a Member of Malaysia Bar Council.

Mr. Chong has more than 40 years of working experience as a Police Inspector in the Royal Malaysia Police Force and currently as a practising Advocate and Solicitor/Lawyer. Since 1982 to 1996, in the Royal Malaysia Police Force, he had served in various division in Criminal Investigating Department (CID), CID Investigating Officer (I.O.), Organised Crime branch, Anti Gangsterism/Vice/Gambling branch and Federal Reserve Unit (Anti-Riot Unit).

Mr. Chong started practising law as an Advocate and Solicitor since 1999. He practices law as a sole proprietor of legal firm registered as Chong Seng Ming & Co, since 2000. His firm majoring in criminal law since 2010 and mostly attending court cases and providing consultations to clients in regard to Police and/or other government enforcement agencies matters.

Mr. Chong other work experience includes giving legal advice to clients on civil and corporate matters, law of succession, and matrimonial disputes. The firm also assisted Property Developer to obtain conversion and subdivision of titles.

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

He attended all seven (7) Board Meetings of the Company held during the financial year ended 30 June 2024.

DATUK AUREEN JEAN NONIS

Independent and Non-Executive Director

AGE 62 | FEMALE | MALAYSIAN

Datuk Aureen Jean Nonis was appointed to the Board on 01 June 2023 as an Independent Non-Executive Director. She has been appointed the Chairperson of Remuneration Committee and, a member of Audit Committee and Risk Management Committee on 20 July 2023.

Datuk Aureen retired from the civil service on 08 October 2022 after serving for 34 years and 8 months. A master's graduate in Banking and Finance from the University of Birmingham, United Kingdom, she served in Tax Analysis Division in the Ministry of Finance for 13 years prior to joining Malaysia External Trade Development Corporation (MATRADE) in 2000. Over a span of 22 years, she has been in various departments covering product and market segments and was appointed as the Trade Commissioner in MATRADE Paris, overseeing export promotions in France, Spain, Portugal as well as the MENA region.

Prior to retirement, she was the Senior Director of Strategic Planning Division of MATRADE, responsible to outline and monitor the organisation's strategic directions. This includes coordination of export promotion programmes at the national level and positioning MATRADE's brand in international events through meetings and forums. She was directly involved in developing and monitoring the execution of the National Trade Blueprint, a 5-year strategic and implementation action plan from 2021-2025 aimed to enhance Malaysian exports through an improved business eco-system.

Datuk Aureen was responsible in developing and monitoring the implementation of MATRADE's Business Strategy Plan to enhance the organisation's deliverables in achieving its mission by optimising on its resources. She was also directly involved in several strategic works, notably to ensure MATRADE meets its target/KPI, monitoring and assessing Malaysia as well as global trade performance, ensuring timely dissemination of trade information and market intelligence and managing MATRADE's corporate communication plans.

Save as disclosed above, she does not have any family relationship with any other Director and/or major shareholder of the Company and does not have any conflict of interest with the Company. She has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor any sanctions and/or penalties imposed on her by any relevant regulatory bodies during the financial year.

She attended all eight (8) Board Meetings of the Company held during the financial year ended 30 June 2024.

LESTER CHIN KENT LAKE

Non-Independent and Non-Executive Director

AGE 39 | MALE | MALAYSIAN

Mr. Lester Chin Kent Lake was appointed to the Board on 01 August 2023 as a Non-Independent Non-Executive Director.

Mr. Lester Chin graduated magna cum laude with Bachelor of Science in Business from southern New Hampshire University in 2008.

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

Then in 2011, he was appointed as an Equity and Technical Research Analyst at RHB Research Institute and has experience dealing with both institutional and retail clients. His coverage includes the rubber glove and healthcare companies as well as technical analysis.

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

He left UOB Kay Hian in October 2020 as the Associate Director of Equity Capital Markets, a position he has held since 2017 whereby he was responsible to oversee equity underwriting and placement activities of company, access requirements, examine strategies, and propose solutions for the capital raising needs of corporate clientele, conduct roadshows and presentations to enhance and improve issuers access to capital markets among others.

He also sits on the Board of Directors as an Executive Director for Hong Seng Consolidated Berhad. He also holds directorships in several private limited companies.

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

He attended seven (7) Board Meetings of the Company held during the financial year ended 30 June 2024.

EXECUTIVE CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS

On behalf of the Board of Directors of Classita Holdings Berhad ("Classita" or "the Company") we would like to present to you the Annual Report and Audited Consolidated Financial Statements of Classita and its subsidiaries ("the Group") for the financial year ended 30 June 2024 ("FYE2024"). As part of this Annual Report, we have also included the Management Discussion and Analysis to provide our shareholders with a more insightful and informative details of the Group's operation and performance.

The year under review was marked by uncertain global economic conditions and macroeconomic uncertainties. Most of the developed economies experienced a slowdown in growth due to record inflation indices. Efforts have been focused on reducing inflation, but several factors have hindered the recovery. Some of these factors include long-term consequences arising from the pandemic, ongoing war in other parts of the world, and increasing geoeconomic fragmentation. Others are more short-term and cyclical in nature, including the effects of monetary policy tightening to combat inflation, withdrawal of fiscal support amid high debt and extreme weather events.

However, there are indications of resilience in the global economy. According to the International Monetary Fund ("IMF"), global growth is projected to be higher for 2024 and 2025 while headline inflation is expected to fall in 2024 and to be lower in 2025.

In Malaysia, the government anticipates an improved and growing domestic economy in 2024, driven by healthier labour market and domestic policies aimed at bolstering consumer spending. Overall, GDP growth accelerated over two successive quarters in 2024. The acceleration was driven by stronger private consumption and a further export recovery, the latter boosted by the global tech upcycle. Growth was also supported by increased capital through higher capital investments and construction activities.

Over the past few years, the Group has adapted to the challenges and uncertainties in our operating environment with a steadfast focus on executing our core business strategy – to improve our operational resiliency. In an uncertain environment, the Group remained prudent in managing its business operations while exploring new opportunities and collaborations to strengthen its portfolio.

FINANCIAL REVIEW

In the face of ongoing economic uncertainty and challenging operating conditions, we are encouraged by the progress reflected in our latest financial results. The Group recorded a higher revenue while registering a lower loss compared to the previous year, our commitment to operational efficiency and strategic adjustments as we navigate these challenging circumstances.

The Group's turnover for FYE2024 stands at RM50.49 million. The higher turnover was mainly due to higher export sales generated from the manufacturing segment and increased revenue in the property development and construction segment.

The higher sales in the manufacturing segment is mainly due to increased export sales to United States of America and newly secured customers from Turkey. For the property segment, the higher revenue recorded is mainly due to a newly secured refurbishment contract in Taiping and sale of a completed inventory property unit.

The Group recorded a lower loss before taxation amounting to RM1.86 million in the current financial year under review. The reduction in loss before taxation is primarily attributable to increase in sales and corresponding gross profits, as well as higher other operating income which is derived mainly from interest income.

REVIEW OF OPERATIONS

In this past year, businesses continued to grapple with uncertainties arising from geopolitical conflicts, high interest rates and weak growth. Despite the challenging global conditions, Malaysia's economy continued to be resilient, growing by 3.7% in 2023 (2022: 8.7%). Growth moderated amid a challenging external environment. This was due mainly to slower global trade, geopolitical tensions and tighter monetary policies. However, on the upside the economy is supported by robust domestic demand and improved labour market conditions, whilst continued progress in large investment projects throughout the year further contributed to domestic growth.

Despite the headwinds and challenging operating environment, the Group recorded commendable results. On the financial front, revenue improved 12.7%, while losses were lowered by 65.8% compared to the previous year.

The Group continues to prioritise vigilant cost management while maintaining a strategic focus on lean operations and efficiency. We are committed to optimising our resources, including manpower and equipment to effectively address the heightened competitive pressures within the industry.

PROSPECTS AND OUTLOOK

The growth outlook for 2024 is promising, driven by resilient domestic spending and improved external demand. Global trade growth is set to increase by more than two-fold, with major international economic organisations – the International Monetary Fund, the Organization for Economic Co-operation and Development ("OECD") and the World Trade Organization ("WTO") –all forecasted an uptick in global trade flows in 2024. This anticipated recovery, combined with stronger external demand, will provide support to Malaysia's economy. On the domestic front, household spending will be supported by sustained employment and wage growth. Investment activity will be underpinned by further progress of multi-year projects in both the private and public sectors, along with the implementation of catalytic initiatives under various national master plans. The anticipated improvement in spending is expected to further stimulate economic growth.

The Government of Malaysia envisages that the Malaysian economy to maintain a healthy economic growth rate of between 4% to 5% in 2024, driven by a stable macroeconomic environment, low unemployment rates, continued expansion in domestic demand, mild inflation and increased investments. Both domestic and foreign investments, as well as private and public sectors, are expected to benefit from the stronger external demand and catalytic initiatives under the New Industrial Master Plan 2030.

The Group continue to secure orders from existing established customers in Germany and Canada. The USA market continued to be promising, with encouraging increase in order for the year under review, supported by new enquiries from these countries. The Group also successfully acquired new customers in Turkey and France, coupled with expected new orders from the Netherlands. The Group also intends to enhance its operations in its Indonesia factory by increasing its production lines to cater for anticipated increase in demand for our undergarment manufacturing segment.

In the property development and construction segment, the Group has secured a refurbishment project in Taiping, reflecting our strategic efforts to revitalise this segment. Development projects such as the Kinta Land and Bentong Project, continues to be in the forefront for the Group in the upcoming years.

Amid these developments, the Group is looking forward to FY2025 with cautious optimism, acknowledging that the operating landscape may remain challenging due to uncertain economic conditions and subdued recovery in global markets, coupled with geopolitical tensions in Europe and the Middle East which may cause greater uncertainty in markets.

The Group remains prudent in cost management, maintaining its strategy of focusing on being lean and efficient in terms of productivity and optimising resources such as manpower and equipment to meet the demands of the industry while ensuring consistency of quality in our products to strengthen our position as a leading and preferred lingerie manufacturer in the market.

ACKNOWLEDGEMENT

Our Board is committed to maintaining the highest standards of oversight, ensuring that the interests of our shareholders are always at the forefront of our decision-making processes. The collaboration between the Board and management has been instrumental in driving the Group forward. While our roles are distinct, our shared commitment to the Group's success is unwavering. This unity of purpose is critical as we embark on the next phase of our journey. The dedication and discipline of our team in executing our strategy over the recent years have steered the Group towards the progress that we see today.

We believe that the Group is now better positioned for the future – one which may entail further expansion of our business model. Looking ahead, I am optimistic about the future of the Group. With our proactive approach and commitment to excellence, we are well-equipped to navigate the challenges and capitalise on the opportunities that will arise. I believe that the steps we have taken this year will prove to be pivotal in shaping a successful and prosperous future.

On behalf of our Board, we would like to thank our management team and employees for their adaptability, hard work and contributions during this period. We also like to express our gratitude to our fellow directors for their stewardship and guidance towards our corporate objectives. Their support and contributions in navigating the uncertainty and challenges of the past year have been invaluable.

To our valued customers, bankers and business partners, thank you for your continued support and cooperation. Last but not least, we wish to extend our heartfelt appreciation to all our shareholders for your belief and patience in our business strategy. The continued commitment of excellence and the long term has put the Group in a better foundation that we are in today and positions us to seize opportunities to forge ahead and create a lasting positive impact to our stakeholders.

Mr. NG KEOK CHAI
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP BUSINESS OPERATIONS

Classita Holdings Berhad operates across a wide range of business sectors, including manufacturing and sale of undergarments, trade and retail of mother and baby care products, accessories and undergarments, and property development and construction. We are proud to be Malaysia's leading manufacturer of undergarments, catering to both domestic and international markets. Our offerings include our own branded products as well as Original Equipment Manufacturer ("OEM") brands. We are committed to exploring new markets and expanding our presence in existing ones, while leveraging technological advancements to enhance our competitiveness and address the inherent risks associated with our operations.

The Group through its wholly-owned subsidiary Classita (M) Sdn Bhd, operates a joint venture company, PT Classita Indonesia Intimates in Indonesia, which is principally engaged in lingerie manufacturing. This facility is aimed at enhancing the Group's distribution network to meet the demand of its growing customer base while reducing operating costs arising from lower labour cost, abundant supply of skilled workers and by leveraging on import duty exemptions. Classita also engages subcontractors for its manufacturing operations in Myanmar to manage its cost, as labour and operating expenses in these countries are relatively lower compared to Malaysia

Our Group's largest export market for undergarments is Europe, contributing approximately RM30.56 million in sales in FYE2024 (2023: RM32.31 million). The increase in sales value of women's undergarments is attributed to increase in sales from customers in Turkey.

Caely (M) Sdn Bhd ("Caely M") is primarily involved in property development and construction activities, property management, and direct sales. Our property segment plays a crucial role in overseeing the entire process of construction projects, including subcontractor engagement and ensuring project success.

Caely M holds the esteemed status of being a registered Grade G7 contractor with the Construction Industry Development Board of Malaysia (CIDB). This recognition enables Caely M to bid for projects without any restrictions on their value, spanning across different categories such as general buildings, general civil engineering, and mechanical works. This certification highlights our unwavering commitment to excellence and our capability to undertake substantial and diverse projects within these sectors.

In the previous year, the Group expanded its portfolio in the property development and construction and property investment segment by acquiring two new subsidiaries namely, Kepayang Heights Sdn Bhd ("KHSB") and Longhorn Capital Sdn Bhd ("LCSB"). The acquisition represents 97.24% and 100% in KHSB and LCSB respectively. On 21 December 2023, the Company completed the acquisition of the remaining 2.76% equity interest in KHSB and subsequently, KHSB became a wholly-owned subsidiary of the Company. KHSB is involved in property development and construction while LCSB principal activities is investment holding. With the acquisition of KHSB, the gross development value is estimated to be RM245.85 million. On 23 February 2024, the Company acquired 100% of equity interest in Firstwide Success Sdn Bhd ("FSSB"), and FSSB became a wholly owned subsidiary of the Company. FSSB is principally involved in investment holding.

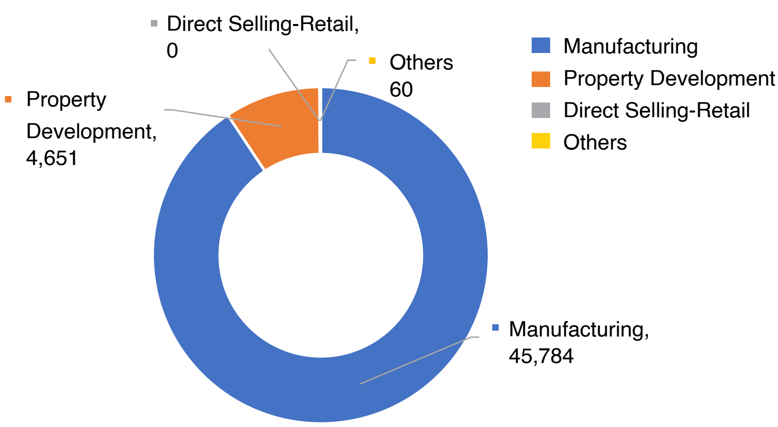
These strategic acquisitions signifies the Group's strategy to increase our income streams and to capitalise on the recovery in the property market.

GROUP BUSINESS OPERATIONS AND PERFORMANCE

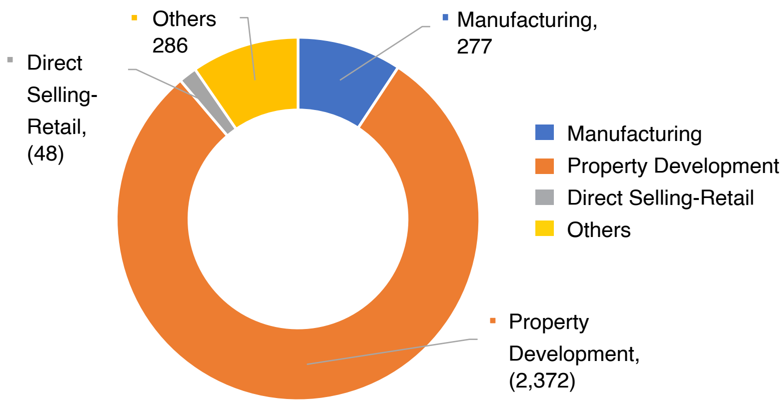
GROUP FINANCIAL PERFORMANCE

Overall, the Group generated RM50.49 million in revenue for FYE2024. The increase in revenue was mainly due to higher export sales generated from the manufacturing segment and increase in revenue in the property development and construction segment.

Revenue by Segment (RM'000)



Profit/(Loss) before Taxation (RM'000)



The Group has recorded a lower loss before taxation of RM1.86 million in the current financial year under review, compared to a loss before taxation of RM9.49 million in the previous year. The reduction in loss before taxation is mainly attributed to increased sales and corresponding gross profits, as well as higher other operating income derived mainly from interest income. However, the improvement was partly offset by impairment on receivables of RM1.48 million and inventories written down of RM2.11 million.

BUSINESS SEGMENTS

(i) Manufacturing Segment

Classita is one of the leading manufacturers and exporters of lingerie in Malaysia, with a primary focus on Original Equipment Manufacturing. Our group takes pride in supplying OEM products to renowned clients worldwide, such as Viania Dessous, George Walmart, Claire France, Breezies, Lilianne Lingerie, and LC Waikiki. Each client has their own unique designs and specifications, and we are dedicated to meeting their individual needs with precision and exceptional quality. Our commitment to customer satisfaction has strengthened our reputation as a trusted partner in the global lingerie industry.

The undergarment manufacturing industry is traditionally faced with rising factory overhead costs, globalisation trends and are labour-intensive. The Group faces stiff competition from countries with competitive labour rates such as Thailand, Myanmar, Indonesia, Bangladesh, Vietnam, and China.

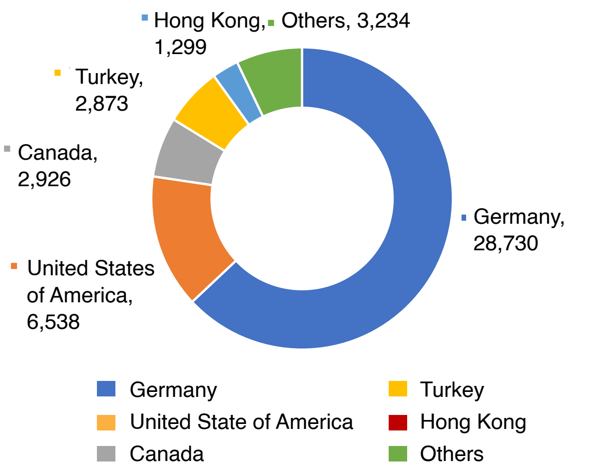
However, the Group's continued strategy of seeking increase of revenue in OEM manufacturing sales have begun to yield small but positive results. The management's intensified efforts to source new customers from countries such as Turkey, Japan, France, Mexico and South Africa in the past while maintaining a focus on cost consciousness in our operations, emphasising increased productivity through improved handling and methods has enabled the Group to achieve marginal improvement in performance for this segment in FYE2024.

BUSINESS SEGMENTS (CONT'D)

(i) Manufacturing Segment (Cont'd)

The manufacturing segment achieved a revenue of RM45.78 million, representing a 3.4% increase compared to the previous year, with RM28.73 million coming from exports to the German market. Although the orders from Germany, Canada and Hong Kong decreased, this was offset by increased orders from the United States of America and new orders from customers in Turkey.

The geographical breakdown of manufacturing revenue is as follows:



The Group continues to secure orders from existing established customers, supported by new enquiries from Canada. The United States of America market continued to be promising, with marked increase in order for the year under review. The Group also successfully acquired new customers in Turkey and France, coupled with potential new orders from the Netherlands.

Moving forward, Classita's manufacturing facilities in Malaysia will continue to focus on high-margin orders and research and development activities to create new designs and fittings.

(ii) Property Development and Construction Segment

Malaysia's construction sector recorded a 20.2 per cent surge in work done value to RM38.9 billion in the second quarter of 2024, spearheaded by the buoyant performance of the civil engineering and residential buildings sub-sectors[1]. The local construction sector is poised for significant growth and an increase in job opportunities in the second half of 2024, fueled by large-scale infrastructure projects, with significant contributions from the non-residential buildings and residential buildings. Growth in the property market was also driven by several supportive government policies ranging from credit guarantee scheme to steady overnight policy rate.

The Group has recently secured a refurbishment project in Taiping, reflecting our strategic efforts to revitalise this segment. The Group is diligently working towards initiating development projects such as the Kinta Land and Bentong Project, both of which are in the pipeline.

Note:

[1] *https://storage.dosm.gov.my/construction/construction_2024-q2.pdf*

BUSINESS SEGMENTS (CONT'D)

(ii) Property Development and Construction Segment (Cont'd)

The breakdown of Property Development and Construction revenue generated is presented as follows:

	FY2024 RM'000	FY2023 RM'000	Change Increase/ (Decrease) RM'000	%
Property Development & Construction	4,650	(2,460)	7,110	289

During the financial year under review, the property development and construction segment recorded a revenue of RM4.65 million due to newly secured refurbishment contract and sale of completed inventory unit.

The segment incurred a loss before tax of RM2.37 million, primarily attributed to higher operating expenses and impairment losses recognised for property development cost.

(iii) Direct Selling and Retail Segment

The direct selling and retail segment is dedicated to promoting the Group's in-house brands, which feature a wide array of products, including ladies' undergarments, childcare products, maternity essentials, and various other consumer goods. These items are marketed through a well-rounded approach that combines direct sales channels with local retail outlets, ensuring broad accessibility for our customers. By utilising these channels, we aim to create a seamless shopping experience that caters to the unique preferences of our clientele.

The direct selling and retail segment generated revenue of RM221 for FYE2024. However, this segment continues to encounter challenges over the years, ranging from long sales cycle, price-sensitive consumers, lower consumer spending on non-essential items and the growing trend of direct-to-consumer brands.

<u>Liquidity and Capital Resources</u>

The Group has periodically undergone reviews and assessments of its financial stability and flexibility, as well as the efficiency of the Group's working capital management and its ability to comfortably meet its short term and long-term financial obligations and commitments. At the end of the current financial period, the Classita Group recorded net current assets of RM161.09 million.

Total equity attributable to shareholders grew from RM105.24 million to RM189.28 million as of 30 June 2024.

The cash and cash equivalents of the Group at the end of the financial year 2024 amounted to RM85.22 million.

POTENTIAL RISKS

Our dedication to understanding market trends and consumer needs empowers us to adapt and thrive, even in challenging times. As we pursue our goals, we remain committed to fostering sustainable growth and long-term success, with a strong focus on prudent risk management.

The Group is principally engaged in the manufacturing and trading of ladies' undergarment products, along with property development and construction. This diverse portfolio exposes us to specific inherent risks associated with each of these sectors. The dynamics of our operating environment are directly influenced by the overall economic climate, which in turn affects consumer behavior and market demand. Recognising and addressing these risks is vital to ensure the resilience and sustainability of our company.

These risks, inter-alia, include:

(a) Financial Risks

One of the key risks that we face is related to our financial activities. This includes credit risk, liquidity risk, and interest rate risk. Credit risk arises from the possibility of our customers or business partners defaulting on their payment obligations. We actively monitor and assess the creditworthiness of our counterparties to mitigate this risk.

Liquidity risk is the potential inability to meet our financial obligations as they fall due. To minimise this risk, we maintain a strong focus in managing our cash flows and working capital.

Interest rate risk is associated with fluctuations in interest rates, which can impact our borrowing costs and investment returns. We monitor interest rate movements and employ hedging strategies to manage this risk.

(b) Supply & Labour Risks

Labour shortages and escalating human-resource related costs in Malaysia present significant challenges to our operations. The inflationary trend, including higher minimum wages and foreign workers levies, directly affects our cost structure. We continuously review and adjust our business policies to address these challenges.

Additionally, supply chain disruptions, whether due to geopolitical issues or natural disasters, pose a risk to our manufacturing activities. We maintain a diverse supplier base and buffer stocks to mitigate the impact of potential supply chain disruptions.

(c) Forex Risks

Foreign exchange risk is a concern for our Group due to the considerable amount of materials we import for our manufacturing segment. Fluctuations in exchange rates can have a direct impact on our costs and profitability. To mitigate this risk, we actively manage our foreign exchange exposure through our Foreign Currency Account.

(d) Regulatory Risks

Non-compliance with regulatory requirements could result in legal penalties, reputational damage, and loss of customer's trust. The Group keeps abreast of the latest regulatory changes and we are committed to adapt to these regulatory changes promptly.

We are committed to proactively managing these risks by conducting regular reviews and assessments of our operations and strategies. This approach allows us to identify and address potential challenges early on. Additionally, we implement prudent business policies that enhance our overall operational effectiveness, ensuring that we remain resilient in a dynamic market environment.

FORWARD-LOOKING STATEMENT

The International Monetary Fund ("IMF") has projected global growth at 3.2% for 2024 and 3.3% for 2025[2]. The overall economic activity is demonstrating resilience, where despite significant central bank hikes aimed at restoring price stability, the global economy grew steadily, supported by favorable supply developments. Global headline inflation is expected to fall from an annual average of 6.8% in 2023 to 5.9% in 2024 and to 4.5% in 2025[3].

According to BNM, the Malaysian economy advanced by 5.9% in the second quarter of 2024[4]. This was supported by higher household spending amid positive labour market conditions and larger policy support, further pick-up in export goods and tourist arrivals, as well as robust expansion in investment activities.

Overall, Malaysia's economic growth is anticipated to be above 5.0% for 2024[5], attributing to supportive domestic economic environment and a recovery in external demand, reinforced by a healthier labour market and domestic policies expected to continue bolstering consumer spending.

As markets normalise and domestic consumption strengthens, demand growth potential is likely to materialise for consumer products. In tandem with the market prospects, we are looking at avenues to expand manufacturing sales revenue by broadening our market presence. Previously, the Group initiated a strategic business partnership to establish a manufacturing plant in Indonesia, with the aim of augmenting production capacity and enhancing the distribution network. The commissioned production line currently stands at 6. Fuelled by better performance and encouraging demand on the back of improving market conditions, the Group intends to capitalise on this trajectory by increasing its factory production line to 15. This would cater to anticipated increase in demand from our key customers and new markets.

The construction sector is expected to benefit from the roll-on effects from the RM90 billion development expenditure as allocated in Budget 2024[6]. Out of RM38.9 billion of work done value in the construction sector in second quarter of 2024, RM15.2 billion was attributed to the civil engineering sub-sector while non-residential buildings and residential buildings accounted for RM10.6 billion and RM8.8 billion, respectively[7].

Malaysia's property transaction value soared to RM105.65 billion in the first half of 2024, marking a 23.8% year-on-year growth, representing the highest increase in five years[8]. The stronger property market was driven by several supportive government policies. These include the offer of up to RM10 billion in guarantees under the Housing Credit Guarantee Scheme, the steady overnight policy rate that has been kept at 3.0%, and fiscal policies such as the extension of the stamp duty exemption period on property transfer documents for first-time homebuyers.

Aligned with these market prospects, the Group intends to pursue a growth strategy in its property development and construction segment, which will encompass diverse initiatives. These include acquiring companies involved in these sectors, investing in properties situated in strategic locations, and securing land banks with high-value development potential in key areas

Overall, the economic growth is expected to remain healthy for the remainder of 2024, building on the robust momentum from the first-half of 2024, which should provide a solid foundation for sustained expansion. Domestic demand will continue to be the anchor for Malaysia's economic growth, supported by a healthy labour market, increased capacity building activity and continued rollout of multi-year infrastructure projects, in tandem with new industrial developments under the New Industrial Master Plan 2023 and Ekonomi MADANI framework.

The Board is cognisant of the dynamic nature of the business environment in both the manufacturing and property development sectors, and remain committed to pursuing growth and maintaining a prudent approach to financial management. Looking beyond the immediate term, the Group is focused on building a sustainable business that consistently delivers value to shareholders. The Group will prioritise prudence and cost-efficiency in all ventures, while aiming to deliver a better set of results in financial year ending 2025.

Notes:

2 *https://mediacenter.imf.org/news/imf-world-economic-outlook-presser/s/f7765ca6-8a67-46e3-a368-22d0b0b626a3*

3 *https://www.imf.org/en/Publications/WEOIssues/2024/04/16/world-economic-outlook-april-2024*

4 *Bank Negara Malaysia: Economic and Financial Developments in Malaysia in the Second Quarter of 2024*

5 *https://bernama.com/en/news.php?id=2338748*

6 *https://theedgemalaysia.com/node/686207*

7 *https://storage.dosm.gov.my/construction/construction_2024-q2.pdf*

8 *https://theedgemalaysia.com/node/726004*

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

This Sustainability Statement highlights the continuous efforts and achievements of Classita Holdings Berhad in embedding Economic, Environmental, Social, and Governance ("EESG") initiatives across all aspects of the Company's business operations during FY2024. It reflects the Company's commitment to fostering long-term value creation, addressing stakeholder concerns, and contributing to sustainable development. Through these initiatives, Classita aims to enhance its operational efficiency, minimize environmental impacts, and promote ethical practices, while ensuring strong governance and transparency throughout the organization.

This Statement captures the progress we've made, achievements and challenges in our sustainability journey to create sustainable value and make a positive impact on both society and the environment.

We are deeply committed to sustainable practices and their implementation across the Company's activities, striving for continued growth in the Group's financial performance. Our ultimate goal is to maximize shareholder investments and long-term value for all our stakeholders. We aim to strengthen the trust we have built and engage our diverse stakeholder base.

REPORTING FRAMEWORKS

This Statement has been prepared in accordance to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia and Bursa Malaysia's 3rd edition of the Sustainability Reporting Guide. Our sustainability strategies also align with the United Nations Sustainable Development Goals ("UNSDGs") and the United Nations Global Compact ("UNGC"), where applicable.

REPORTING PERIOD

The Group's sustainability performance for the financial year ending 30 June 2024 is reported in this Statement. While this timeframe forms the core of our disclosure, we have included data from previous financial periods where applicable to offer meaningful comparisons and highlight trends. Any information outside this specified period that is pertinent to the report has been clearly indicated.

REPORTING SCOPE AND BOUNDARIES

This Statement encompasses the operations of the Group's manufacturing plant located at Teluk Intan. It specifically excludes subsidiaries that are dormant, not yet in operations, or have negligible or insignificant contributions to the Group's overall operations.

COMPANY	SEGMENT
Classita (M) Sdn Bhd	• Manufacturing
PT Classita Indonesia Intimates	• Manufacturing
Classita Capital Sdn Bhd	• Investment Holdings
Caely (M) Sdn Bhd	• Direct Selling & Retail • Property Development & Construction
Caely Development Sdn Bhd	• Investment Holdings
Caely Ecommerce Sdn Bhd	• Online Sales
Marywah Industries (M) Sdn Bhd	• Manufacturing
Longhorn Capital Sdn Bhd	• Investment Holdings
Kepayang Heights Sdn Bhd	• Property Development & Construction
Firstwide Success Sdn Bhd	• Investment Holdings

This Statement incorporates historical data where applicable and available. Relevant targets and key performance indicators have been established, monitored, and disclosed to the best of our ability within this Statement. The Board of Directors has thoroughly reviewed and approved this Statement.

ASSURANCE

A limited assurance exercise on selected indicators in this report have been carried out by our appointed independent auditor, Kloo Point Risk Management Services Sdn Bhd.

FEEDBACK

The Group welcomes feedback, suggestions and comments from its valued stakeholders for improvements in its sustainability practices, performances and reporting. Please email to info@classita.com.my.

SUSTAINABILITY HIGHLIGHTS

INDICATORS		THEMES
Revenue: **RM50,494,764**		Economic
C1(a)	Employees Trained on Anti-corruption: **100%**	Governance
C1(b)	Operation Assessed for Corruption-related Risks: **100%**	Governance
C1(c)	Incidents of Corruption: **0**	Governance
C2(a)	CSR Investments: **RM636**	Social
C2(b)	CSR Beneficiaries: **114**	Social
C3(a)	Workforce: **382 (41% Male, 59% Female)**	Social
C3(b)	Board of Directors: **8 (87% Male, 13% Female)**	Social
C4(a)	Electricity Consumption: **4,744,912 MJ (1,318,031 kWh)**	Environmental
C5(a)	Work-related Fatalities: **0**	Social
C5(b)	Lost Time Incident Rate: **0**	Social
C5(c)	Employees Trained on Health and Safety: **100%**	Social
C6(a)	Training for Employees: **2,873 Hours**	Social
C6(b)	Contract Employees: **176 (46%)**	Social
C6(c)	Employee Turnover: **145 (38%)**	Social
C6(d)	Human Rights Violations: **0**	Social
C7(a)	Local Purchasing: **2.57%**	Economic
C8(a)	Breach of Customer Privacy: **0**	Social
C9(a)	Water Usage: **69,796 m3 (69.80 ML)**	Environmental
C10(a)	Waste Disposed to Landfill: **24.1 MT**	Environmental
S3(a)	Products Health and Safety Assessed for Improvement: **0**	Social
S3(b)	Products Health and Safety Noncompliance: **0**	Social
S3(c)	Products Health and Safety Recall: **0**	Social
S5(a)	Total Weight or Volume of Raw Materials: **Refer to Table**	Social
S6(a)	New Suppliers Screened for Environmental Criteria: **100%**	Environmental
S6(b)	Total Suppliers Screened for Environmental Impact: **97%**	Environmental
S7(a)	New Suppliers Screened for Social Criteria: **100%**	Social
S7(b)	Total Suppliers Screened for Social Impact: **97%**	Social
S8(a)	Effluent Discharge: **0**	Environmental

SUSTAINABILITY GOVERNANCE STRUCTURE

As a responsible and forward-thinking company, the Group recognizes the vital role that Environmental, Social, and Governance (ESG) principles play in shaping a sustainable future. Our pivot towards ESG is driven by a commitment to not only enhance long-term value for our stakeholders but also to contribute meaningfully to global efforts in environmental stewardship, social equity, and transparent governance.

The Group has established a Sustainability Governance structure that consisted of the Board of Directors, the Senior Management, and a Sustainability Committee. This structure ensures that sufficient resources are allocated towards achieving our sustainability goals and all levels of the Group contributes to the sustainability endeavour.

The Board and Senior Management set sustainability strategies, priorities, and targets, and oversee the implementation of the Group's sustainability efforts. The Sustainability Committee plans and carries out initiatives to achieve the targets.

Board of Directors

Senior Management

Sustainability Committee

Board of Directors

Supervising the Group's sustainability direction:

- Ensures sustainability is integrated into the Group's business strategy
- Sets the Group's sustainability priorities
- Reviews and approves sustainability performance and targets
- Kept informed of the Group's sustainability issues, in particular risks and opportunities

Senior Management

Identifying and addressing principal business risks and material sustainability risks, and aligning the Group's sustainability strategies with long-term business growth:

- Sets sustainability targets and monitors their progress
- Appraises and evaluates sustainability performance
- Reports and makes recommendations to the Board

Sustainability Committee

Comprising of representatives from various departments and business units, the Committee carries out sustainability initiatives to achieve targets that were set:

- Proposes, implements, monitors, and improves sustainability initiatives aligned to priorities and strategies
- Reviews the progress of sustainability initiatives against targets, and reports findings to the Senior Management

MATERIALITY ASSESSMENT

Materiality assessment is a crucial process in identifying the key ESG themes where the Group's business activities can make a meaningful impact on sustainable development. This process considers both the perspectives of the Group and its stakeholders, ensuring that our focus aligns with the expectations of the wider community while addressing our strategic goals.

In FY2023, we conducted a materiality reassessment to identify both current and emerging sustainability issues affecting the Group. This evaluation enabled us to stay ahead of evolving challenges and opportunities, ensuring these material issues are incorporated into our long-term transformation plan.

In the FY2024 materiality assessment, key sustainability issues have evolved to focus on the environmental and social themes. The findings showed labour practices ranked at the top of the materiality spectrum, reflecting a strong emphasis on employee welfare and adherence to ethical labour standards. Issues such as employee welfare and safety, fair compensation, and labour rights were rated highly, signifying their critical role in supporting sustainable business practices.

Environmental concerns including pollution control, waste management practices, particularly recycling and the diversion of waste from landfills, and climate change mitigation, with a focus on reducing greenhouse gas emissions and transitioning to renewable energy, were ranked as a high-priority issues, reflecting stakeholder concerns about global environmental challenges.

This ranking helps us prioritize these material issues within our sustainability strategies, ensuring that resources are allocated towards initiatives that address the most pressing concerns, while fostering long-term business growth and resilience. These insights have been pivotal in shaping our transformation plan, maintaining relevance in a dynamic sustainability landscape to drive long-term value and contribute positively to sustainable development.

STAKEHOLDER ENGAGEMENT

Stakeholder	Types Of Engagement	Frequency
Investors and Shareholders	• Annual and Extraordinary General Meetings • Corporate Website • Virtual or Physical Meetings • Reports • Announcements and Media Releases	• Annual, When Necessary • Timely Updates • When Necessary • Corporate Website • When Necessary
Employees	• Induction Process • Handbook • Emails • Townhall Meetings • Performance Reviews • Internal Meetings	• One-time • Corporate Website • When Necessary • When Necessary • Annual, When Necessary • When Necessary
Customers	• Corporate Website • Telephone Calls and Emails • Virtual or Physical Meetings • Customer Satisfaction Surveys	• www.classitaholdings.com • When Necessary • When Necessary • Annual

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder	Types Of Engagement	Frequency
Financial Institutions	• Corporate Website • Telephone Calls and Emails • Virtual or Physical Meetings • Reports • Announcements and Media Releases	• Timely Updates • When Necessary • When Necessary • Corporate Website • When Necessary
Suppliers and Vendors	• Vendor Onboarding • Contract Renewal Process • Telephone Calls and Emails • Performance Evaluation Surveys • Quality Assurance Audit	• Evaluation Form, Factory Visit • When Issue New Contract • When Necessary • Annual • Incoming Material Delivery
Government and Regulators	• Virtual or Physical Meetings • Announcements and Media Releases	• When Necessary • When Necessary
Local Communities	• Charity and Welfare Activities • Employment Opportunities	• On Occasion • When Available

MATERIALITY PROCESS

The Group carried out a materiality assessment during this reporting period with a four-step process, aided by inputs from prioritised stakeholders, industry information and global trends.

1 Identification and Prioritisation

We identified several sustainability issues that were deemed significant and matched them to key stakeholders. This step illustrates how we take into account our stakeholders' needs and expectations in defining our material issues. The material matters were ranked in priority according to their importance to each of our stakeholders.

2 Materiality Survey and Analysis

Perspectives of our stakeholder groups were obtained through an assessment questionnaire to rank the sustainability matters according to importance. The survey's results combined with our own rankings create a matrix that illustrates the importance of each sustainability matter relative to one another.

3 Review and Validation

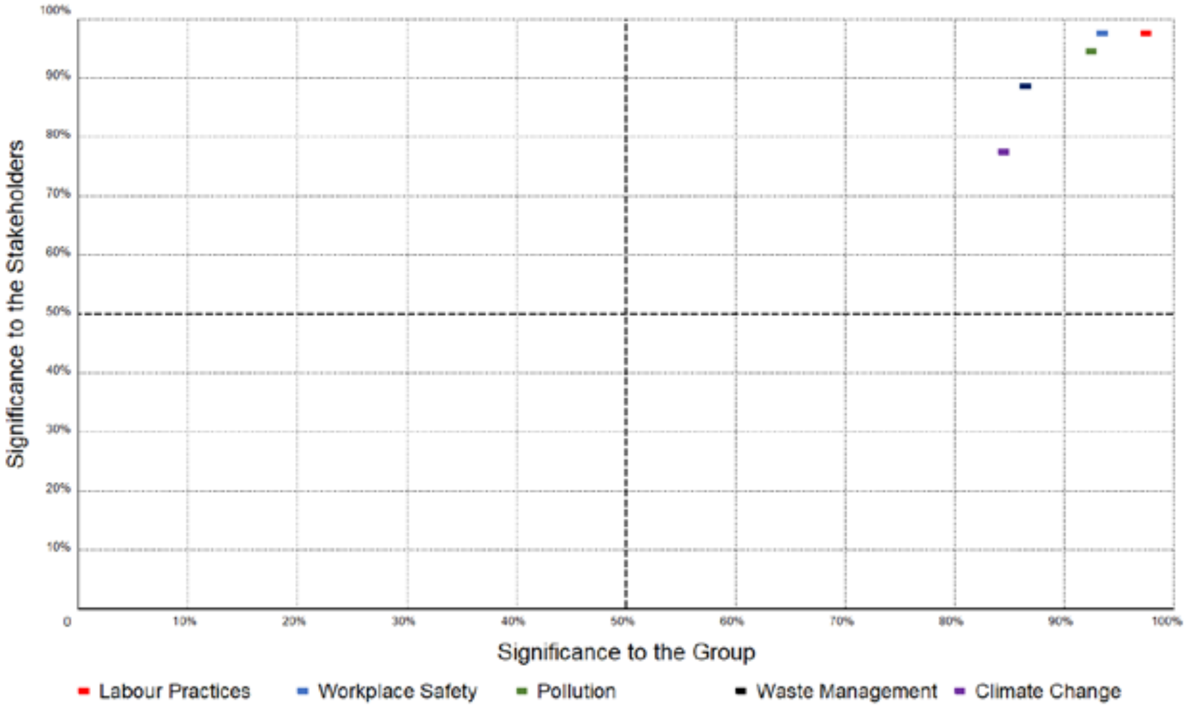
The result of the matrix was reviewed and submitted to the Senior Management for validation and approval. This process creates a link between top-level strategy and organization-wide sustainability initiatives to ensure sustainability management is prevalent in every level of the Group. This guarantees a coordinated and effective response to the critical sustainability issues identified as material to our operations.

4 Final Review and Approval

The final matrix was reviewed during the Board of Directors meeting to confirm whether the result is in line with the Group's strategies.

MATERIAL SUSTAINABILITY MATTERS

After the Group has identified several key sustainability matters, selected stakeholders were engaged to rank and rate the material matters from their viewpoint, in relation to their deemed interest and importance to the Group. Their feedback was analysed, and the combined importance and priority of these issues are shown in the Materiality Matrix.



Matters in the lower left quadrant are of low or no materiality. Matters the upper left and lower right quadrants are of medium to high materiality. The key focus is on the upper right quadrant that shows the highest materiality matters.

The results come as no surprise as the Group's core operations in manufacturing rely heavily on maintaining good and strong relationships with workers, ensuring fair treatment, and adhering to proper pollution control and waste disposal practices.

These material matters will guide how the Group can best carry out resource allocation in the short term and long term. The Group also recognises and remains dedicated to the continuous development and training of its employees, ensuring compliance with evolving labour and working standards. This commitment is integral to the Group's business operations and crucial for long-term value creation and growth.

The results of the Materiality Assessment are approved by the Board of Directors.

MANAGEMENT SYSTEMS

Environmental Management System ("EMS")

Classita has long prioritized the safety and well-being of its employees and the environment through the implementation of a robust internal Environmental Management System. This system is designed to monitor and minimize the environmental impact of its operations, while fostering a culture of safety and sustainability.

Additionally, Classita actively integrates organic raw materials into its production processes and places significant emphasis on recycling materials and minimizing waste to reduce environmental impact. The Company is equally committed to upholding industry standards and obtaining relevant certifications to ensure compliance and quality across its operations. Through these concerted efforts, Classita strengthens its commitment to responsible manufacturing practices and contributes to sustainable development, aligning its business objectives with environmental stewardship.

Occupational Safety and Health Management System ("OSHMS")

The Group is committed to ensuring the safety and well-being of its employees through the adoption of a comprehensive internal Occupational Safety and Health Management System. This system is designed to proactively manage workplace risks and foster a culture of safety across all operations. The OSHMS encompasses a wide range of policies, procedures, and protocols aimed at identifying, assessing, and mitigating potential hazards within the work environment.

Key components of the system include regular safety audits, risk assessments, and employee training programs focused on safe work practices and emergency preparedness. The system also ensures compliance with national safety regulations and industry standards, reinforcing the Company's commitment to maintaining a safe workplace. A clear incident reporting and response mechanism is in place to promptly address any accidents or near-miss events, enabling continuous improvement in safety performance.

Additionally, the OSH system promotes employee involvement, encouraging staff at all levels to actively participate in safety initiatives and decision-making processes. By fostering a collaborative approach, the Group strives to create a work environment where safety is prioritized, risks are minimized, and the health and well-being of all employees are safeguarded.

SOCIAL PRACTICE CERTIFICATIONS

To maintain its status as a world leader in undergarment manufacturing, Classita is fully committed to upholding international social practice standards. This commitment reflects our focus on ethical practices and the well-being of our employees and stakeholders. By adhering to these standards, we ensure fair labour practices, safe working environments, and respect for human rights throughout our operations.

The Company's primary export markets, Europe and the United States of America, impose stringent social practice and accountability requirements that prioritize employee well-being while prohibiting forced and child labour. These standards include the Business Social Compliance Initiative (BSCI) for European markets and the Worldwide Responsible Accredited Production (WRAP) certification for the US. The Company undergoes regular, mandatory, and rigorous audits, successfully meeting the criteria year after year to maintain our certifications.

To strengthen our reputation and competitiveness, we have pursued the globally recognized SA8000 certification, which entails a higher level of social practice compliance. Achieving it would place the Company among the select few in Malaysia and South East Asia.

By aligning with these rigorous standards, Classita ensures that its operations meet both business and legal requirements, enabling the Company to maintain its presence in Europe and the US. This commitment not only facilitates compliance with market regulations but also reinforces Classita's reputation as a responsible manufacturer dedicated to ethical practices and the well-being of its workforce.

BSCI
Business Social Compliance Initiative

WORLDWIDE RESPONSIBLE WRAP ACCREDITED PRODUCTION

ETHICALLY CORRECT CERTIFIED COMPANY SA 8000

CHANGE OF FORMAT

The format of this Sustainability Statement has been changed from the previous financial year to follow the sequence of Common Sustainability Matters and indicators in the Bursa Malaysia's 3rd edition of the Sustainability Reporting Guide. Wherever data from previous years is available, it has been included to offer a comparative perspective and highlight trends over time. This approach allows for a clearer understanding of the Company's progress and performance in relation to key metrics.

REVENUE

The Group is focused on implementing a strategy that not only drives profitability but also fosters sustainable growth, with a clear focus on achieving long-term success as expected of a publicly listed company. The Group has consistently generated and distributed substantial economic and financial value to its stakeholders, playing a pivotal role in driving socio-economic development.

REVENUE
RM50.49
MILLION

By creating meaningful value across its operations, the Group has contributed to the growth and stability of local economies, supporting not only shareholders but also employees, suppliers, and the wider community. We are committed to meeting our financial commitments to our hardworking employees, ensure compliance with our tax responsibilities, and strive to deliver meaningful returns to our shareholders.

REVENUE (CONT'D)

Our commitment extends to our suppliers, where we practice fair procurement methods to strengthen our supply chain and promote collaborative development. This integrated strategy not only enhances our financial health but also reinforces our commitment to corporate social responsibility, ensuring that we generate value across all stakeholder groups.

Through its business activities, the Group has fostered job creation, enhanced livelihoods, and promoted industrial growth, further strengthening the social fabric in the regions where it operates. This holistic approach to value creation underscores the Group's commitment to responsible growth, ensuring that economic gains are shared broadly and contribute to long-term sustainability.

The Group's principal operations center on the manufacture and export of lingerie and women's intimate apparel, a sector that represents a significant portion of our business. This focus enables us to tap into the growing demand for high-quality and stylish products in both local and international markets. Our commitment to excellence in this area has positioned Classita as a trusted name in the industry, catering to a diverse clientele that values innovation and quality.

At the heart of our operations is Classita's manufacturing plant in Teluk Intan, which features a state-of-the-art facility designed to enhance our production capabilities. Equipped with a computerized pattern-making system, this advanced technology empowers our design teams to develop innovative styles and designs that meet the ever-evolving needs and preferences of our customers. By streamlining the design process, we can quickly respond to market trends and consumer demands, ensuring that our product offerings remain relevant and appealing.

In addition to our core business in lingerie manufacturing, the Group also engages in trading and retail operations. This diversification allows us to broaden our product portfolio and reach a wider audience. Moreover, the Group is actively involved in property development and construction, where we apply our expertise to contribute positively to the local economy. We aim to create high-quality residential developments that enrich the community while ensuring sustainable practices. This multifaceted approach not only diversifies our business operations but also positions the Group for long-term growth and resilience in an ever-changing market landscape.

COMMON SUSTAINABILITY MATTERS

C1. ANTI-CORRUPTION

C1(a) Percentage of Employees Who Has Received Training on Anti-corruption by Employee Category

At Classita, we pride ourselves on being an ethical and responsible organization committed to upholding the highest standards of integrity and transparency in all our operations. We firmly believe that fostering a culture of trust and accountability is essential for the success of our business and the well-being of our workers.

The Group is committed to conducting business with the highest ethical standards while strictly complying with relevant laws and regulations. Integrity is a core philosophy embedded in our corporate culture. The Company enforces a robust Code of Conduct that strictly prohibits bribery, corruption, and unethical behaviour that all directors and employees are required to adhere to.

Category	FY2024 No. of Employees	%
Management	12	100
Executive	41	100
Non-Executive	65	100
General Worker	264	100
Total	**382**	**100**

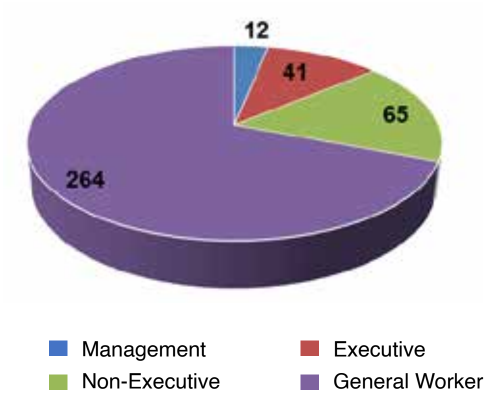
COMMON SUSTAINABILITY MATTERS

C1. ANTI-CORRUPTION (CONT'D)

C1(a) Percentage of Employees Who Has Received Training on Anti-corruption by Employee Category (Cont'd)

Our zero-tolerance policy towards corruption is a cornerstone of our corporate ethics. Through comprehensive training programs, we educate our workforce about recognizing, preventing, and reporting any corrupt practices. This empowers our employees to make informed decisions and reinforces our collective commitment to integrity. 100% of the Company's employees have undergone anti-corruption training.

We also encourage open communication and create safe channels for employees to report unethical behaviour without fear of retaliation. Our commitment to transparency extends to our business relationships, as we conduct thorough due diligence on all partners and suppliers, ensuring they share our values of honesty and responsibility.



C1(b) Percentage of Operations Assessed for Corruption-related Risks

Assessing corruption risk in a specific location of operation is crucial for ensuring ethical business practices and maintaining compliance with international standards. This assessment allows the Group to identify potential vulnerabilities within our operations, implement appropriate controls, and foster a culture of integrity.

We understanding that corruption risks can vary significantly based on geographic, political, and economic factors. These risks may manifest in various forms, including bribery, embezzlement, fraud, and cronyism. A comprehensive assessment involves analysing both external and internal factors, including organizational culture and operational processes.

Operations	FYE2024 % Assessed
Manufacturing plant at Teluk Intan	100

Using the corruption assessment framework developed by the Company, the manufacturing plant located at Teluk Intan was assessed and reasonably found to have no risk for corruption.

C1(c) Confirmed Incidents of Corruption and Action Taken

The Group is proud to report that there have been no confirmed incidents of corruption. This is due to the Company's strict adherence to its anti-corruption policies and the implementation of comprehensive internal controls. Regular training on ethical practices, clear reporting mechanisms, and a strong culture of integrity have collectively reinforced our commitment to maintaining transparency and accountability at all levels of operation. These measures have successfully minimized any opportunities for corrupt practices.

Operations	FY2024 Corruption Cases
Manufacturing plant at Teluk Intan	-

COMMON SUSTAINABILITY MATTERS (CONT'D)

C2. COMMUNITY/SOCIETY

C2(a) Total Amount Invested in the Community Where the Target Beneficiaries are External to the Listed Issuer

The figure represents the financial cost incurred by the Company during a blood donation campaign that Classita organizes annually among its workers at the Teluk Intan manufacturing plant. While the monetary investment may appear to be small, the Group's Corporate Social Responsibility extends beyond financial contributions, offering valuable non-financial assistance to the community.

Location	FY2024 RM
Teluk Intan	636

A key initiative includes employing members of Bethany Home, an organization supporting people with disabilities ("Orang Kurang Upaya" or "OKU" in Malay) at our Teluk Intan manufacturing plant, as well as people from other underprivileged groups. This initiative provides them with meaningful employment opportunities and the ability to earn an income on their own to demonstrate their independence, underscoring our commitment to inclusivity and social responsibility.

C2(b) Total Number of Beneficiaries of the Investment in Communities

A total of 38 bags of blood were collected from donors during the campaign, contributing to a successful initiative that supports the health and well-being of the community.

Blood can be separated into three key components for medical use: plasma, platelets, and red blood cells. Each component serves a specific purpose, with plasma used for treating burns and clotting disorders, platelets helping with blood clotting, and red blood cells essential for carrying oxygen throughout the body. Each bag of blood can benefit three patients in need, and with 38 bags of blood collected, up to 114 patients can be helped.

Location	FY2024 Benefi-claries
Teluk Intan	114

C3. DIVERSITY

C3(a) Percentage of Employees by Gender and Age Group, for Each Employee Category

Classita believes that diversity is essential to the Group's continued success and is committed to cultivating an inclusive workplace that values diversity in ethnicity, age, religion, and gender. By promoting and inculcating a culture of open-mindedness and inclusivity, we create an environment where all perspectives are respected and valued.

The Group is dedicated to offering equal opportunities in recruitment, career development, promotion, training, and rewards, ensuring that all employees are treated fairly and have equal chances for growth, free from discrimination and bias of any kind. The importance of this is highlighted by the fact that labour practices have been recognized as one of the key material matters by both the Company and its stakeholders.

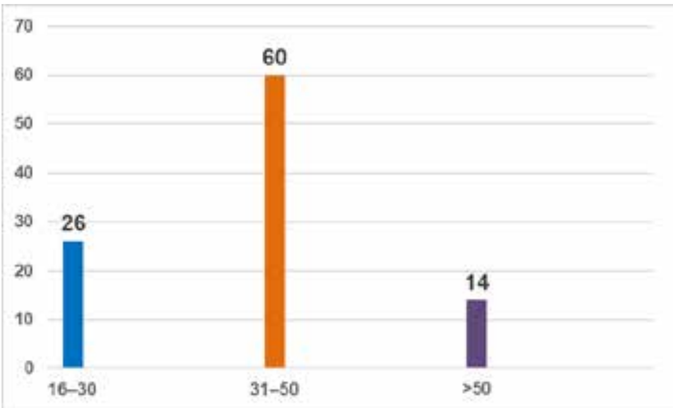
As of 30 June 2024, the Company employed a total workforce of 382, 157 men (41%) and 225 women (59%) from ages of 16-30 (26%), 31-50 (60%), and over 60 (14%).

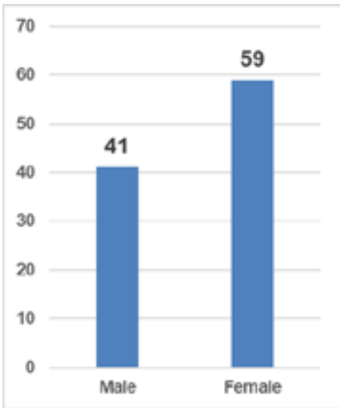
COMMON SUSTAINABILITY MATTERS (CONT'D)

C3. DIVERSITY (CONT'D)

C3(a) Percentage of Employees by Gender and Age Group, for Each Employee Category (Cont'd)

Catagory Age	%			FY2024	
	16-30	31-50	>50	Male	Female
Management	-	2	2	2	2
Executive	1	7	3	2	9
Non-Executive	4	9	4	6	11
General Worker	21	42	5	31	38
Total	**26**	**60**	**14**	**41**	**59**





C3(b) Percentage of Directors by Gender and Age Group

The Group's Diversity Policy also applies to selection of company directors. Candidates from various backgrounds, without discrimination and bias to gender, age and ethnicity, will be considered for appointments to the Board of Directors. The overriding principle is that all appointments to the Bo ard must be based upon on merit, experience, qualification, character, time commitment and integrity and contribution the candidate may bring to the Board.

The current Board comprises of seven men (87%) and one woman (13%) from the ages of 16-30 (0%), 31-50 (25%) and over 50 (75%). The Company complies with the Bursa Malaysia's Main Market Listing Requirements Clause 15.02(1)(b) that states one director in the Board of Directors must be a woman. The Company is open to including more women who meet its criteria to increase women representation on its Board, reflecting its commitment to gender diversity and balanced leadership.

Catagory Age	%			FY2024	
	16-30	31-50	>50	Male	Female
Board of Directors	-	25	75	87	13

COMMON SUSTAINABILITY MATTERS (CONT'D)

C4. ENERGY MANAGEMENT

C4(a) Total Energy Consumption

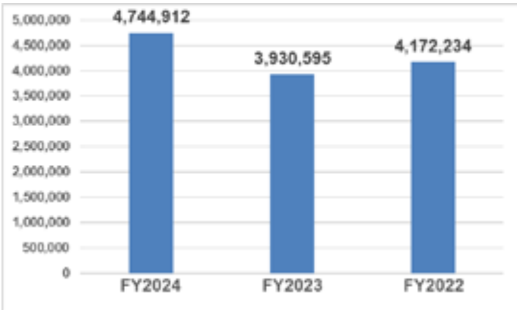
The Group is fully aware of the significant impact that energy consumption has on climate change, especially given that electricity generation in Malaysia largely relies on fossil fuels such as coal and natural gas. The burning of these fossil fuels contributes to high levels of greenhouse gas emissions, which are a major driver of global warming and environmental degradation. The Group recognizes its role in contributing to this issue and the urgent need to reduce its carbon footprint.

The rising cost of electricity imposed by the power provider has further impacted the Company's financial performance, adding pressure to control operational expenses. By actively addressing energy consumption, the Group seeks to improve its financial resilience while aligning with global sustainability goals. This commitment not only enhances operational efficiency but also contributes to a greener, more sustainable future, positioning the Company as a responsible corporate citizen in the fight against climate change.

Understanding the broader implications of energy use, the Group is actively exploring strategies to reduce consumption, improve energy efficiency, and explore renewable energy sources, which would lessen its environmental impact while contributing to the long-term resilience and sustainability of the business.

	FY2024		FY2023		FY2022	
	kWh	MJ	kWh	MJ	kWh	MJ
Energy Consumption	1,318,031	4,744,912	1,091,832	3,930,595	1,158,954	4,172,234
Increase/(Decrease)	226,199	814,316	(67,122)	(241,639)	-	-

For FY2024, the Group's energy consumption has increased by 226,199 kWh (814,316 MJ), which is 20.7% higher than the previous financial year.



Energy intensity (over revenue), measured in kilowatt-hours per Ringgit Malaysia (kWh/RM), represents the amount of energy consumed to generate each dollar of revenue. This metric is critical for evaluating the efficiency of energy use in relation to the Company's financial performance. A lower or higher energy intensity indicates that the Company is using less or more energy to generate revenue, which reflects operational efficiency and environmental impact.

		FY2024	FY2023	FY2022
Revenue	RM	50,494,764	44,787,875	75,827,230
Energy Intensity	kWh/RM	0.0261	0.0244	0.0153

In FY2024, the energy intensity of the Group saw a 7.4% increase compared to the previous financial year. This increase can be attributed to increased production demands to meet customers' delivery schedules.

Monitoring energy intensity allows the Group to assess how effectively it is managing energy consumption. By focusing on reducing this metric, the Company can lower its overall energy costs, minimize its carbon footprint, and enhance profitability. Initiatives such as adopting energy-efficient technologies, optimizing production processes, and integrating renewable energy sources contribute to reducing energy intensity, aligning with both financial and sustainability goals.

COMMON SUSTAINABILITY MATTERS (CONT'D)

C5. HEALTH AND SAFETY

C5(a) Number of Work-related Fatalities

At Classita, the health, safety, and well-being of our employees are paramount. As part of our OSHMS, we have established an Occupational Safety and Health Committee, entrusted with the responsibility of maintaining and enforcing our safety and health policies and practices throughout the Group. The Committee is also responsible for instilling a culture of safety and health in the workplace, emphasizing that maintaining a safe environment is a shared responsibility among all employees.

To improve our emergency response capabilities, we collaborate with the local fire and rescue department to carry out fire drills at least twice annually. These exercises provide extensive training on essential skills, including the proper use of firefighting equipment, first-aid procedures, CPR techniques, and structured evacuation plans, along with other safety measures to help prevent and address potential hazards.

In addition to emergency response drills, we have introduced a range of safety and health initiatives aimed at cultivating a positive and health-focused workplace. We firmly believe that all occupational injuries and work-related illnesses are preventable, and we are dedicated to actively reducing incidents and ensuring a disruption-free and safe work environment.

Due to the effective Occupational Safety and Health (OSH) measures implemented by the Company, we have successfully maintained a record of no fatalities or injuries in FY2024. This commitment to rigorous safety protocols underscores our dedication to ensuring the well-being of all employees in the workplace.

Workplace Safety has been identified as one of the material matters for the Company to focus on. The key performance index ("KPI") going forward is to maintain zero incidents of fatality or injury in the workplace. This commitment reflects our dedication to ensuring the highest safety standards and preventing any fatality, injuries or accidents. By focusing on this objective, we aim to create a safe and secure environment for all employees.

	Incidents			
	FY2024		FY2023	
	Employee	Non-employee	Employee	Non-employee
Fatalities	-	-	-	-
Injuries Requiring Hospitalization	-	-	-	-
Injuries Not Requiring Hospitalization	-	-	-	-
Total	**-**	**-**	**-**	**-**

C5(b) Lost Time Incident Rate ("LTIR")

With no incidents of fatalities or injuries, the Company has not experienced any lost production time. This achievement underscores our commitment to maintaining a safe work environment and highlights the effectiveness of our safety protocols and practices.

Number of Incidents	Number of Employees	Hours/Week	Number of Weeks	FY2024	FY2023
-	382	44	50	-	-

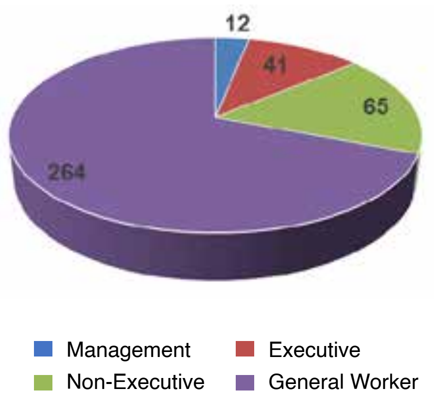
COMMON SUSTAINABILITY MATTERS (CONT'D)

C5. HEALTH AND SAFETY (CONT'D)

C5(c) Number of Employees Trained on Health and Safety Standards

A crucial part of the OSHMS is ensuring that all employees receive comprehensive and adequate OSH training. This training is designed to equip employees with the knowledge and skills necessary to identify and mitigate potential hazards in the workplace, respond effectively to emergencies, and follow safety protocols. The training covers a wide range of topics, including the proper use of personal protective equipment (PPE), safe handling of machinery and materials, hazard communication, and first-aid techniques.

By providing regular and updated training sessions, the Company ensures that employees are well-prepared to handle any safety-related issues that may arise. This not only helps prevent accidents and injuries but also fosters a culture of safety where every individual is aware of their role in maintaining a secure working environment.



Catagory	No. of Employees	FY2024		FY2023	
		No. Trained	%	No. Trained	%
Management	12	12	100	-	-
Executive	41	41	100	-	-
Non-Executive	65	65	100	-	-
General Worker	264	264	100	-	-
Total	**382**	**382**	**100**	**-**	**-**

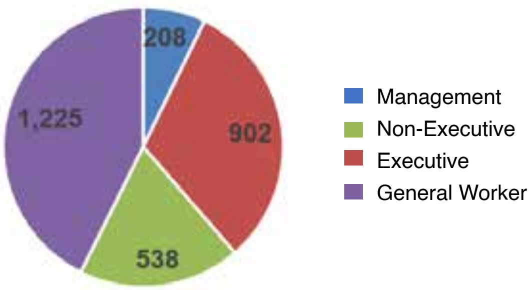
C6. LABOUR PRACTICES AND STANDARDS

C6(a) Total Hours of Training by Employee Category

Classita places tremendous value on our employees, recognizing that they are the backbone of our success. We are committed to creating an empowering work environment where every individual is supported and given opportunities to grow, both personally and professionally. To ensure that our employees are not only efficient but also highly knowledgeable in their roles, we provide continuous training and development programs tailored to enhance their skills and expertise.

We believe in fostering a culture of learning, where employees are encouraged to pursue professional growth through workshops, hands-on training, and skill-building initiatives. By investing in their development, we enable them to stay updated on industry trends and advancements, allowing them to contribute more effectively to the Company's overall goals.

Category	FY2024 No. of Employees	FY2024 Training Hours
Management	12	208
Executive	41	902
Non-Executive	65	538
General Worker	264	1,225
Total	**382**	**2,873**



COMMON SUSTAINABILITY MATTERS (CONT'D)

C6. LABOUR PRACTICES AND STANDARDS (CONT'D)

C6(a) Total Hours of Training by Employee Category (Cont'd)

In addition to technical training, we also focus on leadership and soft skills development to ensure that our workforce is well-rounded and adaptable. This approach not only boosts productivity and efficiency but also empowers employees to take ownership of their work, driving innovation and excellence at every level of the organization. The Company understands that when our employees thrive, the Company thrives.

C6(b) Percentage of Employees That are Contractors or Temporary Staff

The Company employed 176 contract workers, representing 46% of the total workforce. These contract workers are foreign nationals, contributing to the Company's diverse labour force. Their involvement is integral to maintaining operational efficiency and meeting production demands.

Number of Employees	Contract Employees	Temporay Employees	Contract & Temporary Employees %		
			FY2024	FY2023	FY2022
382	176	-	46	45	40

C6(c) Total Number of Employee Turnover by Employee Category

The Company experienced a turnover of 145 employees, accounting for 38% of the total workforce across all employee categories. Contributing factors to this turnover include the manufacturing plant's rural location and employees pursuing better opportunities elsewhere.

This underscores the persistent challenge of retaining talent in rural areas, compounded by the competitive nature of the job market. Addressing these issues will be key to improving employee retention and maintaining workforce stability.

Catagory		FY2024	
	No. of Employees	No. of Turnover	Turnover %
Management	12	3	27
Executive	41	7	18
Non-Executive	65	26	25
General Worker	264	109	48
Total	**382**	**145**	**38**

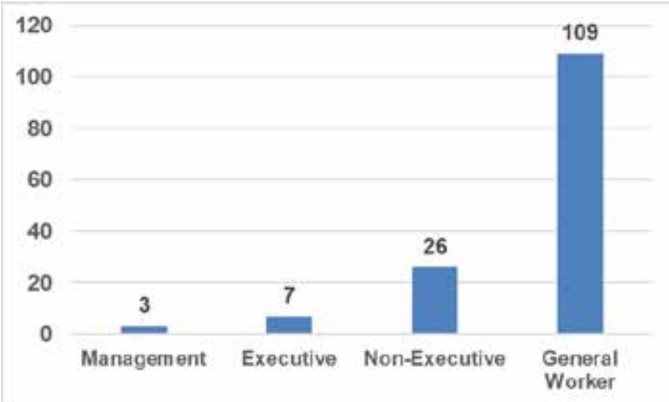
Fostering strong relationships among our employees is key to our efforts to enhance retention. The Company organizes annual events such as the company dinner and Family Day, while also celebrating major festivals with employees, promoting a spirit of unity and inclusivity. These activities are aimed at building teamwork, cohesiveness, and engagement, all of which contribute to a positive work environment.

COMMON SUSTAINABILITY MATTERS (CONT'D)

C6. LABOUR PRACTICES AND STANDARDS (CONT'D)

C6(c) Total Number of Employee Turnover by Employee Category (Cont'd)

The Company provides free transportation for our employees to ensure safe and comfortable travel to and from work. In addition, we provide good quality hostel accommodations for all our foreign workers that are certified by the Jabatan Tenaga Kerja as part of our commitment to enhancing the quality of living facilities available to our workforce. By prioritizing these initiatives, we strive to boost job satisfaction and retain valuable talent within the Group.



C6(d) Number of Substantiated Complaints Concerning Human Rights Violations

There have been no human rights violations reported at our manufacturing plant at Teluk Intan. The Company remains committed to upholding the highest standards of ethical conduct, ensuring that all operations comply with local and international labour laws. We align our operations with internationally standards, such as the United Nations Guiding Principles on Business and Human Rights, Universal Declaration of Human Rights, and the International Labour Organisation's ("ILO") Declaration on Fundamental Principles and Rights at Work. We prioritize the dignity, safety, and rights of all employees, and foster a respectful and inclusive work environment where human rights are strictly protected.

Operations	FY2024 Human Rights Violations
Manufacturing plant at Teluk Intan	-

C7. SUPPLY CHAIN MANAGEMENT

C7(a) Proportion of Spending on Local Suppliers

Our core business focuses on the manufacture and export of lingerie and women's intimate apparel, operating as an Original Equipment Manufacturer (OEM) for customers in Europe and the United States of America.

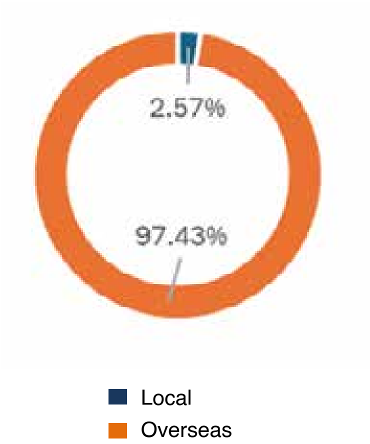
	FY2024		FY2023	
	RM	%	RM	%
Local	573,742	2.57	546,186	3.12
Overseas	21,787,206	97.43	16,979,080	96.88
Total	**22,360,948**	**100.00**	**17,525,266**	**100.00**

COMMON SUSTAINABILITY MATTERS (CONT'D)

C7. SUPPLY CHAIN MANAGEMENT (CONT'D)

C7(a) Proportion of Spending on Local Suppliers (Cont'd)

Our core business focuses on the manufacture and export of lingerie and women's intimate apparel, operating as an Original Equipment Manufacturer (OEM) for customers in Europe and the United States of America.



The manufacture of high-quality products requires high-quality fabrics and premium materials so the final products meet the highest standards of comfort, durability, and design specified by customers. This commitment to quality is essential for maintaining customer satisfaction and a strong reputation in the competitive lingerie and intimate apparel market.

A significant portion of the fabrics and materials used are imported, driven by considerations of quality, cost, and availability. Additionally, some customers specify that materials must be sourced from their nominated suppliers overseas, further influencing the import of these materials. These are the reasons accounting for the 2.75% spending on local suppliers.

Nevertheless, we remain committed to identifying local suppliers who can meet our requirements. Additionally, we are actively engaging with local fabric manufacturers to explore opportunities for producing the fabrics we need.

C8. Data Privacy and Security

There have been no instances of customer privacy breaches. We are fully committed to maintaining strict confidentiality and safeguarding all customer information in compliance with industry standards and legal requirements.

Operations	FY2024 Breaches of Customer Privacy
Manufacturing plant at Teluk Intan	-

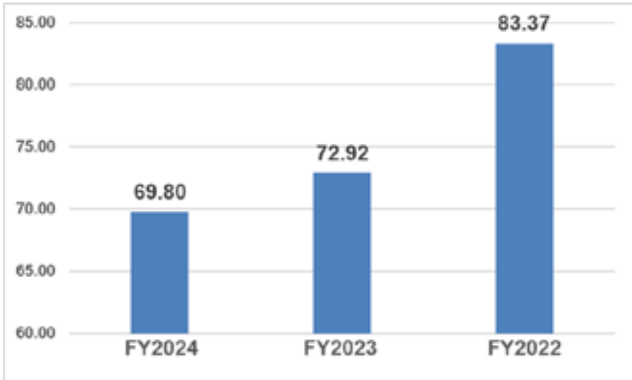
We take the safeguarding of customer data seriously and have implemented robust measures to ensure the protection of all sensitive information. Our security protocols include strict access controls, and regular audits to prevent unauthorized access or data breaches. By prioritizing the confidentiality and integrity of customer information, we not only comply with legal and regulatory requirements but also build trust with our customers. Our commitment to safeguarding data is an integral part of maintaining secure and transparent business operations, and ensures trust and integrity in our business relationships.

COMMON SUSTAINABILITY MATTERS (CONT'D)

C9. WATER

C9(a) Total Volume of Water Used

Water is a precious natural resource essential for sustaining life, ecosystems, and industries. Recognizing its importance, our Company is deeply committed to responsible water management. We understand that preserving water resources is critical for the environment. By implementing water conservation practices, monitoring usage, and minimizing waste, we strive to reduce our environmental impact and contribute to the preservation of this vital resource for future generations. Our efforts reflect a deep appreciation of water's value and our commitment to sustainable practices.



The 3,119 m³ (3.13 ML) reduction in water consumption represents a 4.3% decrease compared to the previous financial year.

	FY2024		FY2023		FY2022	
	m3	MLiter	kWh	MLiter	kWh	MLiter
Water Consumption	69,796	69.80	72,915	72.92	83,365	83.37
Increase/(Decrease)	(3,119)	(3.12)	(10,450)	(10.45)	-	-

Water intensity refers to the amount of water consumed to generate each unit of revenue, measured in liters per Ringgit Malaysia (L/RM). This metric is essential for evaluating how efficiently the Company uses water in relation to its financial performance. A lower or higher water intensity means the Company is consuming less or more water to produce revenue, which indicates operational efficiency and environmental footprint.

		FY2024	FY2023	FY2022
Revenue	RM	50,494,764	44,787,875	75,827,230
Water Intensity	ML/RM	0.0014	0.0016	0.0011

The lower water intensity highlights the effectiveness of the Company's water management practices in maintaining efficient usage, despite any fluctuations in production or operational activities.

By focusing on reducing this metric, the Company can lower overall water costs, conserve the valuable resource, and enhance sustainability. Initiatives such as harvesting rainwater, water recycling, and optimizing water consumption help to reduce water consumption, aligning with both financial performance and environmental responsibility.

COMMON SUSTAINABILITY MATTERS (CONT'D)

C10. WASTE MANAGEMENT

C10(a) Total Waste Generated, and a Breakdown of the Following:
(i) Total Waste Diverted from Disposal
(ii) Total Waste Directed to Disposal

The total waste generated is 24,133.2 kg, with an estimated 24,000 kg (99.8%) consisting of discarded fabrics. Unfortunately, due to the lack of recyclers who accept mixed fabrics, this waste is currently disposed to landfills. However, the Group is actively exploring alternative solutions to divert this waste from landfills. Potential strategies include partnering with innovative recycling firms capable of processing mixed fabrics and investigating methods for efficient fabrics separation.

The remaining 133.2 kg (0.2%) waste is classified as hazardous and must be disposed of by licensed waste disposal contractors registered with the Department of Environment (DOE), who are authorized to handle hazardous waste. This ensures that the disposal is conducted in compliance with environmental regulations, minimizing any potential harm to the environment and public health.

The Group continues to explore sustainable waste management solutions to reduce landfill disposal and minimize its environmental impact.

	Diverted Kg	Disposal Kg	%	Diverted Kg	Disposal Kg	%	Diverted Kg	Disposal Kg	%
Food Waste, Organic									
Paper, Cardboard									
Plastic									
Metal									
Other Recyclables									
Fabrics		24,000.0	99.98		3,000.0	99.96		4,000.0	99.95
SW110		18.2	0.01		14.9	0.01			
SW305		115.0	0.01		88.3	0.03		200.0	0.05
General									
Total	**-**	**24,133.2**	**100.00**	**-**	**3,103.2**	**100.00**	**-**	**4,200.0**	**100.00**

SECTOR-SPECIFIC SUSTAINABILITY MATTERS

Classita is classified within the Consumer Products & Services sector in the Stock Exchange and is therefore obligated to report on sector-specific sustainability matters relevant to this classification.

S3. CUSTOMER HEALTH & SAFETY / PRODUCT RESPONSIBILITY

S3(a) Percentage of Significant Product and Service Categories for Which Health and Safety Impacts are Assessed for Improvement

Classita operates as an OEM contract manufacturer, producing products strictly according to designs provided by its customers. As a result, the Company does not assess its products for health and safety impacts or implement improvements, as it is not authorized to alter the designs in any way. All design-related decisions, including those concerning safety, rest solely with the customers.

Total Number Products	Assessed for Improvement	% Assessed FYE2024
-	-	-

S3(b) Total Number of Incidents of Noncompliance with Regulations or Voluntary Codes Concerning the Health and Safety Impacts of Products

There have been no incidents of noncompliance with regulations or voluntary codes concerning the health & safety impacts of products.

Total Number Products	Number of Recalls	Total Units Recalled FYE2024
-	-	-

S5. MATERIALS

S5(a) Total Weight or Volume of Materials that are Used to Produce and Package Products and Services

Material consumption includes raw materials, components, and packaging materials used throughout the production and delivery process of goods and services.

Materials are sourced globally from various suppliers and countries, each using different units of measure. To enhance consistency and accuracy, the Company will implement a process to standardize this data moving forward to better track, analyse, and manage our material usage, and improve our material consumption efficiency.

SECTOR-SPECIFIC SUSTAINABILITY MATTERS (CONT'D)

S5. MATERIALS (CONT'D)

S5(a) Total Weight or Volume of Materials that are Used to Produce and Package Products and Services (Cont'd)

Type	Material: Renewable	Material: Non-renewable	FYE2024 Quantity	Unit of Measure
Raw				
Process		Lubricant	144	lit
Semi-Manufactured		Synthetic Fabric	268,995	m
		Synthetic Fabric	122,382	yd
		Synthetic Fabric	60	kg
		Synthetic Fabric	5	pc
		Powernet	46,142	m
		Powernet	2,341	yd
		Allover Lace	53,033	yd
		Elastic Braid	7,671,392	m
		Elastic Braid	1,042,485	yd
Packaging	Cardboard Carton		41,337	pc
		Polybag	240	kg
		Polybag	20	rl
		Polybag	1,062,963	pc

S6. SUPPLY CHAIN (ENVIRONMENTAL) / SUPPLIER ENVIRONMENTAL ASSESSMENT

S6(A) Percentage of New Suppliers that were Screened Using Environmental Criteria

There were 10 new suppliers in FY2024 and all have been assessed for their environmental credentials and compliance.

Number of Suppliers	Suppliers Screened	% Screened FYE2024
10	10	10

S6(B) Number of Suppliers Assessed for Environmental Impacts

Number of Suppliers	Number of Suppliers Screened FY2024	FY2023	FY2022
65	63	44	43

SECTOR-SPECIFIC SUSTAINABILITY MATTERS (CONT'D)

S7. SUPPLY CHAIN (SOCIAL) / SUPPLIER SOCIAL ASSESSMENT

S7(A) Percentage of New Suppliers that were Screened Using Social Criteria

All 10 new suppliers added in FY2024 have been assessed for their environmental credentials and compliance.

Number of Suppliers	Suppliers Screened	% Screened FYE2024
10	10	100

S7(B) Number of Suppliers Assessed for Social Impacts

63 suppliers or 97% from a total of 65 suppliers that included 10 new suppliers have been assessed for their environmental credentials and compliance.

Number of Suppliers	Number of Suppliers Screened		
	FY2024	FY2023	FYE2022
65	63	44	43

S8. EFFLUENTS

S8(a) Total Volume of Water (Effluent) Discharge Over the Reporting Period

The Company's manufacturing process does not consume water, and there is no water effluent discharge.

	FYE2024 Liter
	-

This Corporate Governance Overview Statement is prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia.

This statement gives the shareholders an overview of the corporate governance practices of Classita Holdings Berhad ("Classita" or "the Company") during the financial year ended 30 June 2024 ("FYE2024") and it is to be read together with the Corporate Governance Report which is available at the Company's website (www.classitaholdings.com.my)

In FYE2024, the Company had applied the following key principles of good corporate governance in the MCCG:

- Board leadership and effectiveness
- Effective audit and risk management
- Integrity in corporate reporting and meaningful relationship with stakeholders.

The Company had also adopted 42 out of the total 43 recommended practices in the MCCG.

The recommended practice not adopted is related to Practice 5.9 – The board comprises at least 30% women directors.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

Roles and Responsibilities of the Board

The Board has established a governance structure where certain areas of responsibilities are delegated to the Board Committees and Executive Management respectively for better efficiency.

The Board Committees namely the Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and Risk Management Committee ("RMC") perform their respective duties according to the terms of reference established by the Board. The Chairman of the respective Board Committees will report to the Board in respect of his Committee's recommendations, decisions and significant deliberations if any.

The Executive Management comprising the executive chairman and executive directors are responsible for overseeing the day-to-day operations and affairs of the Group. The Executive Chairman also ensures smooth and effective functioning within the Board.

The non-executive directors, both independent and non-independent, are responsible for providing insights, objective and independent views and judgement in the decision making process of the Board.

The above governance structure is governed by a defined organisational chart, terms of reference, framework, policies and the Limits of Authorities ("LOA") approved by the Board.

The Board policies which serve as a guide to strengthen the governance and internal control of the Company are as follows:-

- Board Charter
- Whistle Blowing Policy
- Code of Conducts and Ethics
- Corporate Disclosure Policy
- Anti-Bribery and Anti-Corruption Policy

The above policies are to be reviewed annually by the Board or as and when required. Copies of the above policies are available on Company's website at www.classitaholdings.com

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

1. BOARD RESPONSIBILITIES (CONT'D)

Roles and Responsibilities of the Board (Cont'd)

The Board through the NC reviews the succession plan annually to ensure the Group is well positioned to deliver on its value proposition to shareholders and stakeholders of the Company.

The Board supported the NC's recommendation that the current structure has the capabilities and leadership expected from them in spearheading the Group in the best interest of the Company, shareholders and its stakeholders.

Supply of Information

All the directors have access to any information pertaining to the Company and the Group including direct access to the management and the company secretary. The directors may also seek independent professional advice necessary in discharging their duties at the Company's expense but subject to prior approval by of the Board.

The Board is provided with meeting agendas and board papers at least 7 days before the meeting to enable them to participate actively in the meeting. The Board may also invite management who are not directors of the Company to provide explanations or to provide information on matters that may be raised by the directors in the meeting.

The minutes of meetings are kept at the registered office of the Company and are accessible by all directors during office working hours.

Company Secretaries

The Board is supported by a company secretary who has tertiary education and is qualified to act as company secretary under Section 235(2) of the Companies Act, 2016.

The company secretary is responsible for proper maintenance of secretarial records, preparation of resolutions and other secretarial functions of the Company. The company secretary attends all the Board, Board Committees and General meetings of the Company and records the minutes of the said meetings.

2. COMPOSITION OF THE BOARD

The Board of Directors consists of one (1) executive chairman, two (2) executive directors, four (4) independent non-executive directors and one (1) non-independent and non-executive director. Collectively, the directors have a good combination of experience as well as skills and knowledge in manufacturing, property development, operations, finance, law and general management.

The profile of each director is set out in the Directors' Profile section of this Annual Report.

The Company complies with the requirement of the MMLR of Bursa Securities where at least two (2) directors or one-third (1/3) of the Board members, whichever is higher are independent directors. The Company also complies with the MCCG that at least half of the Board are independent.

In the event of any vacancy in the Board, resulting in non-compliance with the total number of independent non-executive directors, the Company will ensure that the vacancy is filled within 3 months. If the number of directors is not 3 or a multiple of 3, then the number nearest to 1/3 will be used to determine the number of independent non-executive directors of the Company.

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

2. COMPOSITION OF THE BOARD (CONT'D)

Upon the recent assessment, the NC and the Board was satisfied with the independence of the current independent non-executive directors of the Company based on the following justifications:

i) All the independent non-executive directors complied with the MMLR of Bursa Securities;
ii) None of independent non-executive directors participated in any business dealings with the Group in FY2024;
iii) All the independent non-executive directors had no conflict of interest that could affect their independent judgement or ability to act in the best interest of the Company;
iv) All the independent non-executive directors had devoted sufficient time commitment in fulfilling their role as independent directors adequately in FY2024; and
v) All the independent non-executive directors had demonstrated objective participations in Board discussions.

Gender Diversity

The Board embraces gender diversity as essential combination to strengthen the composition of the Board. In this respect, the Board has established a policy to have at least one female director represented on the Board.

As at 30 June 2024, the Company complies with the requirement of the MMLR of Bursa Securities to have at least one female director on the Board.

Age and Ethnicity Diversity

As at 30 June 2024, the Company's boardroom comprised directors of diverse age and ethnicity as the Board believes that such composition is able to provide a different perspective and bring vibrancy to the Group's strategy and decision making process.

Tenure of Independent Directors

The Board does not have a policy that limits the tenure of its independent non-executive directors to 9 years. The Board however, adopts Practice 5.3 of the MCCG as any independent non-executive director who has served on the Board beyond 9 years will subject to annual shareholders' approval should the Board intends to retain the independent non-executive director beyond the 9 years.

Notwithstanding the above, the Board is mindful of the amended MMLR of Bursa Securities which now places an outright limit of 12 years on the tenure of independent non-executive director.

Re-elections and Appointments

In accordance with the Company's Constitution, 1/3 of the directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election. All the directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring director shall retain office until the close of the meeting at which he retires.

The NC had assessed the performance and contribution of each retiring directors namely Ng Keok Chai, Dato' Kang Chez Chiang and Dato' Pahlawan Mior Faridalathrash Bin Wahid who are seeking for re-election at the forthcoming annual general meeting ("AGM") and was satisfied therewith. The Board had endorsed the NC's recommendation to seek shareholders' approval for the re-election of the retiring directors at the forthcoming AGM of the Company.

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

2. COMPOSITION OF THE BOARD (CONT'D)

Re-elections and Appointments (Cont'd)

The retiring directors had abstained from deliberations and decisions on their respective re-election at the NC and Board meetings.

The NC also is tasked to assess and recommend new appointments to the Board. The Board will consider the recommendations of the NC and make its final decision as to the appointment.

Annual Assessments

The NC performs annual assessments to review the effectiveness of the Board as a whole, the Board Committees, the AC and its members, and makes its recommendations to the Board. Additionally, the NC also assesses the contributions of individual directors and the independence of the independent directors and makes their recommendations to the Board.

The assessment of the Board as a whole, Board Committees, the AC and its members are carried out by way of evaluation questionnaires. The responses are then compiled and presented to the NC for evaluation and consideration. The NC will evaluate and table its recommendations to the Board. The director's concern shall abstain from deliberating on his own assessment.

The assessments of directors and senior management are carried out by way of self-assessment questionnaires. The self-assessment questionnaires include amongst others the character, integrity, contributions in meetings, quality of input, and understanding of role, time commitment and so forth.

The NC met twice during the FY2024 and their summary of works are as follows:-

- Assessed the composition and effectiveness of the Board and Board Committees
- Assessed the contribution and performance of each individual directors
- Assessed the Directors due for retirement at the AGM
- Assessed the independence of the Independent Directors
- Assessed the effectiveness and objectivity of the AC and each of its members
- Assessed the trainings attended by the directors and the trainings required
- Assessed the boardroom skill matrix and diversity
- Assessed the effectiveness of Environmental, Social and Governance ("ESG") factors
- Assessed candidates for appointment as directors

Time Commitment

The Board has committed to meet at least 4 times a year with additional meetings to be held when need arises to consider urgent proposals or matters that required expeditious decision or deliberation of the Board. The Board also approves certain matters of the Company via circular resolutions to be signed by a majority of directors.

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

2. COMPOSITION OF THE BOARD (CONT'D)

During FY2024, a total of eight (8) meetings were held and the details of the directors' attendance are as follows:-

Directors	Number of Meetings Attended
Ng Keok Chai	8/8
Dato' Kang Chez Chiang	8/8
Krishnan A/L Dorairaju	8/8
Dato' Pahlawan Mior Faridalathrash Bin Wahid	8/8
Chong Seng Ming	7/8
Datuk Kuan Poh Huat	8/8
Datuk Aureen Jean Nonis	8/8
Lester Chin Kent Lake *(Appointed on 01 August 2023)*	7/7

Directors' Trainings

All the directors had attended the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Securities. In addition to the MAP, Board members are encouraged to attend structured training programmes conducted by professional firms or the regulatory authorities.

During FY2024, the trainings attended by the directors are as follows:

Directors	Seminar/Training Programmes Attended
Ng Keok Chai	1) MIA Webinar Series - Sustainability Reporting 2) Workshop on Materiality Reassessment and Climate Risks and Opportunities
Krishnan A/L Dorairaju	1) CTIM – Nasional Tax Conference 2023 2) MIA – Webinar Series : Latest Tax Cases 3) MIA – Webinar Series : Malaysian Taxation : An Advances Course - A Practical Guide on Tax Principles and Practice (Module 4: Advanced Subjects (II)) 4) CTIM – Essential Tax Updates in 2023 5) MIA – AMLA : Understanding Malaysia's AMLA/CFT Framework for Accountants & Auditors – with relevant Case Studies 6) CTIM – 2024 Budget Seminar at the Saujana Hotel 7) CTIM – Tax Deductible Expenses - Principle and Latest Development 8) CTIM – HASiI Tax Forum 2024 9) Mandatory Accreditation Programme Part II : Leading of Impact (LIP)
Datuk Aureen Jean Nonis	1) Mandatory Accreditation Programme (MAP) – ICDM In-Person Classroom
Dato' Kang Chez Chiang	1) Key Amendments to the Main Market Listing Requirements of Bursa Malaysi Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest and other amendments
Lester Chin Kent Lake	1) Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest and other amendments

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

2. COMPOSITION OF THE BOARD (CONT'D)

Directors' Trainings (Cont'd)

Save as disclose above, the other Directors did not attend any structured trainings during the financial year as they considered their business meetings, interactions with various business partners, and engagements through other directorships as adequate for supporting their duties on the Board.

3. REMUNERATION

The RC is empowered by the Board with the terms of reference to review and recommend the remunerations of the executive and non-executive directors. The director's concern shall abstain from deliberating on his own remuneration. The directors' fees and benefits as determined by the Board are subject to annual shareholders' approval at the AGM.

The RC, in discharging its duties will consider among others the executive directors' responsibilities, accomplishments and the financial performance of the Group before making its recommendations to the Board. The objective of the RC is to ensure that a competitive remuneration package is in place.

The RC also reviews the remuneration to be paid to non-executive directors based on their level of responsibilities and commitment required and makes its recommendations to the Board. The Board then determines and recommends the remuneration of the non-executive directors to shareholders for approval at the AGM of the Company.

The RC met once in FYE2024 to review and recommend the remunerations of executive and non-executive directors of the Company.

Details of the Directors' remuneration for FYE2024 are as follows:-

The Company	Fees RM	Salaries, bonus and other emoluments RM	Allowance RM	Benefits in kind RM	Total RM
Director					
Ng Keok Chai	-	181,886	-	17,400	199,286
Dato' Pahlawan Mior Faridalathrash Bin Wahid	-	76,046	-	8,800	84,846
Datuk Kuan Poh Huat	-	204,094	-	-	204,094
Krishnan A/L Dorairaju	54,000	-	5,000	-	59,000
Dato' Kang Chez Chiang	36,000	-	5,000	-	41,000
Chong Seng Ming	36,000	-	4,500	-	40,500
Datuk Aureen Jean Nonis	36,000	-	4,500	-	40,500
Lester Chin Kent Lake	33,000	-	3,000	-	36,000
Total	**195,000**	**462,026**	**22,000**	**26,200**	**705,226**

* *Inclusive of defined contribution plan*

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

3. REMUNERATION (CONT'D)

The Group	Fees RM	Salaries, bonus and other emoluments RM	Allowance RM	Benefits in kind RM	Total RM
Director					
Ng Keok Chai	-	303,143	-	17,400	320,543
Dato' Pahlawan Mior Faridalathrash Bin Wahid	-	126,743	-	8,800	135,543
Datuk Kuan Poh Huat		340,159		-	340,159
Krishnan A/L Dorairaju	54,000	-	5,000	-	59,000
Dato Kang Chez Chiang	36,000	-	5,000	-	41,000
Chong Seng Ming	36,000	-	4,500	-	40,500
Datuk Aureen Jean Nonis	36,000	-	4,500	-	40,500
Lester Chin Kent Lake	33,000	-	3,000	-	36,000
Total	**195,000**	**770,045**	**22,000**	**26,200**	**1,013,245**

* *Inclusive of defined contribution plan*

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT COMMITTEE

The AC was established to fulfill the principles of accountability, integrity and good corporate governance in assisting the Board independently to review and monitor the Group's financial, audit processes, statutory and regulatory compliances, corporate governance and other matters which the Board may delegate to them from time to time and when necessary.

As at 30 June 2024, the AC of the Company comprised wholly Independent Non-Executive Directors. The AC was chaired by Mr. Krishnan A/L Dorairaju, a member of the Malaysian Institute of Accountants.

The AC had held 6 meetings in FYE2024 and the summary of their activities including the internal audit functions are set out in the AC Report section of this Annual Report.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT COMMITTEE (CONT'D)

External Auditors

The Board maintains a formal and transparent relationship with the Company's external auditors. The external auditors report their audit findings including any other matters of concern arising from the audits of the Company and the Group. The AC will then report to the Board on matters that necessitate the Board's attention.

The current external auditors, Messrs. PKF PLT had confirmed to the AC that they had complied with the ethical requirements regarding independence with respect to the audit of the Company and its subsidiaries in accordance with the International of Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accountants' By-Laws on Professional Ethics, Conducts and Practice.

The AC, upon its recent annual assessment carried out, is satisfied with the work done, resources, size and independence of the existing external auditors and had recommended to the Board, their re-appointment at the Company's forthcoming AGM.

2. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management

The Board had set up a RMC with the objective to identify, manage and mitigate risk at an acceptable level and to safeguard the assets of the Group as well as the shareholders' interest.

The RMC reviews the adequacy of the Group's risk management framework, the processes of identifying, measuring and mitigating key risks in the Group's businesses and operations. The RMC reports directly to the Board.

The Board had received assurance from the management that the Group's risk management and internal control had been operating adequately in FYE2024.

Internal Audit Function

The Board acknowledges its responsibilities to maintain an appropriate system of internal control to safeguard shareholders' interests and the assets of the Group.

The Company had outsourced its internal audit function to an independent firm of professionals to audit and monitor the compliance of the Group's policies, procedures and the effectiveness of the Group's internal control systems. The internal auditors report directly to the Audit Committee.

Further details are set out in the Statement on Risk Management & Internal Control and AC Report sections of this Annual Report.

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

1. COMMUNICATION WITH STAKEHOLDERS

The Board had adopted a Corporate Disclosure Policy to ensure accurate and timely disclosures to the regulatory authorities, shareholders and stakeholders of the Company. This policy sets out the procedures for the Group to observe including but not limited to disclosures of information that conforms with the rules and regulations of Bursa Securities, press releases, updating the information published on the Company's websites and so forth.

All pertinent information is disseminated or communicated to shareholders, stakeholders and investment community through:-

- Announcements and disclosures to Bursa Securities
- Annual Report of the Company
- Circulars to Shareholders
- Press conferences and corporate briefings
- Company's website

A copy of the Corporate Disclosure Policy is available at the Company's website at www.classitaholdings.com

2. CONDUCT OF GENERAL MEETINGS

The Company's AGM is a vital forum for interactions with shareholders. The Annual Report of the Company together with the notice of AGM is sent to shareholders at least 28 days before the date of the AGM.

Each item of special business included in the notice of AGM will be accompanied by explanatory statement to facilitate a full understanding and evaluation of the proposed resolution. All the resolutions set out in the notice of meeting would be put to vote by poll.

The Board supports and encourages active shareholders' participation at AGM and any other general meetings. In accordance with the Company's Constitution, any member may appoint up to a maximum of 2 proxies to attend and vote on his behalf in any general meeting. The proxy need not be a member of the Company.

At the AGM of the Company, the Chairman will invite shareholders to raise questions pertaining to the proposed resolution which are to be addressed during the Q&A session and before putting the motion to vote by poll. Board members and senior management will be present to respond to any questions raised from members or proxies present. The Company's external auditors will also be present at the AGM to address issues relating to the audits and the auditors' reports.

Before the commencement of poll voting, the Company Secretary will brief members and proxies present on the poll voting procedures and instructions. The Polling Administrator will conduct the polling process and the Independent Scrutineer will undertake the vote counting verification.

The Company Secretary will announce the results of the poll and the outcome of the meeting to Bursa Securities via the Bursa LINK and the said announcement can also be accessed via the Company's website.

During FYE2024, the Company held 1 general meeting virtually through live streaming and online participation and voting using remote participation and voting ("RPV") facilities.

All the resolutions set out in the notice of the AGM dated 31 October 2023 and were voted upon by poll in accordance with Paragraph 8.29A of the MMLR of Bursa Securities using the RPV facilities.

This Statement is issued in accordance with a resolution of the Board dated 29 October 2024.

The Board of Directors ("The Board") of Classita Holdings Berhad ("Classita" or the "Company") is pleased to present the Audit Committee Report for the financial year ended 30 June 2024 in compliance with Paragraph 15.15 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities")

COMPOSITIONS

The current Audit Committee comprises of four (4) Directors, all of whom are Independent Non-Executive Directors. This is aligned with the Step-up Practice 9.4 of the Malaysian Code on Corporate Governance 2021 ("MCCG"), which emphasises that the Audit Committee should comprise solely of Independent Directors. Furthermore, the current composition of the Audit Committee adheres to Practice 1.4 of MCCG, as the Chairman of the Board no longer serves as a member of the Audit Committee.

In addition, The Audit Chairman, Mr. Krishnan A/L Dprairaju is a member of Malaysian Institution of Accountant ("MIA") to meets with the requirements of paragraph 15.09(1) (a) and (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Practice 8.1 of the Malaysian Code on Corporate Governance.

AUDIT COMMITTEE MEMBERS

The composition of the Audit Committee comprises only Independent Non-Executive Directors. The composition, including the name, designation and directorship of the members are as follows:

Names	Directorate
Krishnan A/L Dorairaju *(Chairman)*	Independent Non-Executive Director
Dato' Kang Chez Chiang	Independent Non-Executive Director
Chong Seng Ming	Independent Non-Executive Director
Datuk Aureen Jean Nonis	Independent Non-Executive Director

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee is available on the Company's corporate website at www.classitaholdings.com.

MEETINGS AND ATTENDANCE

The Audit Committee held six (6) meetings during the financial year ended 30 June 2024 and the details of attendance of each Audit Committee member is as follows:

Name of Audit Committee members	Number of Meetings Attended
Krishnan A/L Dorairaju *(Chairman)*	6/6
Dato' Kang Chez Chiang	6/6
Chong Seng Ming	5/6
Datuk Aureen Jean Nonis	6/6

MEETINGS AND ATTENDANCE (CONT'D)

The Group Chief Strategy Officer and Financial Controller normally attend the meetings to facilitate direct communication and provide clarification on audit issues, financial reports and operations of the Group.

The External Auditors, Messrs. PKF PLT had attended two (2) out of six (6) meetings held during the financial year 2024, the Audit Committee members held a private discussion with the external auditor without the presence of the Executive Directors and the Management of the Company.

Through an annual evaluation, the Board is satisfied that the Audit Committee and its members had discharged their functions, duties and responsibilities in accordance with its Terms of Reference during the financial year.

SUMMARY OF WORK OF AUDIT COMMITTEE

The works carried out by the Audit Committee in the discharge of its functions and duties during financial year 2024 are summarized as follows:-

1. Financial Reporting

a. On 30 August 2023, the Audit Committee reviewed the unaudited consolidated financial results for the financial period from 01 April 2023 to 30 June 2023 and recommended to the Board for approval.

b. On 20 October 2023, the Audit Committee reviewed the Company's annual audited financial statements for the financial year ended 30 June 2023 and recommended to the Board for approval.

c. On 28 November 2023, 21 February 2024 and 27 May 2024 respectively, the AC reviewed the unaudited consolidated financial results for the 1st, 2nd and 3rd quarters of the financial year ending 30 June 2024 and recommended to the Board for approval.

2. External Audit

a. On 30 August 2023, the Audit Committee reviewed with the External Auditors, the External Audit Review Memorandum.

b. On 20 October 2023, the Audit Committee reviewed with the External Auditors, the External Audit Review Memorandum in relation to the financial audits of the Company and the Group for the financial year ended 30 June 2023

c. On 30 August 2023, the Audit Committee held a private session with the External Auditors without the presence of the Executive Directors and the Management in relation to the External Audit Review Memorandum for the financial year ended 30 June 2023.

d. On 20 October 2023, the Audit Committee carried out the annual assessment on the performance of the External Auditors via a set of questionnaires. Based on the assessment, the Audit Committee was satisfied with amongst others their independence, adequacy of resources and experience to perform their duties in accordance with approved professional auditing standards and applicable regulatory and legal requirements and had recommended them to the Board for re-appointment as the Company's External Auditors for the ensuing year.

e. On 27 May 2024, the Audit Committee reviewed with the External Auditors, the External Audit Planning Memorandum for the financial year ending 30 June 2024 which include amongst others the engagement responsibilities and reporting responsibilities, the audit approach, areas of audit emphasis, legal updates, engagement team, proposed reporting schedule and proposed fees.

SUMMARY OF WORK OF AUDIT COMMITTEE (CONT'D)

2. External Audit

f. On 27 May 2024, the Audit Committee held a private session with the External Auditors without the presence of the Executive Directors and the Management in relation to the financial audits of the Company and the Group for financial year ending 30 June 2024.

3. Internal Audit

a. On 30 August 2023, the Internal Auditors reported to the Audit Committee, the Internal Auditors had carried out the internal audit on Human Resource Management of Classita (M) Sdn Bhd ("Classita M").

b. On 30 August 2023, the Internal Auditors reported the Audit Committee, the Risk Assessment Review Report of the Company.

c. On 30 August 2023, the Internal Auditors presented their Internal Audit Plan for financial year ending 30 June 2024.

d. On 21 February 2024, the Internal Auditors reported to the Audit Committee, the internal control system of the functional area covering manufacturing and sales of undergarment of Classita M.

e. On 27 May 2024, the Internal Auditor report the Audit Committee that Internal Auditors had performed a review to gauge the internal control environment of the Account Payable and Payment Process of Classita M.

d. On 27 May 2024, the Audit Committee invited Kloo Point Risk Management Services Sdn Bhd to present their Internal Audit Plan for the financial year ending 30 June 2025.

4. Related Party Transaction

a. At every quarterly meeting, the Audit Committee reviewed the report by the Management in respect of any recurrent related party transactions of revenue or trading nature to ensure all related party transactions were undertaken on an arm's length basis and on normal commercial terms, consistent with the Group's usual business practices and policies, which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

5. Conflict of Interest or Potential Conflict of Interest (COI)

a. At every quarterly meeting, the Audit Committee reviewed the COI or potential COI involving directors and key senior management of the Company and the measures taken to address COI and potential COI. During financial year ended 30 June 2024, there were no COI or potential COI.

6. Annual Report

a. On 27 October 2023, the Audit Committee reviewed the Statement on Risk Management and Internal Control and Audit Committee Report and recommended to the Board for inclusion in the annual report for financial year ended 30 June 2023.

INTERNAL AUDIT FUNCTION

The Company outsourced its internal audit function to an independent service provider to assist the Audit Committee in ensuring the adequacy and effectiveness of the Company's internal control systems. The Internal Auditors report directly to the Audit Committee.

For the financial year ended 30 June 2024, the Internal Auditors had reviewed the systems of internal control covering the following business processes:

Production Control

- Monitoring of material usage and outputs
- Scrap management
- Productivity control and measurement
- Awarding and monitoring jobs to subcontractors

Accounts Payable and payment process

- Authority limit & existence of segregation of duties
- Receiving of supplier invoices
- Review of Account Payables Ageing report
- Processing of invoices and recording of accounts payable
- Scheduling of payment
- Payment processing

The Internal Auditors had also carried out a risk assessment review and reported the business processes, identified risk descriptions, risk ratings, residual risks including the management actions for control effectiveness to the Audit Committee.

Total cost incurred for internal audit function in respect of financial year ended 30 June 2024 was RM32,000.

Further details on the systems of internal control are set out in the Statement on Risk Management and Internal Control of this Annual Report.

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1.1 AUDIT AND NON-AUDIT FEE

The amount of audit fees and non-audit fees paid or payable to the external auditors or a firm or corporation affiliated to the auditor firm by the Company and the Group for the financial year ended 30 June 2024 is as follows:

	Group (RM'000)	Company (RM'000)
Audit Fees	228	78
Non-audit Fees	18	7
Non-audit fees paid or payable to an affiliated firm of the external auditors for tax compliance and tax advisory services	31	4
Total	**277**	**89**

1.2 MATERIAL CONTRACTS

During the financial year, there were no material contracts (not being contracts entered into the ordinary course of business) entered by the Company or its subsidiaries involving the interests of the Directors and major shareholders.

1.3 RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The RRPT entered by the Group during financial year ended 30 June 2024 are disclosed in the Financial Statements.

1.4 UTILISATION OF PROCEEDS

Right Issue Exercise

On 14 July 2023, the Company has completed a Rights Issue of 880,529,260 new ordinary shares at an issue price of RM0.10 each and raised a total gross proceed of approximately RM88.05 million. The amount utilised as at 30 June 2024 are set out as follows:-

	Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance of Proceeds RM'000	Expected Timeframe for Utilisation
(i)	Funding for the property development and construction business	83,000	(5,018)	77,982	Within 48 months
(ii)	Working capital	3,953	(3,953)	-	Within 24 months
(iii)	Estimated expenses for the Rights Issue	1,100	(1,100)	-	Immediately
	Total	**88,053**	**(10,071)**	**77,982**	

1.5 REVALUATION POLICY ON LANDED PROPERTIES

The Group applied revaluation model under Malaysia Financial Reporting Standards ("MFRS") 116 Property, Plant and Equipment, to measure the landed properties.

The Group's landed properties, comprising freehold and leasehold land, factory buildings and residential properties were last revalued on 30 June 2024. Valuation will be performed at an interval of every five (5) years or at a shorter period to ensure that the fair value of a revalued asset does not differ materially from its carrying value.

1. INTRODUCTION

The Board of Directors of Classita Holdings Berhad ("the Board") is pleased to present this Statement on Risk Management and Internal Control ("SORMIC" or "This Statement") which outlines the nature of risk management and internal controls within Classita Holdings Berhad ("the Group") for the financial year ended 30 June 2024.

This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements and guided by the "Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers" issued by Bursa Securities. Risk management and internal controls are integrated into the management processes and embedded in all business activities within the Group.

This Statement on Risk Management and Internal Control does not deal with associate companies as the Group does not have management control over their operations.

2. THE BOARD'S RESPONSIBILITIES

The Group is led by the Board. The Board affirms its responsibility for overseeing and ensuring a sound system of risk management and internal control for the Group. Such a system covers controls on the financial aspects and matters relating to operational, investment, risk management and compliance with applicable laws, regulations, and guidelines. Effective risk management helps the Group achieve optimal performance and profitability targets by incorporating risk information for decision making. The Board has delegated the responsibilities of risk management and governance to the respective Board Committees to ensure independent oversight of internal controls and risk management. The Board is cognizant of the importance of an integrated approach to manage key risks in achieving the Group's business objectives. The Board also recognises the fact that internal control systems are designed to manage and minimise rather than eliminate and avoid occurrences of materials misstatements, unforeseeable circumstances, fraud or losses.

The Group consistently includes the deliberation of key risk issues, regulatory compliance matters, and operational concerns of all subsidiaries, Subsidiary Board, Board Committee and Board meetings that are convened quarterly.

3. RISK MANAGEMENT FRAMEWORK

Classita Group has established an on-going risk management commitment to identify, assess and evaluate risks, its likelihood and its impact. Thereafter, proper preventive measures will be taken to manage every potential risk that could be exposed to Classita Group. The risk management policy and framework is established to incorporate, amongst others the following activities:-

- To identify various risk factors (financial and non-financial) that could potentially have significant impact on Classita Group's success and continuity;
- To establish a risk coverage policy and to rank each of these risks according to its impact;
- To assess each of these risks (using the risk factors and relative weight) on Classita Group's core business lines, i.e. manufacture and sale of undergarment products, retail sales and property development and construction);
- To establish an overall risk profile and priority the respective risk accordingly;
- To establish an overall audit plan that covers all key risk areas;
- To conduct reviews on control activities of high-risk areas;
- To evaluate the control activities and to provide appropriate opinion to enhance the system of internal control;
- To monitor the changes in business condition, environment and operating style; and
- To evaluate if there is any changes to the risks identified earlier against the internal control system.

4. INTERNAL AUDIT FUNCTION

During the financial year under review, Classita Group has engaged an independent consultancy firm, to review and evaluate the internal control system of Classita Group. The external consultant has provided their independent opinion on the effectiveness and efficiency of Classita Group's system and report directly to the Audit Committee members ("AC") on their internal audit findings.

During the financial year ended 30 June 2024, the Group's internal audit function is outsourced to Kloo Point Risk Management Services Sdn Bhd. The scope of the internal audit focused on the Production control and Accounts payable and payment process by the internal audit company. The AC received the internal audit report on the findings with the comments from operational heads of the respective departments under audit. These internal audit reports were tabled during the AC meetings for review and to ensure that the necessary corrective actions are implemented. Updates on the status of action plans as identified in the previous internal audit reports were also presented to the AC for review and deliberation.

During the financial year ended 30 June 2024, a number of internal control weaknesses have been identified and all of which have been or are being addressed by the Management. None of the weaknesses has resulted any material losses, contingencies or uncertainties that require to be disclosed in this Annual Report. The cost of internal audit function for the financial year ended 30 June 2024 was approximately RM32,000 (2023: RM16,000, Newly appointed).

5. KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

Classita Group's risk management and internal control system have the following key elements:-

- The Board of Directors has put in place an organisation structure, which formally defines lines of responsibility, accountability and delegation of authority to the various divisions of Classita Group's business.

- Internal control procedures in respect of the manufacturing segment are set out in a series of standard operating policies and procedures. These procedures are subject to regular review and improvement to reflect any emerging risk or to resolve operational deficiencies, and where appropriate, to ensure compliance with the Worldwide Responsible Accreditation Production ("WRAP") and Business Social Compliance Initiative ("BSCI") certification.

- Risk Management, internal controls and standard operating policies and procedures set out for Property Development and Construction segment are preparation of the Feasibility Study Report for each identified project which shall include the profitability and cash flow analysis, conducting study on statutory requirements and compliances, and market survey before adopting any project identified.

- Management reports are prepared at each subsidiary level on a monthly basis.

- Quarterly performance reports with comprehensive information on financial performance and key business indicators are deliberated at the AC and RMC meetings and thereafter tabled to the Board of Directors' Meeting for consideration and approval.

- The AC and RMC and the Board of Directors are committed to identify any significant risks faced by Classita Group and shall assess the adequacy of financial and operational controls in place to address these risks.

- The AC and RMC will review the external auditors' recommendations on internal controls arising from the statutory audit.

5. KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Classita Group's risk management and internal control system have the following key elements:- (Cont'd)

- The AC and RMC holds meetings to deliberate on the findings and recommendations for improvement presented by both the internal and external auditors on Classita Group's internal control system and to report the AC and RMC's deliberation to the Board of Directors during the Board of Directors' Meeting. As part of the ongoing control improvement process, the Management will take appropriate actions to address the control recommendations made by the internal and external auditors. None of the internal control weaknesses identified during the financial year ended 30 June 2024 has resulted any material losses, contingencies or uncertainties that require to be disclosed in this Annual Report.

- The Board of Directors and the Management convened several meetings during the financial year ended 30 June 2024 in order to assess the performance and controls at operational level.

6. REVIEW BY EXTERNAL AUDITORS

As required under Paragraph 15.23 of MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants.

Based on the procedures performed, the external auditors has reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal control intended to be included in the Annual Report was not prepared, in all material respects, in accordance with the disclosure required under paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

AAPG 3 does not require the external auditor to consider whether the Directors' Statement on Risk Management and Internal Control cover all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management

7 CONCLUSION

For the financial year ended 30 June 2024, the Board has actively monitored and reviewed the risk management practices and effectiveness of the internal control structure, base on the adopted framework, which includes processes for identifying, evaluating and managing significant risks faced by the Group. This is an ongoing process that includes the enhancement of the relevant key internal controls when there are changes in the business environment.

The Board is also assisted by Management in the implementation of policies and procedures on risks and control. This includes identifying risk control measures to address relevant risks affecting the Company.

The Board has received assurance that Company's current risk management framework and internal control structure is operating adequately and effectively in all material aspects, based on the current risk management and internal control system of the Group. Where weaknesses are identified, rectification steps have been put in place.

Based on the assurances provided and with the implementation of a risk management framework as well as the adoption of an internal control system, the Board is of the opinion that the risk management and internal control system for the year under review, up to the date of the issuance of the Group's financial statements, are adequate and effective in safeguarding the investments of shareholder and the interests of all stakeholders.

This statement was made in accordance with the resolution of the Board dated 29 October 2024.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board is required by the Companies Act, 2016 to prepare financial statements for each financial year for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and of the results and cashflows for the period then ended. In preparing the financial statements, the Directors had:

- Applied appropriate approved accounting standards consistently,
- Made judgements and estimates that are reasonable and prudent,
- Prepared financial statements on a going concern basis.

The Directors had ensured the Company maintains proper accounting records which disclose with reasonable accuracy the financial position of the Group to enable them to ensure that the financial statements comply with the Companies Act, 2016. The Directors also had taken steps that are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement is issued in accordance with a resolution of the Directors dated 29 October 2024.

FINANCIAL STATEMENTS

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 14 to the financial statements.

RESULTS

	Group RM	Company RM
Loss for the financial year attributable to:		
Owners of the Company	(3,017,160)	(32,393,299)
Non-controlling interests	(176,839)	-
	(3,193,999)	(32,393,299)

RESERVES AND PROVISIONS

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

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial period. The Directors do not recommend any dividend payment in respect of the current financial year.

DIRECTORS

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

Ng Keok Chai
Krishnan A/L Dorairaju
Dato' Kang Chez Chiang
Chong Seng Ming
Dato' Pahlawan Mior Faridalathrash Bin Wahid
Datuk Kuan Poh Huat
Datuk Aureen Jean Nonis
Lester Chin Kent Lake

The names of the Directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who are already listed above are:

Choo Peng Hung

DIRECTORS' INTERESTS IN SHARES

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and its related corporations during the financial year ended 30 June 2024 as recorded in the Register of Directors' shareholdings kept by the Company under Section 59 of the Companies Act, 2016 in Malaysia, were as follows:

	Number of Warrant C			
	Balance as at 1.7.2023	**Bought**	**Sold**	**Balance as at 30.6.2024**
In the Company Direct interest				
Ng Keok Chai	-	33,394,800	-	33,394,800

Other than as disclosed above, none of all the Directors at the end of the financial year held any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of previous financial period, no Director of the Company have received nor become entitled to receive any benefit (other than a benefit included in aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for those disclosed in Note 30 to the financial statements.

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

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company amounted to RM1,259,504 and RM852,981 (including benefits-in kind) respectively as disclosed in Note 6 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITOR

The Company maintains a liability insurance paid amounted to RM9,000 which provide appropriate insurance cover for the Directors and officers of the Company and its subsidiaries.

No other indemnity has been given or insurance premium paid by the Company and its subsidiaries, during the financial year, for any person who is or has been Director, officer and auditors of the Company and its subsidiaries.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary share of the Company increased from 352,211,704 to 1,232,758,464 by way issuance of 17,500 new ordinary shares pursuant to RM2,800 of Warrant B exercised at an exercise price RM0.16 each for cash and 880,529,260 new ordinary shares ("Rights Shares") pursuant to RM86,828,862 of right issue at an exercise price of RM0.10 each.

ISSUE OF SHARES AND DEBENTURES (CONT'D)

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

OTHER STATUTORY INFORMATION

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

(i) proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts and that adequate provision had been made for doubtful debts; and

(ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

(i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts inadequate to any substantial extent; or

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

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

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

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

SIGNIFICANT EVENTS

Details of significant events during the financial year are disclosed in Note 40 to the financial statements.

AUDITORS

The auditors, Messrs PKF PLT, have indicated their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2024 amounted to RM228,000 and RM78,000 respectively.

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

NG KEOK CHAI	**DATUK KUAN POH HUAT**

Kuala Lumpur

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the accompanying financial statements as set out on pages 79 to 165 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2024 and of their financial performances and their cash flows for the financial year ended on that date.

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

NG KEOK CHAI

DATUK KUAN POH HUAT

Kuala Lumpur

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

I, CHOO YEN WAH, being the Primary Officer responsible for the financial management of CLASSITA HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements as set out on pages 79 to 165 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960 in Malaysia.

Subscribed and solemnly declared by the)
above-named at Kuala Lumpur in)
Wilayah Persekutuan on)

CHOO YEN WAH
Financial Controller

Before me,

COMMISSIONER FOR OATHS

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CLASSITA HOLDINGS BERHAD which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policies as set out on pages 79 to 165.

In our opinion, the accompanying financial statements give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2024, and of their financial performances and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters (Cont'd)

(i) Net realisable value of inventories of property development costs and completed development units

(Refer to Notes 1(d)(iv), 2(k) and 16 to the financial statements)

The Group has significant property development cost (consists of land cost) and completed development units amounted to RM68,106,060 as its inventories. These inventories are stated at the lower of cost and net realisable value. As of 30 June 2024, property development cost (consists of land) and completed development units are stated at cost and net realisable value as follows:

	RM
At cost:	
Property development costs	39,563,777
Completed development units	11,892,349
	51,456,126
At net realisable value	
Property development costs	6,919,934
Completed development units	9,730,000
	16,649,934
Total	68,106,060

The Directors have further written down the inventories of completed development units amounted to RM459,426 during the financial year.

We focus on this area as the assessment of net realisable value of property development cost (consists of land cost) and completed development units, which considered as an area that involves significant judgement. The determination of the estimated net realisable value of this property development cost (consists of land cost) and completed development units are critically dependent upon the Group's expectations of future selling prices and the recoverable amount of the property development cost, substantially made up of land costs.

Our procedures included:

(a) Reviewed the appropriateness of the management's estimation of the recoverable amount of the property development costs and completed development units;
(b) Assessed the work of the independent valuer on the appropriateness of the valuation method, adjusting factors and assumptions used by the valuer; and
(c) Assessed the objectivity, independence, reputation, experience and expertise of the independent valuers.

Key Audit Matters (Cont'd)

(ii) Impairment of trade receivables

(Refer to Notes 1(d)(v), 2(g)(i), 2(n) and 17 to the financial statements)

Impairment of trade receivables is an area of focus in the audit as there are variables that involved significant judgement when assessing the expected credit losses of trade receivables. The trade receivables' expected credit losses are estimated using provision matrix, which is based on the Group's historical observed default rates and forward-looking information. During the current financial year, a net impairment of RM490,357 was recorded, leading to a total impairment of RM14,389,136 against trade receivable balances of RM22,360,607 as of the financial year ended on 30 June 2024.

The Group has assessed the recoverability of the trade receivables by considering the possibility of impairment due to defaulted outstanding and collectively on it credit risk. Since the trade receivables impairment assessment involved judgement and assumptions, and substantial impairment of trade receivables are deemed key audit matters.

Our procedures included:

(a) Reviewed of Management's assessment of impairment loss of receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable;
(b) Reviewed of subsequent collections of major trade receivable balances to determine the validity and collectability of receivables as at financial period end; and
(c) Assessed on the expected credit losses ("ECL") model and key assumptions made by the management.

(iii) Recoverability on amounts owing by subsidiaries

(Refer to Notes 2(g)(i) and 17 to the financial statements)

The gross carrying amount of the amounts owing by subsidiaries amounted to RM60,717,468 as of 30 June 2024 which the Directors had made an impairment of RM31,885,847. The Company carries significant amounts owing by subsidiaries which subject to a high credit risk exposure. As part of our audit to test Management's assessment of the recoverability of the amount owing by subsidiaries.

Our procedures included:

(a) Assessed whether the amounts owing by subsidiaries are recoverable and key assumptions made by management; and
(b) Assessed whether financial statements disclosures are adequate and appropriately reflect the Company's exposure to credit risk, arising from subsidiary companies.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors are responsible for the other information. The other information comprises the Corporate Governance Overview Statement, Risk Management and Audit Committee Report, Statement on Risk Management and Internal Control in Relation to the Financial Statements and Directors' 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.

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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 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 the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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: (Cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. 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 and the Company to cease to continue as going concerns.

- 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 represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

OTHER MATTERS

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

PKF PLT
202206000012 (LLP0030836-LCA) & AF0911
CHARTERED ACCOUNTANTS

NG CHEW PEI
03373/06/2026 J
CHARTERED ACCOUNTANT

Kuala Lumpur

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Revenue	3	50,494,764	44,787,875	-	-
Cost of sales	4	(43,613,891)	(43,332,794)	-	-
Gross profit		6,880,873	1,455,081	-	-
Other operating income	5	4,967,492	2,257,986	3,072,382	1,455,656
Bargain purchase		281,298	-	-	-
Selling and distribution costs		(632,960)	(1,297,488)	-	-
Administrative expenses		(11,586,662)	(18,004,661)	(3,052,023)	(2,717,945)
Net (loss)/gain on impairment of financial assets		(1,291,015)	6,880,601	(31,885,847)	-
Loss from operations		(1,380,974)	(8,708,481)	(31,865,488)	(1,262,289)
Finance costs	7	(475,888)	(785,997)	-	-
Loss before tax for the year	8	(1,856,862)	(9,494,478)	(31,865,488)	(1,262,289)
Tax (expenses)/income	9	(1,337,137)	144,026	(527,811)	3,330
Loss after tax for the year		(3,193,999)	(9,350,452)	(32,393,299)	(1,258,959)
Other comprehensive income:					
Transfer from revaluation reserve		95,924	102,812	-	-
Foreign currency translation		(208,965)	254,718	-	-
Total comprehensive loss for the financial year		(3,307,040)	(8,992,922)	(32,393,299)	(1,258,959)
Loss attributable to:					
Owners of the Company		(3,017,160)	(9,115,904)		
Non-controlling interests	22	(176,839)	(234,548)		
		(3,193,999)	(9,350,452)		
Total comprehensive loss attributable to:					
Owners of the Company		(3,062,304)	(8,860,261)		
Non-controlling interests	22	(244,736)	(132,661)		
		(3,307,040)	(8,992,922)		
Earning per share (sen)					
– Basic	10	(0.91)	(3.23)		
– Diluted	10	(0.91)	(3.23)		

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

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	11	29,194,804	27,074,128	130,829	179,494
Right-of-use assets	12	190,757	277,504	-	-
Investment properties	13	8,100,000	9,093,678	-	4,250,000
Investment in subsidiaries	14	-	-	49,532,014	45,127,326
Goodwill	15	2,255,140	2,255,140	-	-
		39,740,701	38,700,450	49,662,843	49,556,820
Current assets					
Inventories	16	75,959,160	73,870,629	-	-
Receivables, deposits and prepayments	17	15,190,803	9,966,135	28,945,499	54,391,254
Tax recoverable		1,538,783	1,262,779	-	17,425
Fixed deposit with licensed banks	18	70,279,890	-	70,279,890	-
Cash and bank balances	19	14,936,504	81,105,273	11,351,411	73,308,042
		177,905,140	166,204,816	110,576,800	127,716,721
TOTAL ASSETS		217,645,841	204,905,266	160,239,643	177,273,541
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	20	191,499,782	104,668,120	191,499,782	104,668,120
Other reserves	21	12,861,676	13,098,668	1,851,511	1,851,511
Accumulated losses		(15,081,836)	(12,522,595)	(37,441,841)	(5,048,542)
		189,279,622	105,244,193	155,909,452	101,471,089
Non-controlling interests	22	756,161	1,462,892	-	-
Total equity		190,035,783	106,707,085	155,909,452	101,471,089

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

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-current liabilities					
Lease liabilities	23	61,508	192,658	-	-
Term loans	24	5,053,547	6,838,976	-	-
Deferred tax liabilities	25	5,679,367	5,447,994	-	147,214
		10,794,422	12,479,628	-	147,214
Current liabilities					
Payables and accrued liabilities	26	14,358,785	83,591,501	4,001,241	75,655,238
Contract liabilities	27	374,123	374,123	-	-
Provisions	28	258,354	258,354	-	-
Tax payable		404,422	-	328,950	-
Lease liabilities	23	142,545	70,348	-	-
Term loans	24	1,277,407	1,270,566	-	-
Short term bank borrowings:	29				
– Bank overdrafts		-	153,661	-	-
		16,815,636	85,718,553	4,330,191	75,655,238
Total liabilities		27,610,058	98,198,181	4,330,191	75,802,452
TOTAL EQUITY AND LIABILITIES		217,645,841	204,905,266	160,239,643	177,273,541

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

		Equity attributable to the owners of the parent							
	Note	Share capital RM	Reserve on consolidated RM	Revaluation reserve RM	Foreign translation reserve RM	Retained profits/ (Accumulated losses) RM	Total RM	Non-Controlling interests RM	Total equity RM
Group									
At 30 June 2022		71,778,935	80,344	10,464,138	-	(3,509,503)	78,813,914	-	78,813,914
Exercise of warrants	20	32,889,185	-	-	-	-	32,889,185	-	32,889,185
Loss for the financial year		-	-	-	-	(9,115,904)	(9,115,904)	(234,548)	(9,350,452)
Acquisition of subsidiaries	14	-	-	-	-	-	-	1,595,553	1,595,553
Revaluation surplus (net of tax)		-	-	2,504,167	-	-	2,504,167	-	2,504,167
Transfer of reserve		-	-	(102,812)	-	102,812	-	-	-
Foreign currency translation		-	-	-	152,831	-	152,831	101,887	254,718
At 30 June 2023		104,668,120	80,344	12,865,493	152,831	(12,522,595)	105,244,193	1,462,892	106,707,085
Exercise of warrants	20	2,800	-	-	-	-	2,800	-	2,800
Right issue		86,828,862	-	-	-	-	86,828,862	-	86,828,862
Increase in stake in subsidiary		-	-	-	-	361,995	361,995	(461,995)	(100,000)
Loss for the financial year		-	-	-	-	(3,017,160)	(3,017,160)	(176,839)	(3,193,999)
Transfer of reserve		-	-	(95,924)	-	95,924	-	-	-
Foreign currency translation		-	-	-	(141,068)	-	(141,068)	(67,897)	(208,965)
At 30 June 2024		191,499,782	80,344	12,769,569	11,763	(15,081,836)	189,279,622	756,161	190,035,783

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

	Note	Share capital RM	Non-distributable Revaluation reserve RM	Distributable Retained profits/ (Accumulated losses) RM	Total equity RM
Company					
At 30 June 2022		71,778,935	1,851,511	(3,789,583)	69,840,863
Exercise of warrants	20	32,889,185	-	-	32,889,185
Total comprehensive loss for the financial period		-	-	(1,258,959)	(1,258,959)
At 30 June 2023		104,668,120	1,851,511	(5,048,542)	101,471,089
Exercise of warrants	20	2,800	-	-	2,800
Right issue	20	86,828,862	-	-	86,828,862
Total comprehensive loss for the financial year		-	-	(32,393,299)	(32,393,299)
At 30 June 2024		191,499,782	1,851,511	(37,441,841)	155,909,452

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

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2024 RM
Cash flows from operating activities					
Loss before tax		(1,856,862)	(9,494,478)	(31,865,488)	(1,262,289)
Adjustments for:					
Bargain purchase		(281,298)	-	-	-
Depreciation of property, plant and equipment		1,021,034	874,560	52,581	29,016
Depreciation of right-of-use assets		86,747	86,748	-	-
Depreciation of investment property		27,105	56,322	-	-
(Gain)/Loss on disposal of					
– Property, plant and equipment		(80,000)	(10,000)	-	-
– Investment properties		150,000	-	150,000	-
Impairment loss on investment in subsidiaries		-	-	195,312	-
Impairment loss on amount owing by subsidiaries		-	-	31,885,847	-
Impairment loss on receivables		1,478,553	185,162	-	-
Reversal of impairment loss on receivables		(187,538)	(7,065,763)	-	-
(Reversal of provision)/ provision for liquidated ascertained damages		-	(19,047)	-	-
Interest expense		433,853	731,499	-	-
Interest income		(2,941,241)	(84,214)	(2,936,736)	-
Inventories written down		2,113,509	8,163,598	-	-
Fair value changes in investment properties		(639,152)	(150,000)	-	(150,000)
Waiver of debts		-	(1,185,756)	-	(1,185,756)
Unrealised foreign exchange loss/(gain)		331,471	(374,788)	-	-
Operating loss before working capital changes		(343,819)	(8,286,157)	(2,518,484)	(2,569,029)
Increase in inventories		(4,202,040)	(5,793,557)	-	-
(Increase)/Decrease in receivables		(6,723,020)	7,287,947	416,854	(399,961)
(Decrease)/Increase in payables		(69,236,274)	57,164,780	(72,999,561)	73,896,781
Increase in Housing Development Accounts		(3,903)	(3,473)	-	-
Cash generated (used in)/ from operations		(80,509,056)	50,369,540	(75,101,191)	70,927,791
Interest paid		(11,900)	(196,580)	-	-
Real property gain tax paid		(245,096)	-	(245,096)	-
Tax paid		(749,675)	(1,443,910)	(100,979)	-
Tax refunded		17,425	-	17,425	-
Net cash (used in)/from operating activities		(81,498,302)	48,729,050	(75,429,841)	70,927,791

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

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2024 RM
Cash flows from investing activities					
Acquisition for property, plant and equipment		(3,148,974)	(1,462,266)	(3,916)	(157,908)
Acquisition of investment property		(250,000)	-	-	-
Acquisition of subsidiaries		(2,224,388)	(15,833,753)	(4,600,000)	(18,500,100)
Proceeds from disposals of property, plant and equipment		80,000	10,000	-	-
Proceeds from disposals of investment property		4,100,000	-	4,100,000	-
Interest received		2,941,241	84,214	2,936,736	-
Net cash from/(used in) investing activities		1,497,879	(17,201,805)	2,432,820	(18,658,008)
Cash flows from financing activities					
Withdrawal of deposits with licensed banks		-	3,196,829	-	-
Net changes in short term bank borrowings	(ii)	-	(1,880,141)	-	-
Repayments of term loans	(ii)	(1,778,588)	(1,837,450)	-	-
Repayments of lease liabilities	(ii)	(58,953)	(67,861)	-	-
Repayments to a Director	(ii)	-	(300,137)	-	-
Advance to subsidiaries		-	-	(6,856,946)	(13,509,414)
Interest paid		(421,953)	(534,919)	-	-
Issuance of warrants		2,800	-	2,800	-
Issuance of right issue		86,828,862	32,889,185	86,828,862	32,889,185
Advance from a subsidiary		-	-	1,345,564	1,350,809
Net cash from financing activities		84,572,168	31,465,506	81,320,280	20,730,580
Net increase in cash and cash equivalents		4,571,745	62,992,751	8,323,259	73,000,363
Cash and cash equivalents at 1 July		80,530,700	16,944,069	73,308,042	307,679
Effect of exchange rate changes		(310,866)	593,880	-	-
Cash and cash equivalents at 30 June	(i)	84,791,579	80,530,700	81,631,301	73,308,042

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

Notes:

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2024 RM
Cash and bank balances	19	14,936,504	81,105,273	11,351,411	73,308,042
Deposits with licensed bank more than 3 months		70,279,890	-	70,279,890	-
		85,216,394	81,105,273	81,631,301	73,308,042
Less: Bank overdrafts	29	-	(153,661)	-	-
Less: Bank balances held under Housing Development Account	19	(424,815)	(420,912)	-	-
		84,791,579	80,530,700	81,631,301	73,308,042

(ii) Reconciliation of liabilities arising from financing activities:

	1 July 2023/2022 RM	Cash flows RM	30 June RM
2024			
Group			
Lease liabilities	263,006	(58,953)	204,053
Term loans	8,109,542	(1,778,588)	6,330,954
	8,372,548	(1,837,541)	6,535,007
Company			
Amount owing to a subsidiary	1,350,809	1,345,564	2,696,37
2023			
Group			
Lease liabilities	330,867	(67,861)	263,006
Term loans	9,946,992	(1,837,450)	8,109,542
Short term bank borrowings (excluding bank overdrafts)	1,880,141	(1,880,141)	-
Amount owing to a director	300,137	(300,137)	-
	12,458,137	(4,085,589)	8,372,548
Company			
Amount owing to a subsidiary	-	1,350,809	1,350,809

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

1. BASIS OF PREPARATION

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

The accompanying financial statements have been prepared assuming that the Group and the Company will continue as going concerns which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

These financial statements are presented in the Ringgit Malaysia ("RM"), which is the Group's and the Company's functional and presentation currency.

(a) Standards issued and effective

On 1 July 2023, the Company has adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2023:

Description

- Amendments to MFRS 101, *Presentation of Financial Statements:* Classifications of Liabilities as Current or Non-current
- Amendments to MFRS 101 Presentation of Financial Statements: Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to MFSR 112, Income Tax: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Directors expect that the adoption of the new and amended MFRS above have no impact on the financial statements of the Group and of the Company.

(b) Standards issued but not yet effective

Certain new accounting standards and interpretations have been issued but not yet effective for 30 June 2024 reporting periods and have not been early adopted by the Group and the Company. These standards are not expected to have a material impact on the Group and the Company in the current or future reporting periods.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise as indicated in the material accounting policies.

1 GENERAL INFORMATION (CONT'D)

(d) Significant accounting estimates and judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(i) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(ii) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful life and related depreciation charges for property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful life and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Write-down of Inventories

- Property development project

  The Group writes down the inventories to their net realisable values based on the estimated selling prices by reference to recent sales transactions of similar properties or comparable properties in similar or nearby locations net of the estimated cost necessary to complete the sale. The estimation of the selling price in particular is subject to significant inherent uncertainties, in particular the property market.

1 GENERAL INFORMATION (CONT'D)

(d) Significant accounting estimates and judgements (Cont'd)

(iv) Write-down of Inventories (Cont'd)

- Property development project (Cont'd)

  Whilst the Directors exercise due care and attention to make reasonable estimates, taking into account all available information in estimating the selling price and the related cost to complete the sale, the estimates will, in all likelihood, differ from the actual transactions achieved in future periods and these differences may, in certain circumstances, be significant.

- Others inventories

  Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

  The economic uncertainties have impacted and may continue to impact selling prices and the saleability of inventories. When future events differ from current expectations, the carrying amounts of unsold inventories may have to be written down or written back in future financial periods.

(v) Provision for Expected Credit Losses ("ECLs") of Trade Receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting period and the corresponding historical credit losses experienced within this period.

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 on macroeconomic factors affecting the ability of the customers to settle the receivables. The historical observed default rates are updated and changes in the forward-looking estimates are analysed at every end of the reporting period.

(vi) Deferred Tax Assets and Liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the end of the reporting year. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the statements of financial position date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

1 GENERAL INFORMATION (CONT'D)

(d) Significant accounting estimates and judgements (Cont'd)

(vii) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating units to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying amount of goodwill.

(viii) Recognition of Property Development Profits

When the outcome of the development activity can be estimated reliably and the sale of the development unit is affected, the Group recognises property development profits and costs by reference to the progress towards complete satisfaction of the development activity at the reporting date. The progress towards complete satisfaction is determined based on the proportion that the property development costs incurred to-date over the estimated total costs for the property development.

When the outcome of a development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recovered and the property development costs on the development units sold are recognised when incurred.

Significant judgement is required in the estimation of the progress towards complete satisfaction and the total property development costs. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

The economic uncertainties have resulted in an even higher level of estimation uncertainty to the inputs and assumptions used in the estimation of total property development costs and total property development profits.

(ix) Classification between Investment Properties and Owner-occupied Properties

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

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

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

1 GENERAL INFORMATION (CONT'D)

(d) Significant accounting estimates and judgements (Cont'd)

(x) Carrying Amount of Investment in Subsidiaries

Investments in subsidiaries are reviewed for impairment annually in accordance with its accounting policy as disclosed in Note 2(g)(ii) to the financial statements, or whenever events or changes in circumstances indicate that the carrying amount's may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying amount of investments in subsidiaries.

The economic uncertainties have resulted in an even higher level of estimation uncertainty to the inputs and assumptions used in the calculation of value-in-use. Cash flows projected based on those inputs of assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than expected.

(xi) Leases

(a) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(b) Incremental borrowing rate of leases

In determining the incremental borrowing rate, the Group uses recent third-party financing received by the Group as a starting point and makes adjustments specific to the lease, for e.g. terms.

2. MATERIAL ACCOUNTING POLICIES

The Group and the Company adopted Amendments to MFRS101, Presentation of Financial Statements – Disclosure of Accounting Policies for the first time in 2024. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

The material accounting policies adopted by the Group and the Company are consistent with those in the previous financial years unless otherwise stated.

Certain immaterial accounting policies have been voluntarily disclosed to ensure completeness in the financial statements of the Group and of the Company.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return. Potential voting rights are considered when assessing control only when such rights are substantive.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit and loss and the other comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so caused the non-controlling interests to have a deficit balance.

(iv) Transactions with non-controlling interests

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners.

On acquisition of non-controlling interest, the difference between the consideration and the Group's share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associates and jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

(i) Functional and presentation currency

The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

(ii) Foreign currencies transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Group and the Company are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in the profit or loss except for exchange differences arising on monetary items that form part of the Group's and the Company's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the profit and loss of the Group and of the Company on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Foreign currencies (Cont'd)

(ii) Foreign currencies transactions (Cont'd)

The principal exchange rates for every unit of foreign currency ruling used at reporting date are as follows:

	2024 RM	2023 RM
Assets		
1 United States Dollar	4.7195	4.6650
1 Euro	5.0461	5.0564
100 Indonesian Rupiah	0.0288	0.0311
Liabilities		
1 United States Dollar	4.7195	4.6650
1 Euro	5.0461	5.0564
100 Indonesian Rupiah	0.0288	0.0311
100 Hong Kong Dollars	60.4533	59.5352
100 Chinese Renminbi	64.9300	64.2000

(c) Revenue and other income

(i) Sales of goods – Original Equipment Manufacturer ("OEM")

The Group sells a range of undergarment under OEM and general manufacturing a range of undergarments in the export market. Revenue is recognised at the point in time when control of the asset is transferred to the customer, being when the products are delivered. The normal credit term range from cash on delivery to 75 days from delivery.

The undergarments are often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 75 days.

Trade receivables are recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Sales of goods – direct selling and retail

The Group sells a range of undergarments, garments, leather goods, sportswear and household products to departmental stores and licensed distributors. Revenue is recognised at a point in time when control of the asset is transferred, being when the products are delivered to the end customer. The contract price is variable for different contracts as the revenue is recognised based on the assets price, net of returns and discounts. The normal credit term is cash on delivery to 60 days from delivery.

No element of financing is deemed present as the sales are made with credit term ranging from cash on delivery to 60 days, which is consistent with the market practice.

Trade receivables are recognised when the goods are delivered as this is the point in time that consideration is unconditional because only the passage of time required before the payment is due.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Revenue and other income (Cont'd)

(iii) Property development

(a) Project in progress

The Group develops and sells properties. Revenue is recognised based on the actual property development costs incurred relative to the estimated total property development costs to be incurred which excluded cost of land held for development.

The Group recognises revenue over time of unit sold using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects. Payment of transaction price is due when each stage of the developing property is certified by qualified architect.

The customer pays the amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payment received exceed the services rendered, a contract liability is recognised.

(b) Completed development units

The Group recognises revenue at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

(iv) Interest income

Interest income is recognised using the effective interest method.

(v) Rental income

Rental income is recognised on the accrual basis unless collection is in doubt.

(d) Employee benefits expense

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group's and the Company's contribution to defined contribution plans are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further liability in respect of the defined contribution plans.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sales.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(f) Tax expense

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the assets, which 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12-months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance amount.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

(ii) Non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Impairment (Cont'd)

(ii) Non-financial assets (Cont'd)

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units ("CGUs")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income and equity. In this case the impairment is also recognised in other comprehensive income and equity up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(h) Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable hat future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

All items of property, plant and equipment are initially recorded at cost. Costs include purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bring the asset to working condition for its intended use, and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

Other than freehold land and buildings, subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment, if any.

Subsequent to recognition, property, plant and equipment whose fair value can be measured reliablyare measured at a revalued amount, being their fair value at the date of the revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Property, plant and equipment (Cont'd)

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Depreciation is based on the cost of an asset less its residual value. Significant components of assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Freehold land has an indefinite useful life and therefore is not depreciated.

Capital work-in-progress is not depreciated as these assets are not available for use. Depreciation will commence on these assets when they are ready for their intended use.

Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful life of the assets at the following annual rates:

Buildings	3%
Plant and machinery	10%
Furniture, fittings, equipment and renovations	5% – 20%
Motor vehicles	20%

The residual values and useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised. Upon the disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

The gain or loss arising from derecognition of the asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

(i) Investment properties

Investment properties, comprising principally land and office building, is held for long term rental yields or for capital appreciation or both, and an insignificant portion is occupied by the Group and the Company for own production or supply of goods or services or for administrative purposes.

Investment property is measured initially at its cost, including related transaction costs.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Investment properties (Cont'd)

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Valuations are performed as of the reporting date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions that market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group and the Company dispose of a property at fair value in an arm's length transaction, the carrying amount immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss as a net gain/loss from fair value adjustment on investment property.

If an item of owner-occupied property becomes an investment property because its use had changed, any difference resulting between carrying amount and the fair value of such a property at the date of transfer is treated in the same way as a revaluation under MFRS 116, Property, Plant and Equipment. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase credited directly to other comprehensive income in revaluation surplus reserve. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus reserve, with any remaining decrease charged to profit or loss. On subsequent disposal of the investment property, the revaluation surplus included in equity is transferred to retained profits.

(j) Leases

(i) Initial recognition and measurement

(a) As a lessee

The Group recognised right-of-use asset and lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises as follows:
- the initial amount of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) Leases (Cont'd)

(i) Initial recognition and measurement (Cont'd)

(a) As a lessee (Cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Variable lease payments that do not depends on an index or a rate are excluded from lease liability and right-of-use asset and recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) As a lessor

Leases for which the Group is a lessor are classified as finance or operating leases.

Leases which transfer substantially all of the risks and rewards incidental to ownership of the underlying asset is a finance lease; if not, then it is an operating lease.

The Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the investment in the lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(ii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) Leases (Cont'd)

(ii) Subsequent measurement (Cont'd)

(a) As a lessee

The carrying amount of lease liability is subsequently increased by interest on the lease liability and reduced by lease payments made. It is remeasured when there is a change in lease term, assessment of an option to purchase the underlying asset, future lease payments arising from the change in an index or rate, the Group's estimate of the amount expected to be payable under a residual value guarantee or in-substance fixed lease payments.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

Finance income from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease whereas lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

(i) Inventory properties

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction;
- Planning and design costs, costs of site preparation, professional fees for legal services, title transfer legal fee, construction overheads and other related costs; and
- Compensation claim.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sales.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Inventories (Cont'd)

(i) Inventory properties (Cont'd)

Inventory properties under construction are referred to as property development costs and comprise the cost of land, direct building costs and a share of development costs common to the entire development project where applicable. Once sold, the cost of these inventories is recognised in profit or loss as and when control passes to the respective customers.

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

Inventory properties where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle are referred to as land held for development and classified within non-current assets. Generally, no significant development work would have been undertaken on these lands other than infrastructure work, earth work and landscape work incurred to prepare the land for development and these inventory properties are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development. These inventory properties are classified to current assets at the point when active development project activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Inventories of raw materials, work in progress and finished goods

Cost of purchased inventory (determined on the weighted average cost method) comprises cost of purchase and cost of bringing the inventories to their present condition and location. Costs of purchased inventory are determined after deducting rebates, discounts and the amount of SST. Cost of work in progress and finished goods (determined on the weighted average cost method) includes cost of direct materials, direct labour and an appropriate proportion of production overheads.

(l) Contract assets/(liabilities)

Contract assets are the right to consideration for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue earned over the billings to-date.

When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract liabilities are the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer. In the case of property development and construction contracts, contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include downpayments received from customers and other deferred income where the Company has billed or has collected the payment before the goods are delivered or services are provided to the customers.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Goodwill on consolidation

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

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

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2(b) to the financial statements.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Group and are recorded in RM at the rates prevailing at the date of acquisition.

(n) Financial assets

(i) Initial recognition and measurement

Financial assets are recognised when, and only when, the Group and the Company become party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

A trade receivable without a significant financing component is initially measured at the transaction price.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Financial assets (Cont'd)

(ii) Subsequent measurement

The Group and the Company classify its financial assets in the following measurement those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortised costs

Financial asset is measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income from financial asset measured at amortised cost is recognised in profit or loss using the effective interest method. Any gain or loss on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gain and losses.

(iii) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company has transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, deposits held at call with financial institutions, other short term and highly liquid investments with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(p) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group and the Company becomes party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measures a financial liability at its fair value plus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue of the financial liability.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(p) Financial liabilities (Cont'd)

(ii) Subsequent measurement

All financial liabilities are measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

The Company has issued corporate guarantee to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make the required repayments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher amount determined in accordance with MFRS 137, Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

(iv) Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liability assumed, is recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(q) Provision

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability and the present value of the expenditure expected to be required to settle the obligation.

(r) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as contingent liability, unless the possibility of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the possibility outflow of economic benefits is remote.

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one of more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statement of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(s) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(t) Earning per ordinary share

The Group presents basic and diluted earning per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS 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, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(u) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised from equity in the period in which they are declared.

(v) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market which must be accessible to by the Group and the Company.

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

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categories into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer.

3. REVENUE

The revenue of the Group and of the Company consists of the following:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contract customers	50,494,764	44,787,875	-	-

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by primary major goods or services, geographical market and timing of revenue recognition.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contract customers				
Finished goods:				
– Direct sales and retail	221	2,969,199	-	-
– Manufacturing and export	45,784,093	44,278,792	-	-
– Property development	4,650,450	(2,460,116)	-	-
Investment holding				
– Rental income	60,000	-	-	-
	50,494,764	44,787,875	-	-
Geographical markets				
Malaysia	5,575,592	1,076,471	-	-
United States of America	6,537,522	1,422,857	-	-
Canada	2,925,772	6,430,783	-	-
Germany	28,729,376	31,404,004	-	-
France	906,166	905,864	-	-
Hong Kong	1,298,863	3,023,955	-	-
Myanmar	8,616	7,050	-	-
Czech	690,339	-	-	-
Turkey	2,872,422	-	-	-
Netherlands	235,470	-	-	-
Other countries	714,626	516,891	-	-
	50,494,764	44,787,875	-	-
Timing of revenue recognition				
At a point in time	47,724,764	44,787,875	-	-
Overtime	2,770,000	-	-	-
At a point in time	50,494,764	44,787,875	-	-

4. COST OF SALES

	Group	
	2024	**2023**
	RM	**RM**
Property development costs	3,974,017	1,283,119
Cost of finished goods sold	39,639,874	42,049,675
	43,613,891	43,332,794

5. OTHER OPERATING INCOME

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Rental income	579,519	135,560	138,319	119,900
Waiver of debts	-	1,185,756	-	1,185,756
Fair value changes in investment properties	639,152	150,000	-	150,000
Accommodation	98,145	111,155	-	-
Interest income	2,941,241	84,214	2,936,736	-
Gain on disposal of property, plant and equipment	80,000	10,000	-	-
Gain on disposal of investment property	-	-	(150,000)	-
Realised foreign exchange gain	239,699	175,748	-	-
Unrealised foreign exchange gain	-	374,788	-	-
Other income	389,736	30,765	147,327	-
	4,967,492	2,257,986	3,072,382	1,455,656

6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Staff costs:				
– salaries, wages and bonus	9,569,493	12,356,918	708,159	341,773
– defined contribution plan and social security contribution	853,502	1,053,136	97,726	26,239
– other short term employee benefits	822,272	1,068,446	6,093	4,731
Total staff costs	11,245,267	14,478,500	811,978	372,743
Executive Directors:				
– fees	-	84,000	-	84,000
– allowances	-	1,000	-	1,000
– salaries and bonus	708,000	298,135	424,800	50,643
– defined contribution plan and social security contribution	62,045	23,405	37,226	3,855
	770,045	406,540	462,026	139,498
Non-executive Directors:				
– fees	195,000	129,000	195,000	129,000
– allowances	22,000	12,500	22,000	12,500
	217,000	141,500	217,000	141,500
Director of subsidiaries:				
– salaries and bonus	210,000	-	126,000	-
– defined contribution plan and social security contribution	36,259	-	21,755	-
	246,259	-	147,755	-
Total Directors' remuneration	1,233,304	548,040	826,781	280,998
Total employee benefits expense	12,478,571	15,026,540	1,638,759	653,741
Monetary value of benefits-in-kind given to certain Directors	26,200	15,000	26,200	-

7. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Term loan interests	412,135	458,734	-	-
Overdraft interests	11,900	196,580	-	-
Lease liability interests	9,818	12,373	-	-
Interests on other borrowings	-	63,812	-	-
Total interest expense	433,853	731,499	-	-
Commitment fees	42,035	54,498	-	-
	475,888	785,997	-	-

8. LOSS BEFORE TAX

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loss before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
– Current	228,000	222,000	78,000	78,000
– Underprovision in prior year	7,000	-	-	
Other non-statutory services	13,000	18,000	-	7,000
Inventories written down	2,113,509	8,163,598	-	-
Impairment loss on				
– Trade receivables	1,478,553	185,162	-	-
– Amount owing by subsidiaries	-	-	31,885,847	-
Reversal of impairment loss on receivables	(187,538)	(7,065,763)	-	-
Gain on disposal of plant, property and equipment	(80,000)	(10,000)	-	-
Loss on disposal of investment properties	150,000	-	150,000	-
Depreciation of property, plant and equipment	1,021,034	874,560	52,581	29,016
Depreciation of right-of-use assets	86,747	86,748	-	-
Depreciation of investment property	27,105	56,322	-	-
(Reversal of provision)/ Provision for liquidated ascertained damages	-	(19,047)	-	-
Interest income	(2,941,241)	(84,214)	(2,936,736)	-
Interest expense	433,853	731,499	-	-
Impairment loss on investment in a subsidiary	-	-	195,312	-
Fair value changes in investment properties	(639,152)	(150,000)	-	(150,000)
Rental expenses	224,250	492,825	-	-
Rental income	(579,519)	(135,560)	(138,319)	(119,900)
Waiver of debts	-	(1,185,756)	-	(1,185,756)
Unrealised foreign exchange gain	331,471	(374,788)	-	-
Realised foreign exchange gain	(239,699)	(175,748)	-	-

9. TAX EXPENSES/(INCOME)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax:				
– current year	836,715	121,271	428,950	-
– underprovision in prior year	23,953	-	979	-
	860,668	121,271	429,929	-
Crystallisation of revaluation reserve	(33,325)	(33,385)	-	-
Real property gain tax	245,096	-	245,096	-
Deferred tax				
– current year	80,651	(376,599)	(147,214)	7,500
– under/(over) provision in prior year	184,047	144,687	-	(10,830)
	476,469	(265,297)	97,882	(3,330)
	1,337,137	(144,026)	527,811	(3,330)

Reconciliation of tax expense

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loss before tax	(1,856,862)	(9,494,478)	(31,865,488)	(1,262,289)
Tax calculated at statutory tax rate of 24%	(445,648)	(2,278,675)	(7,647,717)	(302,949)
Non-deductible expenses	475,492	854,654	7,386,846	338,949
Non-taxable income	(107,846)	(11,956)	-	-
Effect of changes in tax rate	542,607	(28,500)	542,607	(28,500)
Crystallisation of revaluation reserve	(33,325)	(33,385)	-	-
Utilisation of deferred tax asset not recognised	452,761	1,209,149	-	-
	884,041	(288,713)	281,736	7,500
Real property gain tax	245,096	-	245,096	-
Underprovision of current tax in prior year	23,953	-	979	-
Under/(Over)provision of deferred tax in prior year	184,047	144,687	-	(10,830)
	1,337,137	(144,026)	527,811	(3,330)

The Group has unutilised tax losses and unabsorbed capital allowance amounted to RM21,596,453 and RM787,060 (2023: RM22,361,010 and RM1,123,605) respectively for set off against future taxable profits.

9. TAX EXPENSES/(INCOME) (CONT'D)

The unutilised tax losses can be carried forward for a period of 10 year of assessment ("YA") to set against future profits as follows:

	RM	Utilised Up to
YA 2020	2,984,735	YA 2030
YA 2021	1,742,899	YA 2031
YA 2022	2,542,744	YA 2032
YA 2023	13,322,824	YA 2033
YA 2024	913,617	YA 2034
	21,506,819	

10. EARNING PER SHARE

Basic/Diluted earning per share of the Group is calculated by dividing net loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

Basic loss per share

	Group	
	2024	**2023**
Net loss for the financial year attributable to owners of the Company (RM)	(3,017,160)	(9,115,904)
Weighted average number of ordinary shares in issue (units)	332,888,151	281,836,667
Basic earning per share (sen)	(0.91)	(3.23)

There is no diluted loss per share disclosed as there were no dilutive potential ordinary shares.

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Capital work-in progress RM	Total RM
2024							
Group							
Cost/Valuation							
At 1 July 2023	10,040,000	14,573,555	8,779,321	7,471,153	1,372,390	2,602,156	44,838,575
Acquisition of subsidiaries	-	-	-	93,230	-	-	93,230
Additions	-	-	449,767	859,449	259,118	1,580,640	3,148,974
Disposal	-	-	-	-	(292,350)	-	(292,350)
Effect of foreign translation difference	-	-	(54,613)	(3,322)	-	-	(57,935)
At 30 June	10,040,000	14,573,555	9,174,475	8,420,510	1,339,158	4,182,796	47,730,494
Accumulated depreciation							
At 1 July 2023	-	2,488,555	7,824,124	6,531,920	919,848	-	17,764,447
Acquisition of subsidiaries	-	-	-	51,141	-	-	51,141
Charge for the year	-	407,369	175,331	297,179	141,155	-	1,021,034
Disposal	-	-	-	-	(292,350)	-	(292,350)
Effect of foreign translation difference	-	-	(8,046)	(536)	-	-	(8,582)
At 30 June	-	2,895,924	7,991,409	6,879,704	768,653	-	18,535,690
Carrying amount							
At 30 June	10,040,000	11,677,631	1,183,066	1,540,806	570,505	4,182,796	29,194,804
Representing:							
At cost	-	-	1,183,066	1,540,806	570,505	4,182,796	7,477,173
At valuation	10,040,000	11,677,631	-	-	-	-	21,717,631
	10,040,000	11,677,631	1,183,066	1,540,806	570,505	4,182,796	29,194,804

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

	Freehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Capital work-in progress RM	Total RM
2023							
Group							
Cost/Valuation							
At 1 July 2023	7,630,000	14,291,099	8,037,163	7,124,584	1,163,471	2,584,481	40,830,798
Acquisition of subsidiary (Note 14)	-	-	-	98,478	-	-	98,478
Additions	-	-	742,158	248,091	454,342	17,675	1,462,266
Disposals	-	-	-	-	(245,423)	-	(245,423)
Revaluation	2,410,000	282,456	-	-	-	-	2,692,456
At 30 June	10,040,000	14,573,555	8,779,321	7,471,153	1,372,390	2,602,156	44,838,575
Accumulated depreciation							
At 1 July 2022	-	2,076,213	7,652,985	6,194,482	1,140,395	-	17,064,075
Acquisition of subsidiary (Note 14)	-	-	-	71,235	-	-	71,235
Charge for the year	-	412,342	171,139	266,203	24,876	-	874,560
Disposal	-	-	-	-	(245,423)	-	(245,423)
At 30 June	-	2,488,555	7,824,124	6,531,920	919,848	-	17,764,447
Carrying amount							
At 30 June	10,040,000	12,085,000	955,197	939,233	452,542	2,602,156	27,074,128
Representing:							
At cost	-	-	955,197	939,233	452,542	2,602,156	4,949,128
At valuation	10,040,000	12,085,000	-	-	-	-	22,125,000
	10,040,000	12,085,000	955,197	939,233	452,542	2,602,156	27,074,128

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

	Furniture, fittings and equipment RM	Motor vehicle RM	Total RM
Company			
2024			
Cost			
At 1 July 2023	602,331	157,908	760,239
Addition	3,916	-	3,916
At 30 June	606,247	157,908	764,155
Accumulated depreciation			
At 1 July 2023	572,849	7,896	580,745
Charge for the year	21,000	31,581	52,581
At 30 June	593,849	39,477	633,326
Carrying amount			
At 30 June	12,398	118,431	130,829
2023			
Cost			
At 1 July 2022	602,331	-	602,331
Addition	-	157,908	157,908
At 30 June	602,331	157,908	760,239
Accumulated depreciation			
At 1 July 2022	551,729	-	551,729
Charge for the year	21,120	7,896	29,016
At 30 June	572,849	7,896	580,745
Carrying amount			
At 30 June	29,482	150,012	179,494

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

(a) The land and buildings of the Group were last revalued on 30 June 2023, 18 and 21 August 2023 based on valuations carried out by an external independent professional valuers as follow:

Description	**Valuation method**	**Valuation amount RM**
Freehold land	Comparison method	10,040,000
Buildings	Comparison method	12,085,000
		22,125,000

(b) The carrying amount of the land and buildings that would have been included in the financial statements, had these assets been carried at cost less accumulated depreciation and impairment losses are as follows:

	Group	
	2024 RM	**2023 RM**
Freehold land	1,019,735	1,019,735
Buildings	8,437,997	8,985,061
	9,457,732	10,004,796

Carrying amount of property, plant and equipment pledged as securities for the borrowings of the Group as disclosed in Note 24 to the financial statements are RM21,537,631 (2023: RM21,945,000).

(c) Capital work-in-progress of the Group represents a hotel property under construction, with the intention to be managed by the subsidiary upon completion.

12. RIGHT-OF-USE ASSETS

	2024 RM	2023 RM
Group		
Motor vehicles		
Cost		
At 1 July 2023/30 June	433,738	433,738
Accumulated depreciation		
At 1 July 2023/2022	156,234	69,486
Charge for the year	86,747	86,748
At 30 June	242,981	156,234
Carrying amount		
At 30 June	190,757	277,504

The Group leases various of assets which are motor vehicles, plant and machinery and furniture, fitting and equipment. The contract terms ranging from 3 to 7 years (2023: 3 to 7 years) that may not come together with an extension option of renewal of contract which ranging from 3 to 7 years.

The Group has entered into finance lease arrangement in acquiring the asset as disclosed in Note 23 to the financial statements with a carrying amount of the asset amounted to RM190,757 (2023: RM277,504).

13. INVESTMENT PROPERTIES

	Freehold land RM	Leasehold building RM	Freehold building RM	Total RM
Group				
2024				
At fair value				
At 1 July 2023	3,304,805	5,845,195	-	9,150,000
Acquisition of subsidiary (Note 14)	-	-	2,710,500	2,710,500
Addition	-	250,000	-	250,000
Disposal	(3,304,805)	(945,195)	-	(4,250,000)
Effect of changes in accounts policies	-	(50,000)	289,500	239,500
At 30 June	-	5,100,000	3,000,000	8,100,000
Accumulated depreciation				
At 1 July 2023	-	56,322	-	56,322
Acquisition of subsidiary (Note 14)	-	-	316,225	316,225
Charge for the year	-	-	27,105	27,105
Effect of changes in accounts policies	-	(56,322)	(343,330)	(399,652)
At 30 June	-	-	-	-
At fair value				
At 30 June	-	5,100,000	3,000,000	8,100,000

13. INVESTMENT PROPERTIES (CONT'D)

	Freehold land RM	Leasehold building RM	Total RM
Group			
2023			
At cost/fair value			
At 1 July 2022	2,900,000	1,200,000	4,100,00
Acquisition of subsidiary (Note 14)	-	4,900,000	4,900,000
Fair value adjustment	404,805	(254,805)	150,000
At 30 June	3,304,805	5,845,195	9,150,000
Accumulated depreciation			
At 1 July 2022	-	-	-
Charge for the year	-	56,322	56,322
At 30 June	-	56,322	56,322
Carrying amount			
At 30 June	3,304,805	5,788,873	9,093,678
Representing:			
At cost	-	4,843,678	4,843,678
At fair value	3,304,805	945,195	4,250,000
	3,304,805	5,788,873	9,093,678
Company			
2024			
At cost/fair value			
At 1 July 2023	3,304,805	945,195	4,250,000
Disposal	(3,304,805)	(945,195)	(4,250,000)
At 30 June	-	-	-
At fair value			
At 30 June 2024	-	-	-
At 30 June 2023	3,304,805	945,195	4,250,000

13. INVESTMENT PROPERTIES (CONT'D)

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Recognised in profit or loss:				
Rental income from investment properties	117,543	135,560	138,319	119,900
Depreciation of investment property	27,105	56,322	-	-
Direct operating expenses relating to investment properties that generate rental income	(61,525)	(19,715)	(26,218)	(19,715)

The investment properties of the Group and of the Company are stated at fair value of RM8,100,000 and RMNil (2023: RM9,150,000 and RM4,250,000) respectively based on valuations (using comparison valuation method) carried out by an independent professional valuer on 28 June 2024.

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2024	**2023**
	RM	**RM**
Unquoted shares at cost	80,704,586	6,204,486
Addition	4,600,000	18,500,100
	85,304,586	80,704,586
Less: Impairment loss		
At 1 July 2023	(35,577,260)	(35,577,260)
Addition	(195,312)	-
At 30 June	(35,772,572)	(35,577,260)
Carrying amount	49,532,014	45,127,326

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries which are incorporated in Malaysia, are as follows:

Name of Subsidiaries	Percentage of equity (%) 2024	2023	Principal activities
Caely (M) Sdn. Bhd.	100	100	Property development and construction activities, property management, direct sales, trading and consignment sales of fabric face masks, personal protective equipment, medical products, undergarments, garments, leather goods, sportswear and household products and retail sales of undergarments and garments.
Classita (M) Sdn. Bhd.	100	100	Manufacture and sales of undergarments.
Marywah Industries (M) Sdn. Bhd.	100	100	Manufacture and sales of undergarments, related raw materials, protective facial mask and personal protective equipment.
Caely Development Sdn. Bhd.	100	100	Dormant.
Caely Ecommerce Sdn. Bhd.	100	100	Supply and selling via online for all kinds of garments, clothes, scarf, pharmaceutical products, cosmetic, skincare & personal care products.
Kepayang Heights Sdn. Bhd.	100	97.24	Business of property development and construction.
Longhorn Capital Sdn. Bhd.	100	100	Investment holdings.
Firstwide Success Sdn. Bhd.	100	-	Investment holdings.
Classita Capital Sdn. Bhd.	100	-	Dormant.
Subsidiary of Classita (M) Sdn. Bhd.			
PT Classita Indonesia Intimates*	60	60	Manufacture and sales of undergarments.

** Not audited by PKF PLT*

14.1 Impairment of investment in subsidiaries

<u>In the current reporting year</u>

The Directors performed an impairment test on the investment in subsidiaries as those subsidiaries had been persistently making losses.

A further impairment of RM195,312 was recognised in the investment in subsidiaries. The recoverable amount of the investment has been determined based on the fair value less cost of disposal using the net assets of each subsidiary. The amount of impairment loss has been recognised under "Administrative expenses" line item in the Company's statement of comprehensive income for the financial year end 30 June 2024.

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

14.1 Impairment of investment in subsidiaries (Cont'd)

In the previous reporting year

The Directors performed an impairment test on the investment in subsidiaries as those subsidiaries had been persistently making losses.

No impairment of investment in subsidiaries for the current year.

14.2 Acquisition of subsidiaries

In the current reporting year

(i) On 8 January 2024, the Company had incorporated a new subsidiary, Classita Capital Sdn. Bhd., with paid-up capital amounted to RM2. The Company had fully subscribed the shares issued by Classita Capital Sdn. Bhd..

On 18 January 2024, Classita Capital Sdn. Bhd. increased its share capital to 2,000,000 ordinary shares of RM1.00 each, by issuance of an additional 1,999,998 ordinary shares of RM1.00 for the working capital purpose and the share capital had fully subscribed by the Company.

(ii) On 8 January 2024 The Company had entered into a share sales agreement with KHSB to acquire the remaining balance of 2,843,000 ordinary shares with total cash consideration of RM100,000. KHSB become a 100% owned subsidiary of the Company on 8 January 2024.

(iii) On 23 February 2024, the Company had acquired a new subsidiary named Firstwide Success Sdn. Bhd. ("FWSB") and has entered into a share sales agreement to acquire 2,700,100 ordinary shares in FWSB which represents 100% of the entire issued and paid-up share capital in FWSB for a total cash consideration of RM2,500,000. FWSB become a 100% owned subsidiary of the Company on 23 February 2024.

Consideration transferred for acquisition of subsidiary

	Group 2024 RM	Company 2024 RM
Fair value of consideration transferred		
Purchase consideration in cash	4,224,388	4,600,000

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

14.2 Acquisition of subsidiaries (Cont'd)

In the current reporting year (Cont'd)

Identifiable assets acquired and liabilities assumed

	Firstwide Success Sdn. Bhd. RM
2024	
Fair value recognised on acquisition	
Net assets as at date of acquisition:	
Property, plant and equipment	42,089
Investment property	2,394,275
Deposits and prepayment	1,270
Cash and bank balances	375,612
Non-trade creditors	(31,948)
	2,781,298
Bargain purchase	(281,298)
Cash outflow for acquisition	2,500,000
Less: Cash and bank balances	(375,612)
Cash outflow on acquisition	2,124,388
Increase in stake of acquiring Firstwide Success Sdn. Bhd.	100,000
	2,224,388

In the previous reporting year

(i) On 1 November 2022, the Company had acquired a new subsidiary named Kepayang Heights Sdn. Bhd. ("KHSB") and has entered into a share sales agreement with Harvest Miracle Capital Berhad to acquire 100,000 ordinary shares in KHSB which represents 3.4% of the entire issued and paid-up share capital in KHSB for a total cash consideration of RM17,000,000. The Company had entered into a subscription agreement with KHSB for the issuance and allotment of 100,000,000 ordinary shares in KHSB representing 97.14% of the enlarge total number of issued shares in KHSB for a total subscription price of RM1,500,000. KHSB become a 97.24% owned subsidiary of the Company on 9 December 2022.

(ii) On 29 May 2023, the Company had entered into a shares sales agreement to acquire 500,000 ordinary shares representing 100% of the equity interest in Longhorn Capital Sdn Bhd for a total consideration of RM100. The acquisition was completed on 16 June 2023.

(iii) On 7 December 2022, Classita (M) Sdn Bhd, a subsidiary of the Company, had subscribed 6,000 ordinary shares representing 60% of the equity interests in PT Classita Indonesia Intimates for a total cash consideration of IDR6,000,000 (approximately RM1,699,490).

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

14.2 Acquisition of subsidiaries (Cont'd)

In the previous reporting year (Cont'd)

Consideration transferred for acquisition of subsidiaries.

	Group 2024 RM	Company 2023 RM
Fair value of consideration transferred		
Purchase consideration in cash	20,199,590	18,500,100

Identifiable assets acquired and liabilities assumed

	Kepayang Heights Sdn. Bhd. RM	Longhorn Capital Sdn. Bhd. RM	PT Classita Indonesia Intimates RM	Total RM
2023				
Fair value recognised on acquisition				
Net assets as at date of acquisition:				
Property, plant and equipment	27,243	-	-	27,243
Investment properties	-	4,900,000	-	4,900,000
Land held for development	18,500,000	-	-	18,500,000
Inventories	1,143,977	-	-	1,143,977
Non-trade receivables	300	800	-	1,100
Cash and bank balances	1,500,275	33,078	2,832,484	4,365,837
Non-trade payables and accruals	(330,320)	(4,985,755)	-	(5,316,075)
Deferred tax liability	(4,082,079)	-	-	(4,082,079)
	16,759,396	(51,877)	2,832,484	19,540,003
Non-controlling interests	(462,559)	-	(1,132,994)	(1,595,553)
Goodwill	2,203,163	51,977	-	2,255,140
Cash outflow for acquisition	18,500,000	100	1,699,490	20,199,590
Less: Cash and bank balances	(1,500,275)	(33,078)	(2,832,484)	(4,365,837)
Net cash outflow/(inflow) on acquisition	16,999,725	(32,978)	(1,132,994)	15,833,753

15. GOODWILL

	Group 2024 RM	Group 2023 RM
Arising from acquisition of subsidiaries	2,255,140	2,255,140

The goodwill arose from the acquisition of the new subsidiaries in previous financial year which the amounted RM2,203,163 for Kepayang Heights Sdn. Bhd. and RM51,977 for Longhorn Capital Sdn. Bhd.

Impairment test for goodwill

At the reporting date, the Company conducted an impairment review on goodwill in accordance with MFRS 136 Impairment of Assets. The Directors' assessment of the recoverable amount of the goodwill is based on the fair value less cost of disposal of cash generating unit ("CGU").

The recoverable amount of the respective subsidiaries is higher than goodwill generated as a result there were no impairment made for goodwill. The management estimating the fair value, which is the net assets of the subsidiaries as there is no readily available market value, less cost of disposal of these subsidiaries.

16. INVENTORIES

	Note	Group 2024 RM	Group 2023 RM
At cost:			
Property development costs	(a)	39,563,777	38,682,337
Completed development units		11,892,349	9,910,027
Raw materials		5,475,167	4,188,363
Work in progress		1,313,935	692,410
Finished goods		723,390	2,601,047
		58,968,618	56,074,184
At net realisable value			
Property development costs	(a)	6,919,934	6,926,430
Completed development units		9,730,000	10,581,700
Finished goods		338,608	288,315
		16,988,542	17,796,445
Total		75,959,160	73,870,629
Recognised in profit or loss:			
Inventories recognised as cost of sales		43,248,947	43,332,794
Inventories written down:			
– completed development units		459,426	-
– property development cost		-	7,818,625
– finished goods		1,654,083	344,973

16. INVENTORIES (CONT'D)

The following inventories have been charged to banks to partially secure the borrowings referred to Note 24 to the financial statements below:

	Group 2024 RM	Group 2023 RM
Completed development units	4,417,868	3,516,805

(a) Property development costs

	Group 2024 RM	Group 2023 RM
At cost/net realisable value		
At 1 July 2023		
Leasehold land	35,324,405	26,324,405
Development costs	10,284,362	18,116,813
	45,608,767	44,441,218
Costs incurred during the financial year:		
– Land costs	64,120	9,000,000
– Development costs	810,824	(13,826)
– Costs recognised in profit and loss in current financial year	-	(7,818,625)
At 30 June	46,483,711	45,608,767

Property development costs are analysed as follows:

	Group 2024 RM	Group 2023 RM
At cost		
Leasehold land	35,388,525	35,324,405
Development costs	4,175,252	3,357,932
	39,563,777	38,682,337
At net realisable value		
Development costs	6,919,934	6,926,430
	46,483,711	45,608,767

A total of 88 (2023: 88) sub-divided titles to the property development leasehold land of the Group have yet to be registered in the name of the Group as the titles have yet to be issued by the relevant authority as of 30 June 2024.

Included in leasehold land as at 30 June 2024 is a piece of land purchased from an abandoned project. The Group has redeemed the master land title and is in the process of transferring the ownership back to the Group.

17. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2024 RM
Trade receivables	(a)	22,360,607	18,832,341	-	-
Less: Impairment		(14,389,136)	(13,898,779)	-	-
		7,971,471	4,933,562	-	-
Non-trade receivables	(b)	2,521,846	2,646,356	93,815	-
Less: Impairment		(837,628)	(837,628)	-	-
		1,684,218	1,808,728	93,815	-
Amount owing by subsidiaries	(c)	-	-	60,717,468	53,860,522
Less: Impairment		-	-	(31,885,847)	-
		-	-	28,831,621	53,860,522
Deposits	(d)	5,102,403	1,706,178	9,686	9,686
Prepayments		430,711	715,009	10,377	521,046
Advances to sub-contractors	(e)	1,204,435	1,204,435	-	-
Less: Impairment		(1,202,435)	(401,777)	-	-
		2,000	802,658	-	-
Total		15,190,803	9,966,135	28,945,499	54,391,254

(a) Trade receivables

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Company ranging from cash on delivery to 75 days (2023: cash on delivery to 75 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The movements in the loss allowance of trade receivables during the financial year are as follows:

	Group 2024 RM	Group 2023 RM
Loss allowance		
At 1 July 2023/2022	13,898,779	20,779,380
Addition	677,895	185,162
Reversal of allowance for impairment	(187,538)	(7,065,763)
At 30 June	14,389,136	13,898,779

17. RECEIVABLES, DEPOSITS AND PREPAYMENTS

(b) Non-trade receivables

The movements in the loss allowance of non-trade receivables during the financial year are as follows:

	Group	
	2024 RM	2023 RM
Loss allowance		
At 1 July 2023/2022/30 June	837,628	837,628

(c) Amounts owing by subsidiaries

Amounts owing by subsidiaries which are non-trade in nature, unsecured, interest free and receivable on demand.

The movements in the loss allowance of amount owing by subsidiaries during the financial year are as follows:

	Company	
	2024 RM	2023 RM
Loss allowance		
At 1 July 2023/2022	-	-
Addition	31,885,847	-
At 30 June	31,885,847	-

(d) Deposits

On 30 May 2024, the Group had entered into 18 sales and purchase agreements to purchase 18 retail shop units (freehold) for a total cash consideration of RM 17 million. On 31 May 2024 and 10 June 2024, the Group had paid the deposits amounted to RM4.7 million and the remaining consideration are expected to be completed in the next 12 months.

(e) Advances to sub-contractors

The movements in the loss allowances of advances to sub-contractors during the financial year are as follows:

	Group	
	2024 RM	2023 RM
Loss allowance		
At 1 July 2023/2022	401,777	401,777
Addition	800,658	-
At 30 June	1,202,435	401,777

18. FIXED DEPOSIT WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group carry interest rates are ranging from 2.00% to 4.00% (2023:Nil) per annum. The fixed deposits with maturity period are ranging from 3 days to 94 days (2023: Nil).

19. CASH AND BANK BALANCES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2024 RM
Cash in hand		15,000	30,094	-	-
Cash at bank		14,496,689	80,654,267	11,351,411	73,308,042
Bank balances held under Housing Development Accounts	(a)	424,815	420,912	-	-
		14,936,504	81,105,273	11,351,411	73,308,042

(a) Bank balances held under Housing Development Accounts

Bank balances held under the Housing Development Accounts represent receipts from purchasers of residential properties less payments or withdrawals provided under Section 7A of the Housing Development (Control and Licensing) Act, 1966 in Malaysia held at call with banks.

20. SHARE CAPITAL

	Group and Company			
	2024 Number of shares	2023 Number of shares	2024 RM	2023 RM
Issued and fully paid:				
At 1 July 2023/2022	352,211,704	258,242,604	104,668,120	71,778,935
Issuance of shares pursuant to:				
– rights issue	880,529,260	-	86,828,862	-
– warrants	17,500	93,969,100	2,800	32,889,185
At 30 June	1,232,758,464	352,211,704	191,499,782	104,668,120

20. SHARE CAPITAL (CONT'D)

(1) During the financial year ended 30 June 2024, the Company increased its issued and paid-up share capital by issuance of 17,500 new shares from exercise of Warrants B at exercise price of RM0.16 each and 880,529,260 new ordinary shares ("Rights Shares") pursuant to the Rights Issue on the basis of 5 Rights Shares for every 2 existing ordinary shares in the Company at an issue price RM0.10 each.

(2) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share at all shareholders' meetings of the Company. All ordinary shares rank pari-passu with regards to the residual assets of the Company.

(3) The bonus issue of warrants 2021/2024 ("Warrant B") which were quoted on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") were issued during the financial year 2021. The Warrants B entitle the holders to subscribe for one (1) new ordinary share for every Warrant B held at an exercise price of RM0.35 per ordinary shares during the exercise period which is expiring on 22 December 2024.

The other salient features of the Warrants B were as follows:

(i) the exercise price of RM0.35 and number of Warrants B were subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions of the deed poll of 20 December 2021;

(ii) any Warrants B that were not exercised during the exercise period would thereafter lapse and cease to be valid; and

(iii) all new ordinary shares to be issued pursuant to the exercise of the Warrants B shall rank pari-passu in all respects with the then existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares concerned.

Pursuant to the adjustment arising from the Proposed Rights Issue undertaken by the Company as disclosed in Note 40, the number of 33,947,702 Warrants B has been adjusted into 72,654,397 Warrants B whereby the additional 38,706,695 Warrants B were listed and quoted on the Main Market of Bursa Securities Berhad on 14 July 2023. The exercise price of the outstanding Warrants B was adjusted from RM0.35 to RM0.16 on 14 July 2023.

As of 30 June 2024, 72,636,897 (2023: 33,947,702) Warrants B were still unexercised.

21. OTHER RESERVES

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2024 RM
Reserve on consolidation		80,344	80,344	-	-
Revaluation reserve	(a)	12,769,569	12,865,493	1,851,511	1,851,511
Foreign translation reserve	(b)	11,763	152,831	-	-
		12,861,676	13,098,668	1,851,511	1,851,511

(a) Revaluation reserve

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Revaluation reserve	18,298,502	11,660,164	1,851,511	1,991,225
Add: Addition	-	6,774,534	-	-
Less: Crystallisation of revaluation reserve	(62,599)	(136,196)	-	-
	18,235,903	18,298,502	1,851,511	1,991,225
Deferred tax (Note 25)	(5,433,009)	(1,196,026)	-	(139,714)
Add: Addition	-	(4,270,368)	-	-
Less: Crystallisation of deferred tax	(33,325)	33,385	-	-
	(5,466,334)	(5,433,009)	-	(139,714)
Revaluation reserve, net of tax	12,769,569	12,865,493	1,851,511	1,851,511
Revaluation surplus in respect of:				
– land and buildings (under property, plant and equipment)	10,918,058	11,013,982	-	-
– investment property (prior to transfer of owner-occupied to investment property)	1,851,511	1,851,511	1,851,511	1,851,511
	12,769,569	12,865,493	1,851,511	1,851,511

(b) Foreign translation reserve

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Attributable to:				
Owners of the Company	11,763	152,831	-	-
Non-controlling interests	33,990	101,887	-	-
	45,753	254,718	-	-

22. NON-CONTROLLING INTERESTS

	PT Classita Indonesia Intimates
2024	
NCI percentage of ownership interest and voting interest (%)	40
Carrying amount of NCI (RM)	756,161
Loss allocated to NCI (RM)	(176,839)
Total comprehensive loss to NCI (RM)	(244,736)

	Kepayang Heights Sdn. Bhd.	PT Classita Indonesia Intimates	Total
2023			
NCI percentage of ownership interest and voting interest (%)	2.76	40	
Carrying amount of NCI (RM)	461,995	1,000,897	1,462,892
Loss allocated to NCI (RM)	(564)	(233,984)	(234,548)
Total comprehensive loss to NCI (RM)	(564)	(132,097)	(132,661)

Summarised financial information before intra-group elimination:

	PT Classita Indonesia Intimates RM
2024	
Non-current assets	1,656,534
Current assets	1,411,967
Current liabilities	(1,178,100)
Net assets	1,890,401
Loss for the financial year	(442,098)
Total comprehensive loss for the financial year	(509,953)
Cash flow used in operating activities	2,045,040
Cash flow used in investing activities	(1,105,680)
Cash flow from financing activities	(952,170)

22. NON-CONTROLLING INTERESTS

Summarised financial information before intra-group elimination: (Cont'd)

	Kepayang Heights Sdn. Bhd. RM	PT Classita Indonesia Intimates RM	Total RM
2023			
Non-current assets	15,754	726,854	742,608
Current assets	3,805,648	1,861,564	5,667,212
Current liabilities	(9,030)	(86,177)	(95,207)
Net assets	3,812,372	2,502,241	6,314,613
Loss for the financial year	(20,441)	(584,961)	(605,402)
Total comprehensive loss for the financial year	(20,441)	(584,961)	(605,402)
Cash flow used in operating activities	(13,979)	(2,152,527)	(2,166,506)
Cash flow used in investing activities	-	(782,862)	(782,862)
Cash flow from financing activities	1,251,833	2,832,484	4,084,317

23. LEASE LIABILITIES

	Group	
	2024 RM	2023 RM
Representing:		
Current liabilities	142,545	70,348
Non-current liabilities	61,508	192,658
	204,053	263,006
Repayable:		
Within one year	142,545	70,348
More than one year but less than five years	61,508	169,356
More than five years	-	23,302
	204,053	263,006
Recognised in profit or loss:		
Interest expense on lease liabilities	9,818	12,373

The total cash outflow for leases of the Group for the financial year is RM68,711 (2023: RM80,234).

The effective interest rates of lease liabilities ranging from 3.99% to 5.44% (2023: 3.99% to 4.07%) per annum.

24. TERM LOANS

	Group 2024 RM	Group 2023 RM
Secured:		
Current	1,277,407	1,270,566
Non-current	5,053,547	6,838,976
	6,330,954	8,109,542

The maturity structure of term loans can be analysed as follows:

	Group 2024 RM	Group 2023 RM
Repayable:		
Within one year	1,277,407	1,270,566
More than one year but less than five years	1,613,044	2,957,595
More than five years	3,440,503	3,881,381
	6,330,954	8,109,542

Term loans facilities are repayable as follows:

	Year of maturity	Number of installment	Installment amount RM
Term loan 1	2013 - 2023	120	58,313
Term loan 2	2014 - 2024	120	17,494
Term loan 3	2015 - 2025	120	29,481
Term loan 4	2016 - 2026	120	27,122
Term loan 5	2016 - 2026	120	31,249
Term loan 6	2019 - 2044	312	25,210

(a) Term loan 1, 2, 3, 4 and 5

The term loans of the Group bear interest at 10.18% (2023: 4.68% to 10.18%) per annum and secured by:

(i) a fixed charges over freehold land and buildings of certain subsidiaries as disclosed in Note 11 to the financial statements;
(ii) a deed of negative pledge; and
(iii) guaranteed by the Company.

(b) Term loan 6

The term loan of the Group bear interest at a rate of 6.68% (2023: 4.68%) per annum and secured by:

(i) First party open charge over completed development units of the Group as disclosed in Note 16 to the financial statements; and
(ii) guaranteed by the Company.

25. DEFERRED TAX (ASSETS)/LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax liabilities:				
– subject to income tax	4,499,959	4,089,564	-	-
– subject to real property gains tax	1,179,408	1,358,430	-	147,214
	5,679,367	5,447,994	-	147,214
Deferred tax liabilities (net)	5,679,367	5,447,994	-	147,214

The movements in deferred tax (assets)/liabilities during the financial year comprise the following:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 July 2023/2022	5,447,994	1,442,923	147,214	150,544
Recognised in profit or loss (Note 9)	231,373	(265,297)	(147,214)	(3,330)
Recognised directly in equity	-	4,270,368	-	-
At 30 June	5,679,367	5,447,994	-	147,214

	Property plant and equipment RM	Revaluation reserve RM	Total RM
Group			
2024			
Deferred tax liabilities			
At 1 July 2023	1,143,102	5,440,509	6,583,611
Recognised in profit or loss (Note 9)	218,471	(179,022)	39,449
At 30 June	1,361,573	5,261,487	6,623,060
2023			
Deferred tax liabilities			
At 1 July 2022	1,155,238	1,196,026	2,351,264
Recognised in profit or loss (Note 9)	(12,136)	(25,885)	(38,021)
Recognised directly in equity (Note 21)	-	4,270,368	4,270,368
At 30 June	1,143,102	5,440,509	6,583,611

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

The movements in deferred tax (assets)/liabilities during the financial year comprise the following: (Cont'd)

	Unabsorbed capital allowance RM	Unutilised tax losses RM	Provisions RM	Others RM	Total RM
Group					
2024					
Deferred tax assets					
At 1 July 2023	(95,658)	(400,273)	(785,645)	145,959	(1,135,617)
Recognised in profit or loss (Note 9)	63,126	400,273	(193,115)	(78,360)	191,924
At 30 June	(32,532)	-	(978,760)	67,599	(943,693)
2023					
Deferred tax assets					
At 1 July 2022	(57,303)	(98,497)	(813,194)	60,653	(908,341)
Recognised in profit or loss (Note 9)	(38,355)	(301,776)	27,549	85,306	(227,276)
At 30 June	(95,658)	(400,273)	(785,645)	145,959	(1,135,617)

	Property plant and equipment RM	Revaluation reserve RM	Total RM
Company			
2024			
Deferred tax liabilities			
At 1 July 2023	-	147,214	147,214
Recognised in profit or loss (Note 9)	-	(147,214)	(147,214)
At 30 June	-	-	-
2023			
Deferred tax liabilities			
At 1 July 2022	10,830	139,714	150,544
Recognised in profit or loss (Note 9)	(10,830)	7,500	(3,330)
At 30 June	-	147,214	147,214

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

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Provision	25,490,665	24,291,648	-	-
Unabsorbed capital allowances	651,507	967,276	-	-
Unutilised tax losses	21,596,453	20,593,202	-	-
	47,738,625	45,852,126	-	-

26. PAYABLES AND ACCRUED LIABILITIES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2024 RM
Trade payables	(a)	8,953,640	5,265,084	-	-
Non-trade payables	(b)	3,929,714	2,821,851	774,183	103,883
Deposit received	(c)	82,339	73,051,686	-	72,988,604
Accrued liabilities		1,393,092	2,452,880	530,685	1,211,942
Amount owing to a subsidiary	(d)	-	-	2,696,373	1,350,809
		14,358,785	83,591,501	4,001,241	75,655,238

(a) Trade payables

Credit terms of trade payables granted to the Group vary from cash on delivery to 90 days (2023: cash on delivery to 90 days).

(b) Non-trade payables

Included in non-trade payables of the Group is the sales and services tax payable of RM3,102 (2023: RM7,570) in respect of sales and services tax/goods and services tax.

(c) Deposits received

Included in deposits received of the Group and of the Company amounted to RMNil (2023: RM72,934,204) being monies received pursuant to subscription of Right Shares with Warrants C at an issue price of RM0.10 per share as disclosed in Note 40. The Right Shares with Warrants C was listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 14 July 2023.

(d) Amount owing to a subsidiary

Non-trade amount owing to a subsidiary is unsecured, interest free and repayable on demand.

27. CONTRACT LIABILITIES

	Group	
	2024 RM	2023 RM
Contract liabilities	374,123	374,123
At 1 July 2023/2022	374,123	393,170
Reversal of provision for liquidated ascertained damages	-	(19,047)
At 30 June	374,123	374,123

28. PROVISIONS

	Group	
	2024 RM	2023 RM
Provision for compensation claims		
At 1 July 2023/30 June	258,354	258,354

The provision for compensation claims relates to a formerly abandoned project currently undertaken by the Group where the provision is recognised for expected claims from previous home buyers who had acquired the properties from the previous developer.

29. SHORT-TERM BANK BORROWINGS

	Group	
	2024 RM	2023 RM
Secured:		
Bank overdrafts	-	153,661
Representing:		
Bank overdrafts	-	153,661

The secured short-term bank borrowings are secured by:

(i) fixed charges on the freehold land and buildings of certain subsidiaries as disclosed in Note 11 to the financial statements;
(ii) first party legal charge over certain of the sub-divided titles of the property development leasehold land of a subsidiary as disclosed in Note 16 to the financial statements;
(iii) deed of negative pledge of certain subsidiaries;
(iv) deed of assignment of contract proceeds of a subsidiary; and
(v) Corporate guaranteed issued by the Company.

29. SHORT-TERM BANK BORROWINGS (CONT'D)

	Group	
	2024 %	2023 %
Weighted average effective interest rates per annum:		
– bank overdrafts	-	7.68 to 10.18

30. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

Related parties of the Group include:

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

(b) Related party transactions

Significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Transaction with subsidiaries:				
Caely (M) Sdn. Bhd.				
– Share of salaries	-	-	333,377	-
Classita (M) Sdn. Bhd.				
– Share of salaries	-	-	992,277	1,966,831
Transactions with related parties:				
Ingenieur EPCM Sdn. Bhd.				
– Renovation work	4,241,755	175,000	-	-

30. RELATED PARTY DISCLOSURES (CONT'D)

(b) Related party transactions (Cont'd)

Significant related party transactions of the Group and of the Company are as follows: (Cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Transaction with subsidiaries:				
Caely (M) Sdn. Bhd.				
– Share of salaries	-	-	333,377	-
Classita (M) Sdn. Bhd.				
– Share of salaries	-	-	992,277	1,966,831
Transactions with related parties:				
Ingenieur EPCM Sdn. Bhd.				
– renovation work	1,519,140	175,000	-	-
– revenue	2,722,615	-	-	-

The balances outstanding with related parties in respect of the above transactions are disclosed in Notes 17 and 26 to the financial statements.

The Directors are of the opinion that the transactions above have been entered into in the normal course of business and have been established on terms and conditions mutually agreed between the relevant parties.

(c) Key management compensation

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fees	195,000	213,000	195,000	213,000
Salaries, bonus and allowances	837,252	311,635	446,800	64,143
Defined contribution plan expenses and social security contribution	70,048	23,405	37,226	3,855
	1,102,300	548,040	679,026	280,998
Monetary value of benefits-in-kind	26,200	15,000	26,200	-

31. CAPITAL COMMITMENT

	Group	
	2024 RM	2023 RM
Approved and contracted for acquiring buildings	9,266,600	-
Approved and contracted for leasehold land and buildings	651,060	-
	9,917,660	-

32. FINANCIAL GUARANTEES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Corporate guarantees given to financial institution for banking facilities granted to certain subsidiaries	-	-	6,330,954	8,263,203

33. SEGMENT REPORTING

The Group operates in Malaysia and is organised into four main business segments:

– Property development and construction activities.
– Manufacturing and sales of undergarments under Original Equipment Manufacturer arrangements ("OEM") mainly to Europe, Canada and United States of America and under own brand to cater for direct selling and retail business.
– Direct selling and retail - involving multi-level marketing of undergarments, garments, leather good, sportswear and household products and retailing of undergarments and garments.
– Investment holding activities undertaken by the Company.

Intersegment revenue comprises sales of goods from certain subsidiaries to the "Direct selling/retail" segment, management fee and dividend income received from subsidiaries.

Unallocated assets and liabilities consist of income tax recoverable/payable and deferred tax assets/liabilities.

33. SEGMENT REPORTING (CONT'D)

(a) Analysis of results and financial position

	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Total RM
Group					
2024					
Revenue					
Total revenue	4,650,450	46,639,653	18,230	60,000	51,368,333
Intersegment revenue	-	(855,560)	(18,009)	-	(873,569)
External revenue	4,650,450	45,784,093	221	60,000	50,494,764
Results					
Loss from operations	(2,136,088)	516,238	(47,402)	286,278	(1,380,974)
Finance costs	(236,300)	(239,588)	-	-	(475,888)
Loss before tax	(2,372,388)	276,650	(47,402)	286,278	(1,856,862)
Tax expenses					(1,337,137)
Loss for the year					(3,193,999)
Segment assets					
Unallocated corporate assets	80,481,691	42,894,716	34,203	92,696,448	216,107,058
Current tax recoverable	158,777	1,378,590	-	1,416	1,538,783
					217,645,841
Segment liabilities					
Unallocated corporate liabilities	12,014,250	7,887,493	26,957	1,597,569	21,526,269
Deferred tax liabilities	4,163,891	1,362,080	-	153,396	5,679,367
Tax payables	-	-	-	404,422	404,422
					27,610,058
Capital expenditure	1,580,640	1,564,418	-	6,166	3,151,224
Included in loss from operations are:					
Interest income	(4,005)	(351)	(149)	(2,936,736)	(2,941,241)
Depreciation for property, plant and equipment	33,550	928,197	2,044	57,243	1,021,034
Depreciation for right-of-use asset	-	86,747	-	-	86,747
Depreciation for investment property	-	-	-	27,105	27,105
Inventories written down:					
– completed development units	459,426	-	-	-	459,426
– finished goods	-	1,571,891	82,192	-	1,654,083

33. SEGMENT REPORTING (CONT'D)

(a) Analysis of results and financial position (Cont'd)

	Property development and construction RM	Manufacturing sales RM	Direct selling/retail RM	Investment holding RM	Total RM
Group					
2023					
Revenue					
Total revenue		45,348,824	2,969,199	-	45,857,907
Intersegment revenue	-	(1,052,023)	(18,009)	-	(1,070,032)
External revenue	(2,460,116)	44,296,801	2,951,190	-	44,787,875
Results					
Loss from operations	(5,993,664)	(1,311,285)	(96,868)	(1,306,664)	(8,708,481)
Finance costs	(245,421)	(540,576)	-	-	(785,997)
Loss before tax	(6,239,085)	(1,851,861)	(96,868)	(1,306,664)	(9,494,478)
Tax expenses					144,026
Loss for the year					(9,350,452)
Segment assets					
Unallocated corporate assets	76,262,459	41,785,500	202,517	85,392,011	203,642,487
Current tax recoverable	158,777	1,085,777	-	18,225	1,262,779
					204,905,266
Segment liabilities					
Unallocated corporate liabilities	11,839,819	6,572,182	26,957	74,311,229	92,750,187
Deferred tax liabilities	4,163,891	1,136,889	-	147,214	5,447,994
Capital expenditure					98,198,181
	36,405	1,267,953	-	157,908	1,462,266
Included in loss from operations are:					
Interest income	(3,433)	(80,648)	(133)	-	(84,214)
Depreciation for property, plant and equipment	29,583	813,917	2,044	29,016	874,560
Depreciation for right-of-use asset	-	86,748	-	-	86,748
Depreciation for investment property	-	-	-	56,322	56,322
Inventories written down:					
– properties development cost	7,818,625	-	-	-	7,818,625
– finished goods	-	329,977	14,996	-	344,973

33. SEGMENT REPORTING (CONT'D)

(b) Analysis of revenue by countries

Although all the business segments are located in Malaysia, the manufacturing sales segment exports the undergarments to Europe, Canada and United states of America and other Asian countries. The revenue of the Group is analysed as follows:

	Group	
	2024 **RM**	**2023** **RM**
Malaysia	5,575,592	1,076,471
United States of America	6,537,522	1,422,857
Canada	2,925,772	6,430,783
Germany	28,729,376	31,404,004
France	906,166	905,864
Netherland	235,470	-
Hong Kong	1,298,863	3,023,955
Myanmar	8,616	7,050
Czech	690,339	-
Turkey	2,872,422	-
Other countries	714,626	516,891
	50,494,764	44,787,875

For the financial year, the total manufacturing segment revenue is RM45,784,093 (2023: RM44,296,801) of which the revenue of 4 (2023: 4) customers had contributed more than 80% (2023: 76%). The total revenue of these major customers is RM36,635,333 (2023: RM33,584,307).

All non-current assets of the Group are located in Malaysia and Indonesia.

The basis of measurement of reported segment profit or loss, segment assets and segment liabilities are consistent with the basis used for the statements of comprehensive income of the Group for the financial year ended 30 June 2024 and the statements of financial position as at 30 June 2024. The components of the segment assets and liabilities include all classes of assets and liabilities disclosed in the consolidated statement of financial position.

34. OPERATING LEASE ARRANGEMENTS

The Group and the Company as lessor

The Company has entered into operating lease agreements to lease out certain of its investment properties. The future minimum lease payments receivable under operating leases contracted for as of the reporting date but not recognised as receivables, are as follows:

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Not later than one year	156,000	271,200	-	175,200
More than one year	-	110,500	-	110,500
	156,000	381,700	-	285,700

35. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) financial assets and liabilities measured at amortised cost ("AC").

	Carrying amount RM	**AC RM**
Group		
2024		
Financial assets		
Receivables and deposits (excluding prepayments and advances to sub-contractors)	14,758,092	14,758,092
Fixed deposit with licensed banks	70,279,890	70,279,890
Cash and bank balances	14,936,504	14,936,504
	99,974,486	99,974,486
Financial liabilities		
Term loans	6,330,954	6,330,954
Payables and accrued liabilities (excluding statutory liabilities)	14,355,683	14,355,683
	20,686,637	20,686,637

35. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments (Cont'd)

(i) financial assets and liabilities measured at amortised cost ("AC"). (Cont'd)

	Carrying amount RM	AC RM
Group		
2023		
Financial assets		
Receivables and deposits (excluding prepayments and advances to sub-contractors)	8,448,468	8,448,468
Cash and bank balances	81,105,273	81,105,273
	89,553,741	89,553,741
Financial liabilities		
Term loans	8,109,542	8,109,542
Short term bank borrowings	153,661	153,661
Payables and accrued liabilities (excluding statutory liabilities)	83,583,931	83,583,931
	91,847,134	91,847,134
Company		
2024		
Financial assets		
Receivables and deposits	28,935,122	28,935,122
Fixed deposit with licensed banks	70,279,890	70,279,890
Cash and bank balances	11,351,411	11,351,411
	110,566,423	110,566,423
Financial liability		
Payables and accrued liabilities	4,001,241	4,001,241
2023		
Financial assets		
Receivables and deposits	53,870,208	53,870,208
Cash and bank balances	73,308,042	73,308,042
	127,178,250	127,178,250
Financial liability		
Payables and accrued liabilities	75,655,238	75,655,238

35. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments (Cont'd)

Net gains/(losses) arising from financial instruments

	Group	
	2024 RM	**2023 RM**
Net (losses)/gains arising on:		
Financial assets measured at amortised cost		
Impairment loss on receivables	(1,478,553)	(185,162)
Reversal of impairment loss on receivables	187,538	7,065,763
Interest income	2,941,241	84,214
Realised foreign exchange gain	239,699	175,748
Unrealised foreign exchange gain	331,471	358,511
	2,221,396	7,499,074
Financial liability measured at amortised cost		
Interest expenses	(433,853)	(731,499)
Unrealised foreign exchange gain	-	16,277
	(433,853)	(715,222)

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, liquidity risk and foreign currency risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its credit risk, interest rate risk, liquidity risk and foreign currency risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

35. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial assets should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and non-trade receivables, amounts due from customers on contracts and bank balances.

Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument. The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from customers with good collection track record with the Group and the Company. Management will continuously monitor closely the trade receivables which are past due.

<u>Credit risk arising from OEM</u>

The Group exports of its undergarment's products mostly to Europe, Canada, , Hong Kong, and the United States of America. For overseas customers, most of the trade receivables are secured via Letter of Credit or Document Against Payment at Sight.

Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument.

The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from customers with good collection track record with the Group. Management will continuously monitor closely the trade receivables which are past due.

<u>Credit risk arising from property development activities</u>

The Group does not have any significant credit risk nor any concentration of credit risk from its property development activities as its services and products are predominantly rendered and sold to a large number of property purchasers using financing from reputable end-financiers or loans obtained from relevant government authority.

Trade receivables are monitored on an ongoing basis via the management reporting procedures.

<u>Credit risk arising from construction activities</u>

The Group does not have any significant credit risk from the construction activities as the significant outstanding amount has been impaired during the year. Trade receivables from other various constructions projects are monitored on an ongoing basis via the management reporting procedures.

<u>Credit risk arising from direct selling and retailing activities</u>

The Group operates locally in Malaysia for its direct selling and retailing activities. A substantial portion of its revenue is transacted on credit terms. The Group applies due credit approval and monitoring processes and assesses the credit worthiness of its customers on a periodic basis. Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers. The Groups' historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

35. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

Credit risk (Cont'd)

Credit risk arising from deposits with licensed banks

Credit risk also arises from deposits with licensed banks and financial institutions. The deposits are placed with credit-worthy financial institutions. The Group considers the risk of material loss in the event of non performance by a financial counterparty to be low.

Financial guarantees

The fair value of financial guarantees provided by the Company to banks to secure obligations under finance lease granted to certain subsidiaries with nominal amount of RM6,330,954 (2023: RM8,263,203) are negligible because the actual interest charged by the banks are not materially different from the borrowing costs of the subsidiaries and the outstanding borrowings are adequately secured by plant and equipment of the subsidiaries in which their market values upon realisation are expected to be higher than the outstanding borrowing amounts.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position except for financial guarantee contracts applicable to the Group and the Company.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial organisation; or
- The disappearance of an active market for a security because of financial difficulties.

35. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

Credit risk (Cont'd)

Ageing analysis

The ageing analysis of the Group's trade receivables as at reporting date is as follows:

	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
Group			
2024			
Not past due	4,830,249	-	4,830,249
1 to 60 days	1,501,714	-	1,501,714
61 to 120 days	738,028	-	738,028
More than 121 days	901,480	-	901,480
	7,971,471	-	7,971,471
Credit impaired			
Individually impaired	14,389,136	(14,389,136)	-
	22,360,607	(14,389,136)	7,971,471
2023			
Not past due	3,970,556	-	3,970,556
1 to 60 days	200,291	-	200,291
61 to 120 days	30,203	-	30,203
More than 121 days	732,512	-	732,512
	4,933,562	-	4,933,562
Credit impaired			
Individually impaired	13,898,779	(13,898,779)	-
	18,832,341	(13,898,779)	4,933,562

Inter-company loans and advances

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

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

35. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

Credit risk (Cont'd)

Inter-company loans and advances (Cont'd)

Generally, the Company considers loans and advances to inter-companies have low credit risk. The Company assumes that there is a significant increase in credit risk when a related company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the related companies' loans and advances when they are payable, the Company considers the loans and advances to be in default when the related companies are not able to pay when demanded. The Company considers a related company's loan or advance to be credit impaired when:

- The intercompany is unlikely to repay its loan or advance to the Company in full;
- The intercompany's loan or advance is overdue for more than 365 days; or
- The intercompany is continuously loss making and is having a deficit shareholders' fund.

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

The following table provides information about the exposure to credit risk and ECLs for related company' loans and advances as follows:

	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
Company			
2024			
Amount owing by subsidiaries	60,717,468	(31,885,847)	28,831,621
2023			
Amount owing by subsidiaries	53,860,522	-	53,860,522

35. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk is minimal as the Group rarely placed any deposits with financial institutions in Malaysia. Majority of the borrowings are contracted on variable terms.

	Effective interest rate per annum %	Carrying amount RM
2024		
Variable rate instruments		
Financial liabilities		
Lease liabilities	3.99 – 5.44	(204,053)
Term loans	6.68 – 10.18	(6,330,954)
Net exposure		(6,535,007)
2023		
Variable rate instruments		
Financial liabilities		
Lease liabilities	3.99 – 4.07	(263,006)
Bank overdrafts	7.68 – 10.18	(153,661)
Term loans	4.68 – 10.18	(8,109,542)
Net exposure		(8,526,209)

Interest rate risk sensitivity analysis

The following table details the sensitivity to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant, on the Group's profits:

	2024 (Decrease)/ Increase RM	2023 (Decrease)/ Increase RM
Effects on profit after taxation:		
Increase by 10 basis points	(4,967)	(6,480)
Decrease by 10 basis points	4,967	6,480

35. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company maintain sufficient cash and ensures availability of funding through an adequate but flexible amount of credit facilities obtained from financial institutions in Malaysia. Borrowings are maintained with varying maturities to ensure sufficient cash inflow from operations is available to meet all repayment requirements. The Group and the Company also obtain funding through intercompany advances for the purpose of its working capital.

Maturity analysis

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

	Carrying amount RM	Contractual cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
Group					
2024					
Payables and accrued liabilities	14,758,092	14,758,092	14,758,092	-	-
Lease liabilities	204,053	220,455	68,099	152,356	-
Term loans	6,330,954	8,878,414	1,603,934	2,470,299	4,804,181
	21,293,099	23,856,961	16,430,125	2,622,655	4,804,181
2023					
Payables and accrued liabilities	83,583,931	83,583,931	83,583,931	-	-
Lease liabilities	263,006	289,227	68,772	196,904	23,551
Term loans	8,109,542	10,633,462	1,858,237	3,556,755	5,218,470
Short term bank borrowings	153,661	153,661	153,661	-	-
	92,110,140	94,660,281	85,664,601	3,753,659	5,242,021

35. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of reporting year/period based on contractual undiscounted repayments obligations: (Cont'd)

	Carrying amount RM	Contractual cash flows RM	On demand or within one year RM
Company			
2024			
Payables and accrued liabilities	4,001,242	4,001,242	4,001,242
Financial guarantee contract	-	6,330,954	-
	4,001,242	10,332,196	4,001,242
2023			
Payables and accrued liabilities	75,655,238	75,655,238	75,655,238
Financial guarantee contract	-	8,263,203	-
	75,655,238	83,918,441	75,655,238

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk as a result of its normal trade activities that are denominated in currencies other than Ringgit Malaysia.

The Group's sales are mostly denominated in US Dollar and Ringgit Malaysia and to a lesser extent the Euro whilst purchases are denominated in US Dollar ("USD"), Chinese Renminbi ("RMB"), Indonesia Rupiah ("IDR") and Ringgit Malaysia ("RM").

The Group mitigates its foreign currency exchange risk through the natural hedge of operating foreign currency accounts using the deposits from its export proceeds to pay imported purchases where both are denominated in the same foreign currency. The Group also enters into foreign currency forward contracts to hedge certain of the export proceeds and import purchases, whenever considered necessary.

35. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

Foreign currency risk (Cont'd)

The Group's exposure to foreign currency is as follows:

	RMB RM	USD RM	Euro RM	IDR RM	Total RM
Group					
2024					
Financial assets					
Receivables, deposits and prepayments	-	5,068,730	83,535	214,919	5,367,184
Cash and bank balances	-	1,346,645	4,130	18,111	1,368,886
	-	6,415,375	87,665	233,030	6,736,070
Financial liability					
Payables and accrued liabilities	(894,800)	(2,680,442)	(39,086)	(1,180,109)	(4,794,437)
Net currency exposure	(894,800)	3,734,933	48,579	(947,079)	1,941,633
2023					
Financial assets					
Receivables, deposits and prepayments	-	2,945,900	695,813	1,709,751	5,351,464
Cash and bank balances	-	3,338,797	455	151,813	3,491,065
	-	6,284,697	696,268	1,861,564	8,842,529
Financial liability					
Payables and accrued liabilities	(558,735)	(649,900)	20,634	(86,177)	(1,274,178)
Net currency exposure	(558,735)	5,634,797	716,902	1,775,387	7,568,351

35. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

Foreign currency risk (Cont'd)

<u>Foreign currency risk sensitivity analysis</u>

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:

	2024 Increase/ (Decrease) RM	2023 Increase/ (Decrease) RM
Group		
Effects on profit after taxation:		
RMB/RM		
Strengthen by 5% (2023: 5%)	(34,002)	(21,232)
Weaken by 5% (2023: 5%)	34,002	21,232
USD/RM		
Strengthen by 5% (2023: 5%)	141,927	214,122
Weaken by 5% (2023: 5%)	(141,927)	(214,122)
Euro/RM		
Strengthen by 5% (2023: 5%)	1,846	27,242
Weaken by 5% (2023: 5%)	(1,846)	(27,242)
IDR/RM		
Strengthen by 5% (2023: 5%)	35,989	67,465
Weaken by 5% (2023: 5%)	(35,989)	(67,465)

36. FAIR VALUES

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments except for amount owing by subsidiaries, amount owing to a director and amount owing to a subsidiary, as it is not practical to estimate the fair value due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs. The Directors are at the opinion that the carrying amounts recorded at the statement of financial position date do not differ significantly from the values that would eventually be recovered.

(ii) The fair value of the floating interest rate borrowings approximates its carrying value as at the reporting date.

36. FAIR VALUES (CONT'D)

Fair value hierarchy

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2024				
Non-financial assets				
Property, plant and equipment	-	-	22,125,000	22,125,000
Investment properties	-	-	8,100,000	8,100,000
2023				
Non-financial assets				
Property, plant and equipment	-	-	22,125,000	22,125,000
Investment properties	-	-	4,250,000	4,250,000
Company				
2024				
Non-financial assets				
Investment properties	-	-	-	-
2023				
Non-financial assets				
Investment properties	-	-	4,250,000	4,250,000

The Group and the Company engaged external, independent and qualified valuers to determine the fair values of the Group's land and buildings and the Company's investment property.

The fair value of the land and buildings included in property, plant and equipment as disclosed in Note 11 and investment properties as disclosed in Note 13 to the financial statements are classified under Level 3 as the fair value is derived using the unobservable input and comparison method as there has been a limited number of similar sales in the same location. The unobservable input for land is price per square feet which is RM30 to RM150 (2023: RM30 to RM150) per square feet. Buildings of the Group comprise of factory buildings, hostel and residential properties for employees. Adjustment is made for location, size, shape of lot, site facilities, time element for land and building extension and physical condition of the buildings.

Assuming all variables remain constant, a 5% (2023: 5%) increase in unobservable input in price per square feet would lead to an increase of RM1,511,250 (2023: RM1,318,750) of the fair values of the freehold land of the Group and the Company. Conversely, a 5% decrease would have had equal but opposite effects.

There is no transfer between Level 1, 2 and 3 during the financial year.

37. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2024

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes loans and borrowings less cash and bank balances. Capital represents equity attributable to the owners of the Company.

The gearing ratios of the Group is as follows:

	Group	
	2024 **RM**	**2023** **RM**
Term loan	6,330,954	8,109,542
Short term bank borrowings	-	153,661
Lease liabilities	204,053	263,006
Less: Cash and bank balances	(14,936,504)	(81,105,273)
Less: Fixed deposit with licensed banks	(70,279,890)	-
Net debt	(78,681,387)	(72,579,064)
Total equity	190,035,783	106,707,085
Total capital	111,354,396	34,128,021
Gearing ratio	0.41	0.68

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of not less than or equals to twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 30 June 2024.

The Group is not subject to any other externally imposed capital requirements.

38. MATERIAL LITIGATION

(i) Leong Seng Wui, Kok Kwang Lim, Valhalla Capital Sdn. Bhd. ("Plaintiffs") v Classita ("Defendant") - Suit pertaining to the regularity of Extraordinary General Meeting ("EGM") 15 June 2022 (Suit 732)

This Originating Summons was filed by Leong Seng Wui, Kok Kwang Lim and Valhalla Capital Sdn. Bhd. pertaining to the regularity of the EGM 15 June 2022.

On 29 August 2022, the Court granted an order as follows:

1. *A declaration that the adjournment of the EGM is invalid;*

2. *That any minutes or any records filed with any authorities based on the invalid adjournment be struck out under Section 602 of the Companies Act, 2016;*

3. *A declaration that the EGM had continued (after the invalid adjournment) with all the Resolutions approved at the continued EGM on 15 June 2022 are valid save and except for Resolution No. 1 (withdrawn) – Beh Hong Shien be and is hereby removed from office as a Director of the Company with immediate effect and Resolution No. 2 (not carried out)- Fong Ngok Yoon be and is hereby removed from office as a Director of the Company with immediate effect;*

4. *A declaration that the Resolutions approved at the continued EGM on 15 June 2022 shall I take effect on 15 June 2022;*

5. *An order to compel the Defendant and/or its agents and/or employees, including but not limited to the Company Secretary of the Defendant to do all that is necessary to give effect to the Resolutions approved at the continued EGM on 15 June 2022, including but not limited to lodging all the necessary forms and documents with the Companies Commission of Malaysia and making all necessary announcements as mandated by Bursa Malaysia Securities Berhad with immediate effect;*

6. *An injunction restraining the Defendant and/or its agents (including but not limited to its Company Secretary) and/or employees and/or its Board of Directors, namely persons who have been removed as director as per Resolutions Nos. 3 to 12 of the Notice (removed Loh Ming Choon, Mohamad Hanafiah Bin Zakaria, Sin Hock Min, Wong Siaw Puie and Ng Mei Choo, appointed Leong Seng Wui, Kang Chez Chiang, Ng Keok Chai and Krishnan A/L Dorairaju), from acting and/or holding themselves as directors of the Defendant, including but not limited to appointing any additional directors to fill any casual vacancies; and*

7. *Costs of RM30,000.00 subject to allocator.*

As a result of Order dated 29 August 2022, a new board of Directors of the Company was appointed.

On 5 December 2022, leave of the High Court has been granted to the Defendant to commence committal proceedings against Loh Ming Choon, Wong Siaw Puie, Sin Hock Min, Mohamad Hanafiah bin Zakaria and Koo Chen Yeng (Proposed Contemnors) in respect of breaches of the Order. The Defendant had on 14 December 2022 filed the Notice of Application to commence committal proceedings against the Proposed Contemnors in respect of breaches of the Order.

On 16 April 2024, the Court dismissed the Notice of Application against the former Directors with cost of RM20,000.00 subject to allocator cost.

38. MATERIAL LITIGATION (CONT'D)

(ii) Classita Holdings Berhad and Caely (M) Sdn. Bhd. (Caely (M), a wholly-owned subsidiaries of Classita ("Plaintiffs") v Datin Fong Nyok Yoon (1st), Dato' Chuah Chin Lai (2nd), Siow Hock Lee (3rd), Ooi Say Teik, Hem Kan @ Chan Hong Kee (4th), Ng boon Kang(5th) , Tan Loon Cheang (6th), Dato' Wira Ng Chun Hau (7th), Lim Chee Pang (8th), Lim Say Leong (9th), Beh Hong Shien (10th), Gok Ching Hee (11th) ("Defendants") - Suit pertaining to misappropriation of funds in Caely (M) against 12 previous Directors, chief executive officers and chief financial officers (Suit 133)

This is a suit filed by the Company and Caely (M) on 19 October 2022 against 12 previous Directors, chief executive officers and/or chief financial officers of the Company and Caely M.

The cause of the suit relates to the Misappropriation and also conducts of non-disclosure of the Misappropriation, fraudulent concealment, conspiracy, fraud and deception, breach of Directors' duties arising from or related to the Misappropriation.

The prayers of the suit, among others, are:

(a) general damages to be assessed by the Court;

(b) special damages in the sum of RM30,552,000;

(c) exemplary damages to be assessed and awarded together with the General Damages by the Court;

(d) interest at the rate of 5% per annum on general, special and exemplary damages from the filing date until the date of full settlement; and

(e) costs.

The Defendants have filed their memorandum of appearance and defense respectively.

On 9 January 2023, the 3rd and 5th Defendants filed an application further and better particulars. The application was struck out on 8 December 2023.

On 18 January 2023, the 4th Defendant file an application to strike out Suit 133. The application was dismissed with costs on 20.03.2023.

On 26 March 2023, the 8th, 9th and 11th Defendants filed an application for further and better particulars. The application was struck out on 8 December 2023.

On 27 November 2023, the 3rd and 5th Defendants filed an application to strike out Suit 133. The application is currently fixed for case management on 15 November 2024.

Suit 133 is currently fixed for the case management on 15 November 2024.

38. MATERIAL LITIGATION (CONT'D)

(iii) Dato' Wira Ng Chun Hau ("Plaintiff") v Classita, Dato' Kang Chez Chiang, Ng Keok Chai, Leong Seng Wui, Krishnan A/L Dorairaju, Dato' Mior Faridalathrash Bin Wahid, Chong Seng Ming, Kenny Khow Chuan Wan ("Defendants") - Defamation Suit 32

This is a suit by a previous executive chairman of the Company, Dato' Wira Ng Chun Hau against the Company and the present board of Directors for defamation.

The prayers in the suit includes among others: -

(i) damages for libel, including aggravated damages and exemplary damages;

(ii) an injunction restraining the Company, whether by itself, its servants, or agents or otherwise and the 2nd to 8th Defendants from publishing or causing to be published the said or similar statements defamatory of the Plaintiff;

(iii) interest; and

(iv) costs.

The determination on quantum and liability arising from Suit 32 will correspondingly depend on whether the High Court finds that there have been any defamatory remarks made by the Defendants against the Plaintiff.

Suit 32 is currently fixed for case management on 15 November 2024.

(iv) Tract Evo Sdn. Bhd.("Plaintiff") vs Caely (M) Sdn. Bhd. ("Defendant") Case No.:AA-22C-3-11/2023 ("Suit 22")

On 27 November 2023, Caely (M) Sdn. Bhd. was served with a copy of the sealed Writ and Statement of Claim dated 21 November 2023.

The Plaintiff had, in 2013 carried out construction and installation work for Caely (M) in relation to a residential project in Perak ("the said works"). The said works were taken over by the plaintiff from another company, Maju Tumbuh Sdn. Bhd..

The Plaintiff is claiming the sum of RM1,675,352.25 ("Claim Sum") against the defendant for the said works.

Caely (M) has disputed the Claim Sum and in its defense Caely (M) has counter claimed the sum of RM800,658 from Plaintiff being the sum overpaid to the plaintiff for the said works.

On 07 August 2024, Plaintiff's application for the defendant to pay the full amount claimed in the statement of claim was dismissed by the learned judge and bundle of documents to be filed by 30 September 2024 and the trial has been fixed for 3 continuous days from 10 June 2025 to 12 June 2025.

On 30 September 2024, the Court has allowed an extension of time until 2 December 2024 as requested by both party to file the common bundle of documents.

39. CONTINGENT LIABILITY

On 27 November 2023, Caely M, a subsidiary of the Company had received Writ and Statement of Claim dated 21 November 2023 from a creditor to claim for a sum of RM1,675,353 ("Alleged Sum") in relation to work done for a project in Perak.

Caely M has disputed on the Alleged Sum as the creditor is yet to provide any documentary proof to substantiates its claim.

40. SIGNIFICANT EVENT

(i) On 6 January 2023 the Company proposed to issue up to 965,398,515 new ordinary shares ("Rights Shares") on the basis of 5 Rights Shares for 2 existing ordinary shares held together with up to 579,239,109 free detachable warrant C ("Warrants C") on the basis of 3 Warrants C for every 5 Rights Shares subscribed for by the shareholders of the Company at an issue price of RM0.10 per Rights Share ("Proposed Rights Issue").

On 14 July 2023, the Proposed Rights Issue was completed following the listing and quotation of 880,529,260 Rights Shares together with 528,317,555 Warrants C on the Main Market of Bursa Securities Berhad.

Pursuant to the adjustment arising from the Proposed Rights Issue, the number of 33,947,702 Warrants B has been adjusted into 72,654,397 Warrants B whereby the additional 38,706,695 Warrants B were listed and quoted on the Main Market of Bursa Securities Berhad on 14 July 2023. The exercise price of the outstanding Warrants B was adjusted from RM0.35 to RM0.16 on 14 July 2023.

(ii) On 15 December 2023, the Company has entered into share sales agreements with Harvest Miracle Capital Berhad for the purpose of purchasing the balance of remaining 2,843,000 ordinary shares representing 2.76% of the entire shares in Kepayang Heights Sdn. Bhd. for a total consideration of RM100,000 and the transaction had been completed during the year.

(iii) On 8 March 2024, the Company has entered into Sales and Purchase agreement with Koperasi Sejati Berhad to dispose a leasehold property with a consideration of RM4,100,000.

41. 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 principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

The principal place of business of the Company are located at Lot 2661, 3rd Mile, Jalan Maharaja Lela, 36000 Teluk Intan, Perak Darul Ridzuan.

The registered office of the Company is located at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang.

The financial statements were approved and authorised for issue by the Board of Directors on 29 October 2024.

Total Number of Issued Shares	:	1,232,758,464 ordinary shares
Class of shares	:	Ordinary shares
Voting Rights	:	1 vote per share
No. of Shareholders	:	6,858

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Shares
Less than 100	182	2.65	3,271	0.00
100 – 1,000	657	9.58	284,629	0.02
1,001 – 10,000	1,867	27.22	11,373,823	0.93
10,001 – 100,000	2,945	42.95	133,315,191	10.81
100,001 – less than 5% of issued shares	1,206	17.59	685,723,650	55.63
5% and above of issued shares	1	0.01	402,057,900	32.61
	6,858	**100.00**	**1,232,758,464**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Share Held	**% of Issued Shares**	**No. of Shares Held**	**% of Issued Shares**
Hong Seng Consolidated Berhad	402,057,900	32.61	Nil	Nil

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

No.	Name of Shareholders	No. of Shares	% of Issued Shares
1.	Hong Seng Consolidated Berhad	402,057,900	32.61
2.	Velocity Capital Sdn Bhd *Pledged Securities Account for Lee Heen Ming*	37,928,400	3.08
3.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Master Knowledge Sdn Bhd*	30,000,000	2.43
4.	Velocity Capital Sdn Bhd *Pledged Securities Account for Youth Star Sdn Bhd*	25,000,000	2.03
5.	Velocity Capital Sdn Bhd *Pledged Securities Account for Newfront Ventures Sdn Bhd*	14,074,400	1.14
6.	Lee Yih Leang	9,600,000	0.78
7.	TA Securities Holdings Berhad *IVT (P07) Teoh Siew Hui*	8,968,700	0.73
8.	Public Nominess (Tempatan) Sdn Bhd *Pledged Securities Account for Yeu Ing Dee (E-KKU/BFT)*	8,600,000	0.70
9.	RHB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Khor Mooi Soong*	8,500,000	0.69
10.	Lim Keng Chuan	6,600,000	0.54
11.	Tan Oi Lai	6,004,500	0.49
12.	Khor Mooi Soong	5,500,000	0.45
13.	Tai Beng Yeong	5,500,000	0.45
14.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Khor Mooi Soong (E-TAI/TIN)*	5,500,000	0.45
15.	Q Holdings Capital Sdn Bhd	4,822,400	0.39
16.	Adrian Quah	4,507,100	0.37
17.	Maybank Nominees (Tempatan) Sdn Bhd *Tay Ming Hen*	4,500,000	0.37
18.	Loo Son Yong	4,500,000	0.37
19.	AA Resources (M) Sdn Bhd	3,930,000	0.32
20.	Ang Ann Chuan	3,633,500	0.29
21.	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Fong Kok Sang (STF)*	3,623,500	0.29
22.	Yak Meng Hock	3,540,000	0.29
23.	Colin Lee Kim San	3,410,000	0.28
24.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chen Huang Guang (E-TCS)*	3,028,000	0.25
25.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Choon Eek (E-TAI/KKR)*	3,000,000	0.24
26.	Liew Laong Wong	3,000,000	0.24
27.	Chia Hooi Liang	3,000,000	0.24
28.	Goh Yok Tek	3,000,000	0.24
29.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Too Chooi Tat*	2,746,500	0.22
30.	Siah Nam Wah	2,500,000	0.20
	Total	**630,574,900**	**51.17**

ANALYSIS OF WARRANTS B HOLDINGS

AS AT 04 OCTOBER 2024

Total Number of Outstanding Warrants B	:	72,636,897
Issue Date	:	23 December 2021
Expiry date of Warrants	:	22 December 2024
Voting Rights	:	None, unless warrant holders exercise their warrants for new ordinary shares
Exercise Price per Warrants	:	RM0.16
No. of Shareholders	:	2,115

ANALYSIS BY SIZE OF WARRANTS B HOLDINGS

Size of Shareholdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Shares
Less than 100	322	15.22	7,376	0.01
100 – 1,000	402	19.01	92,895	0.13
1,001 – 10,000	759	35.89	2,908,010	4.00
10,001 – 100,000	535	25.30	14,915,166	20.54
100,001 – less than 5% of issued warrants	94	4.44	31,912,931	43.93
5% and above of issued warrants	3	0.14	22,800,519	31.39
	2,115	**100.00**	**72,636,897**	**100.00**

SUBSTANTIAL WARRANTS B HOLDERS AS PER REGISTER OF SUBSTANTIAL WARRANTS HOLDERS

	Direct Interest		Deemed Interest	
	No. of Share Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Kenanga Nominees (Tempatan) Snd Bhd *Pledged Securities Account for* *Muhammad 'Izzat Afiq Bin Zainuddin*	11,533,222	15.88	Nil	Nil
Muhammad 'Izzat Afiq Bin Zainuddin	6,519,397	8.98	Nil	Nil
Kenanga Nominees (Tempatan) Sdn Bhd *Rakuten Trade Sdn Bhd for* *Naresh Nair A/L Narayanan*	4,747,900	6.54	Nil	Nil

THIRTY LARGEST WARRANTS B HOLDERS

No.	Name of Shareholders	No. of Shares	% of Issued Shares
1.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Muhammad 'Izzat Afiq Bin Zainuddin*	11,533,222	15.88
2.	Muhammad 'Izzat Afiq Bin Zainuddin	6,519,397	8.98
3.	Kenanga Nominees (Tempatan) Sdn Bhd *Rakuten Trade Sdn Bhd for Naresh Nair A/L Narayanan*	4,747,900	6.54
4.	Chuah Kim Seah	2,175,849	3.00
5.	Mohd Farid Bin Mohd Ramly	1,242,000	1.71
6.	Kenanga Nominees (Tempatan) Sdn Bhd *Rakuten Trade Sdn Bhd for Rinna Joyce Gomez*	1,104,100	1.52
7.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Zulkifli Bin Ismail*	1,070,100	1.47
8.	Goh Choon Heng	1,070,100	1.47
9.	Manickam Animuthu	1,000,040	1.38
10.	Abdul Kadir Bin Ali	1,000,000	1.38
11.	Kenanga Nominees (Tempatan) Sdn Bhd *Rakuten Trade Sdn Bhd for Hong Sow Chin*	800,000	1.10
12.	RHB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Mui Hing*	763,195	1.05
13.	Yeo Chin Kiang	756,080	1.04
14.	Maybank Nominees (Tempatan) Sdn Bhd *Hue Li Yin*	622,798	0.86
15.	Ker Leong Chuan	600,000	0.83
16.	Supang Lian @ Supang Tala	582,000	0.80
17.	Tan Hai Chim	555,029	0.76
18.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Zulkifli Bin Ismail*	512,577	0.71
19.	Mustafa Bin Yong	511,800	0.71
20.	Kenanga Nominees (Tempatan) Sdn Bhd *Rakuten Trade Sdn Bhd for Puan Chun Teng*	500,006	0.69
21.	Neng Aik Hong	499,800	069
22.	Lam Kam Moi	499,800	0.69
23.	Lai Fook Choy	499,500	0.69
24.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ong Soon Chai*	428,040	0.59
25.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd *Pledged Securities Account for Gurmit Singh A/L Surjit Singh (MM0665)*	428,040	0.59
26.	Su Lian Swee	407,010	0.56
27.	Fazilah Binti Dawan	406,638	0.56
28.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Chee Seong*	400,000	0.55
29.	Mohamed Zaiman Bin Mohd Noor	398,741	0.55
30.	Ow Tiew See	395,937	0.55
	Total	**42,029,699**	**57.90**

Total Number of Outstanding Warrants C	:	528,317,555
Issue Date	:	07 July 2023
Expiry date of Warrants	:	06 July 2028
Voting Rights	:	None, unless warrant holders exercise their warrants for new ordinary shares
Exercise Price per Warrants	:	RM0.20
No. of Shareholders	:	1,093

ANALYSIS BY SIZE OF WARRANTS C HOLDINGS

Size of Shareholdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Shares
Less than 100	2	0.18	86	0.00
100 – 1,000	26	2.38	8,865	0.00
1,001 – 10,000	151	13.82	1,003,550	0.19
10,001 – 100,000	508	46.48	25,661,104	4.86
100,001 – less than 5% of issued warrants	403	36.87	393,249,150	74.43
5% and above of issued warrants	3	0.27	108,394,800	20.52
	1,093	**100.00**	**528,317,555**	**100.00**

SUBSTANTIAL WARRANTS C HOLDERS AS PER REGISTER OF SUBSTANTIAL WARRANTS HOLDERS

	Direct Interest		Deemed Interest	
	No. of Share Held	**% of Issued Shares**	**No. of Shares Held**	**% of Issued Shares**
Velocity Capital Sdn Bhd *Pledged Securities Account for Grandview Simplified Sdn Bhd*	40,500,000	7.67	Nil	Nil
Velocity Capital Sdn Bhd *Pledged Securities Account for In Lay Sdn Bhd*	34,500,000	6.53	Nil	Nil
Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ng Keok Chai*	33,394,800	6.32	Nil	Nil

DIRECTORS' SHAREHOLDINGS

	Direct Interest		Deemed Interest	
	No. of Share Held	**% of Issued Shares**	**No. of Shares Held**	**% of Issued Shares**
Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ng Keok Chai*	33,394,800	6.32	Nil	Nil

THIRTY LARGEST WARRANTS C HOLDERS

No.	Name of Shareholders	No. of Shares	% of Issued Shares
1.	Velocity Capital Sdn Bhd *Pledged Securities Account for Grandview Simplified Sdn Bhd*	40,500,000	7.67
2.	Velocity Capital Sdn Bhd *Pledged Securities Account for In Lay Sdn Bhd*	34,500,000	6.53
3.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ng Keok Chai*	33,394,800	6.32
4.	Velocity Capital Sdn Bhd *Pledged Securities Account for Esteem Legacy Sdn Bhd*	21,600,000	4.09
5.	Velocity Capital Sdn Bhd *Pledged Securities Account for Sensespace Sdn Bhd*	21,574,300	4.08
6.	Benjamin Sia Chung Loon	14,010,000	2.65
7.	Chee Siu Yee	13,300,000	2.52
8.	Esteem Legacy Sdn Bhd	10,634,600	2.01
9.	Metasmile Sdn Bhd	10,600,000	2.01
10.	Lee Heen Ming	10,600,000	2.01
11.	Liew Thien Fook	8,600,000	1.63
12.	Lim Yew Chuan	7,500,000	1.42
13.	Mysticmeka Sdn Bhd	7,500,000	1.42
14.	Grandiew Simplified Sdn Bhd	7,500,000	1.42
15.	Lee Heen Ming	7,300,000	1.38
16.	TA Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Yong Yoong Thiam*	7,000,000	1.33
17.	Loo Chun Keat	6,600,000	1.25
18.	Maybank Nominees (Tempatan) Sdn Bhd *Ooi Shi Han*	6,000,000	1.14
19.	Chin Jie Yi	6,000,000	1.14
20.	Teoh Leh Hong	6,000,000	1.14
21.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Zulkifli Bin Ismail*	5,000,000	0.95
22.	Silvernic Sdn Bhd	4,600,000	0.87
23.	Millensium Sdn Bhd	4,000,000	0.76
24.	Grazio Dynasty Sdn Bhd	4,000,000	0.76
25.	Lim Wai Heng	3,910,200	0.74
26.	Chua Jun Hock	3,900,000	0.74
27.	Tan Swee Boon	3,630,000	0.69
28.	Cheah Wan Yn	3,300,000	0.62
29.	Kok Kwang Lim	3,300,000	0.62
30.	Kee Loong Sing	3,300,000	0.62
	Total	**319,653,900**	**60.53**

Title and Location	Description	Tenure / Age of buildings	Year of Expiry	Land are / built-up area (Square feet)	Date of last valuation or acquisition	At Fair Value / Net book value RM
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	45,466	28.06.2024	1,610,000
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	2-storey hostel	Freehold 28 years	-	13,821	28.06.2024	336,000
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey hostel	Freehold 26 years	-	12,519	28.06.2024	308,148
Lot No. 1082, Geran 23580, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 24 years	-	28,493	28.06.2024	1,226,207
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	274,972	28.06.2024	8,250,000
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	2-storey factory building	Freehold 27 years	-	70,429	28.06.2024	3,884,615
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	3-storey factory building	Freehold 20 years	-	76,219	28.06.2024	4,824,242
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1 1/2-storey factory building	Freehold 17 years	-	1,981	28.06.2024	63,195
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey factory hostel	Freehold 17 years	-	9,246	28.06.2024	228,472

Title and Location	Description	Tenure / Age of buildings	Year of Expiry	Land are / built-up area (Square feet)	Date of last valuation or acquisition	At Fair Value / Net book value RM
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey surau	Freehold 17 years	-	624	28.06.2024	19,445
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1-storey factory building	Freehold 17 years	-	9,096	28.06.2024	393,750
Lot No. 2661, Geran 2292, Mukim of Durian Sebatang, District of Hilir Perak	1- storey hostel	Freehold 16 years	-	9,225	28.06.2024	301,622
Lot No. 25287, Geran 69663, Mukim of Durian Sebatang, District of Hilir Perak	Land	Freehold	-	1,200	02.08.2024	180,000
Lot No. 25287, Geran 69663, Mukim of Durian Sebatang, District of Hilir Perak	2-storey residential property for staff accommodation	Freehold 22 years	-	1,693	02.08.2024	91,935
Tapah Road, Plot 31, 32 and 39, Mukim of Batang Padang, District of Batang Padang (Master title has been subdivided into individual subtitles)	Residential and commercial land – Development in progress	Leasehold	15.02.2112	7.04 acres	28.06.2024	3,671,570
Lot No. 27926, PN 28097, Mukim of Bentong, District of Bentong	Vacant Building Land for Residential use	Leasehold	10.06.2107	19.69 acres	18.09.2024	18,500,000
Lot No. 312012, PN 3359821, Mukim of Sungai Raya, District of Kinta	Commercial Lot, Land-development in progress	Leasehold	10.10.2106	13.02 acres	28.06.2024	9,064,120
Unit No. 23-01, PN 64316/M1/23/331 Pusat Perdaganan Kebun Teh, Johor Bahru	Penthouse	Leasehold	07.06.2109	7,502	12.08.2024	2,900,000

Title and Location	Description	Tenure / Age of buildings	Year of Expiry	Land are / built-up area (Square feet)	Date of last valuation or acquisition	At Fair Value / Net book value RM
Unit No. 23-02, PN 64316/M1/23/332 Pusat Perdaganan Kebun Teh, Johor Bahru	Penthouse	Leasehold	07.06.2109	5,640	12.08.2024	2,200,000
No. 1H-21-1, Level 21 Block 1H, Adaman at Quayside, Tanjung Pinang	Condominium	Freehold	-	2,827	15.10.2024	3,000,000

NOTICE IS HEREBY GIVEN that the 28th Annual General Meeting ("**AGM**") of the Company will be held at Langkawi Room, Level 2, Main Club House, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan (KL) on Monday, 09 December 2024 at 10.00 am for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of Directors and Auditors thereon.	Please refer to Note 8
2. To re-elect Ng Keok Chai, a Director who retires by rotation pursuant with Clause 99 of the Company's Constitution and who, being eligible, offers himself for re-election.	**Ordinary Resolution 1**
3. To re-elect Dato' Kang Chez Chiang, a Director who retires by rotation pursuant with Clause 99 of the Company's Constitution and who, being eligible, offers himself for re-election.	**Ordinary Resolution 2**
4. To re-elect Dato' Pahlawan Mior Faridalathrash Bin Wahid, a Director who retires by rotation pursuant with Clause 99 of the Company's Constitution and who, being eligible, offers himself for re-election.	**Ordinary Resolution 3**
5. To approve the payment of Directors' fees up to an amount not exceeding RM435,000 from the forthcoming AGM of the Company to the next AGM of the Company.	**Ordinary Resolution 4**
6. To approve the payment of Directors' benefits up to an amount not exceeding RM100,000 from the forthcoming AGM of the Company to the next AGM of the Company.	**Ordinary Resolution 5**
7. To re-appoint Messrs. PKF PLT as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 6**

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without any modifications the following Ordinary Resolution:-

8. **AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**	**Ordinary Resolution 7**

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 ("**CA 2016**") and subject always to the approval of the relevant authorities, the Directors be hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company.

THAT pursuant to Section 85 of the CA 2016 to be read together with Clause 63(1) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the CA 2016.

THAT the Directors of the Company be also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and to do all such acts and things necessary to give full effect to such transactions as authorised by this resolution.

AND THAT, such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company."

9. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

By Order of the Board,

P'NG CHIEW KEEM (MAICSA 7026443)
SSM PC NO. 201908002334
Company Secretary

Penang
Date: 30 October 2024

NOTES ON APPOINTMENT OF PROXY

(1) A member entitled to attend and vote at the 28th AGM is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company.

(2) A member shall be entitled to appoint more than one person as his proxy in relation to the 28th AGM provided that he specifies the proportion of his shareholding to be represented by each proxy. Failing which, the appointment shall be invalid.

(3) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), it may appoint at least one proxy in respect of each securities account it holds with the ordinary shares of the Company standing to the credit of the said securities account.

(4) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.

(5) The instrument appointing a proxy shall be under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under the common seal of the corporation or under the hand of an officer or attorney duly authorised.

NOTES ON APPOINTMENT OF PROXY (CONT'D)

(6) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company's registered office at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Penang not less than 48 hours before the time for holding the 28th AGM or any adjournment thereof, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

(7) For the purpose of determining a member who shall be entitled to attend the 28th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 29 November 2024. Only a depositor whose name appears on the Record of Depositors as at 29 November 2024 shall be entitled to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.

NOTES ON ORDINARY BUSINESS

(8) **Agenda 1 – Audited Financial Statements**
The Audited Financial Statements for the financial year ended 30 June 2024 will be laid to shareholders at the forthcoming AGM of the Company pursuant to Section 340(1)(a) of the Companies Act, 2016. Hence, the Agenda 1 is not put forward for voting.

(9) **Agenda 2 to Agenda 4 – Re-election of Directors**
The Nominating Committee had assessed the performance and contribution of each of the retiring Directors seeking for re-election in accordance with the Directors' Fit and Proper Policy and was satisfied therewith. The Board had endorsed the Nominating Committee's recommendation to seek shareholders' approval for the re-election of the retiring Directors at the forthcoming AGM of the Company. The retiring Directors had abstained from deliberations and decisions on their respective re-election at the Nominating Committee and Board meetings. The details and profiles of the Directors who are standing for re-election at the forthcoming AGM are set out in the Company's Annual Report 2024.

(10) **Agenda 5 and Agenda 6 – Directors' Fees and Benefits**
The Ordinary Resolutions 4 and 5, if passed, will enable the Company to pay Directors' fees and benefits in accordance with Section 230(1) of the Companies Act, 2016. The total amount of Directors' benefits payable is estimated based on number of scheduled meetings of the Board and Board Committees as well as the number of Directors involved; and these benefits may comprise of meeting allowances, trainings, accommodations, insurance and other emoluments and benefits-in-kinds.

(11) **Agenda 7 – Re-appointment of Auditors**
Messrs. PKF PLT, the retiring Auditors has indicated their willingness to accept re-appointment and to hold office until the conclusion of the next AGM of the Company.

NOTES ON SPECIAL BUSINESS

(12) **Agenda 8 – Authority to issue shares pursuant to Companies Act, 2016**
The Ordinary Resolution 7, if passed, will enable the Directors to allot and issue shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to its issuance and, for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM.

The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of this notice, the Directors have not issued any shares pursuant to the general mandate granted at the last AGM of the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 28th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclose of the member's personal data by the Company for the purpose of processing and the administration by the Company (or its agents) for the 28th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 28th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company (or its agents) for the Purposes; and (iii) agrees that the member will indemnify the Company (or its agents) in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF 28TH ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES)

1) No individuals are standing for election as Directors at the forthcoming 28th Annual General Meeting of the Company.

2) The Ordinary Resolution 7 tabled under Special Business as per the Notice of 28th Annual General Meeting (**AGM**) of the Company dated 30 October 2024 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 28 November 2023.

   The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

   As at 30 October 2024, being the date of the Notice of the 28th AGM, the Directors have not issued any shares pursuant to the general mandate granted at the last AGM of the Company.

PROXY FORM

Number of Shares Held	CDS Account No.
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CLASSITA HOLDINGS BERHAD

Registration No. 199601036023 (408376-U)
(Incorporated in Malaysia)

I/We .... (*NRIC/Passport/Company No. ....)

of .... (Address)

being a * member / members of the above-named Company, hereby appoint:

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

*and/or

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

or failing whom, the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 28th Annual General Meeting ("**AGM**") of the Company to be held at Langkawi Room, Level 2, Main Club House, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan (KL) on Monday, 09 December 2024 at 10.00 am or any adjournment thereof.

	Ordinary Resolutions	**For**	**Against**
1	To re-elect Ng Keok Chai as a Director of the Company.		
2	To re-elect Dato' Kang Chez Chiang as a Director of the Company.		
3	To re-elect Dato' Pahlawan Mior Faridalathrash Bin Wahid as a Director of the Company.		
4	To approve the payment of Directors' fees.		
5	To approve the payment of Directors' Benefits.		
6	To re-appoint Messrs. PKF PLT as Auditors of the Company.		
7	To authorise the Directors to allot and issue new shares in the Company.		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he thinks fit.

Signed this .... day of 2024

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

Please fold across the line and close

Notes:

(1) A member entitled to attend and vote at the AGM is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company.

(2) A member shall be entitled to appoint more than one person as his proxy in relation to the AGM provided that he specifies the proportion of his shareholding to be represented by each proxy. Failing which, the appointment shall be invalid.

(3) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one proxy in respect of each securities account it holds with the ordinary shares of the Company standing to the credit of the said securities account.

(4) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.

(5) This form shall be under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under the common seal of the corporation or under the hand of an officer or attorney duly authorised.

(6) This form and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company's registered office at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Penang not less than 48 hours before the time for holding the AGM or any adjournment thereof, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default this form shall not be treated as valid.

(7) For the purpose of determining a member who shall be entitled to attend the 28th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 29 November 2024. Only a depositor whose name appears on the Record of Depositors as at 29 November 2024 shall be entitled to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.

(8) By submitting this form, members accept and agree to the Personal Data Privacy terms set out in the Notice of the AGM dated 30 October 2024.

Please fold across the line and close

POSTAGE
STAMP

The Company Secretary

CLASSITA HOLDINGS BERHAD

Registration No. 199601036023 (408376-U)

51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 George Town, Penang

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HOLDINGS BERHAD

Registration No. 199601036023 (408376-U)

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Perak Darul Ridzuan

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