



MATANG BERHAD

(Registration No. 201501017043 (1142377-X))

TOWARDS EXPANSIONS AND DIVERSIFICATIONS



Annual
Report
2024

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CORPORATE INFORMATION

BOARD OF DIRECTORS



Dato' Foong Chee Meng
Independent Non-Executive Chairman

Tan Tuan Peng
Executive Director

Dato' Ng Keng Heng
Executive Director

Sophia Lim Chia Hui
Independent Non-Executive Director

Datuk Tew Boon Chin
Independent Non-Executive Director

Datuk Teoh Sew Hock
Non-Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Sophia Lim Chia Hui
Chairperson

Dato' Foong Chee Meng
Member

Datuk Teoh Sew Hock
Member

NOMINATION AND REMUNERATION COMMITTEE

Dato' Foong Chee Meng
Chairman

Datuk Tew Boon Chin
Member

Sophia Lim Chia Hui
Member

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia
Telephone number : 603-2783 9191
Facsimile : 603-2783 9111
Email address : info@
my.tricorglobal.com

HEAD OFFICE

Unit 39.02, Level 39, Menara
Multi-Purpose Capital Square,
No. 8, Jalan Munshi Abdullah,
50100 Kuala Lumpur, Malaysia
Telephone number : 603-2693 0189/
603-2698 0189

EMAIL ADDRESS AND WEBSITE

Email address: info@matangbhd.com
Website: www.matangbhd.com

COMPANY SECRETARIES

Lau Yen Hoon
(SSM PC No. 202008002143)
(MAICSA 7061368)
Liew Shu Ning
(SSM PC No. 202408000033)
(MAICSA 7074561)

AUDITORS

BDO PLT (201906000013
(LLP0018825-LCA & AF 0206)
Chartered Accountants
Level 8, BDO @ Menara CenTARa,
360, Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur, Malaysia

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
(198201008390 (88103-W))
Menara Multi-Purpose
Capital Square,
No. 8, Jalan Munshi Abdullah,
50100 Kuala Lumpur, Malaysia

RHB Bank Berhad
(196501000373 (6171-M))
Level 2, Tower 3, RHB Centre,
Jalan Tun Razak,
50400 Kuala Lumpur, Malaysia

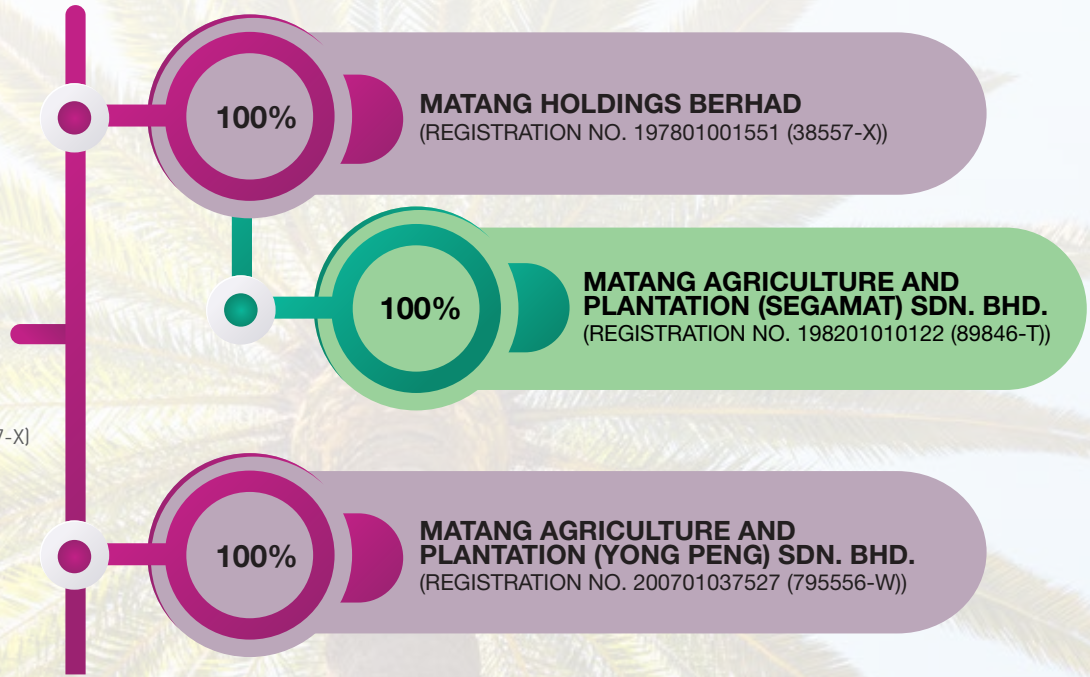
REGISTRAR

Tricor Investor & Issuing House Services
Sdn. Bhd.
(197101000970 (11324-H))
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia
Telephone number : 603-2783 9299
Facsimile : 603-2783 9222
Email address : is.enquiry@
my.tricorglobal.com

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
ACE Market
Stock Code : 0189
Stock Name : MATANG

GROUP CORPORATE STRUCTURE



GROUP FINANCIAL HIGHLIGHTS

	Financial years ended 30 June				
	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Fresh fruit bunches ("FFB") production (tonnes)	20,600	17,473	14,619	18,814	20,677
FFB yield per hectare (tonnes/hectare)	20.34	17.91	15.40	19.19	20.13
Average FFB price realised (RM)	798	820	1,206	728	465
FFB revenue	16,438	14,327	17,625	13,695	9,614
Sales of durian	442	-	-	-	-
Total revenue	16,879	14,327	17,625	13,695	9,614
Gross profit	10,664	8,242	13,264	11,237	7,443
Profit before taxation	4,945	3,356	8,615	6,261	2,923
Profit after taxation	3,210	2,627	5,689	4,105	1,614
Profit attributable to owners of the parent	3,210	2,627	5,689	4,105	1,614
Earnings per share attributable to owners of the parent (Sen)	0.13	0.11	0.26	0.22	0.09
Dividend per share (Sen)	0.16 ⁽¹⁾	0.16	0.22	0.20	0.15
Shareholders' equity	246,196	246,802	228,339	226,975	185,408
Cash, bank balance and short term funds	72,433	100,411	85,081	83,020	40,806

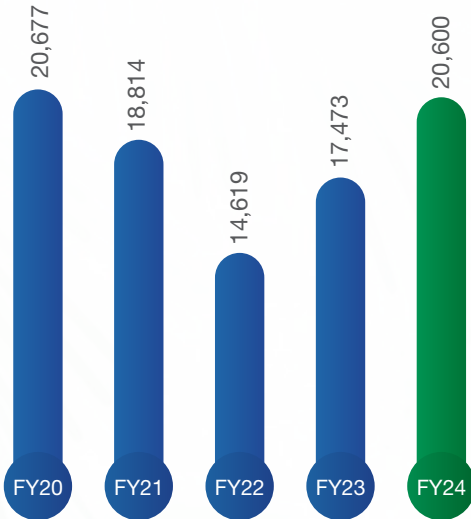
Notes:

⁽¹⁾ The first and final dividend of 0.16 sen per ordinary share of Matang Berhad in respect of the financial year ended 30 June 2024 is subject to the approval of the shareholders of Matang in the upcoming Annual General Meeting.

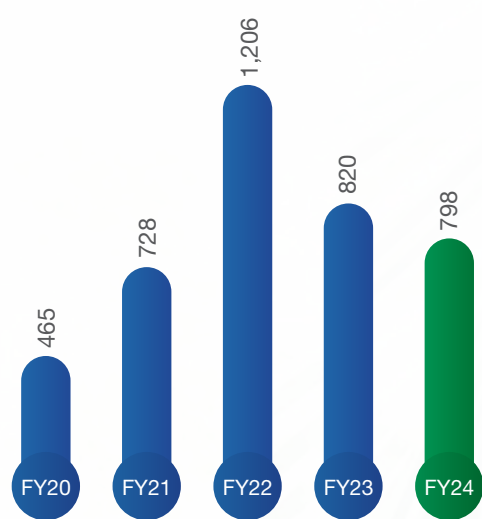
GROUP FINANCIAL HIGHLIGHTS

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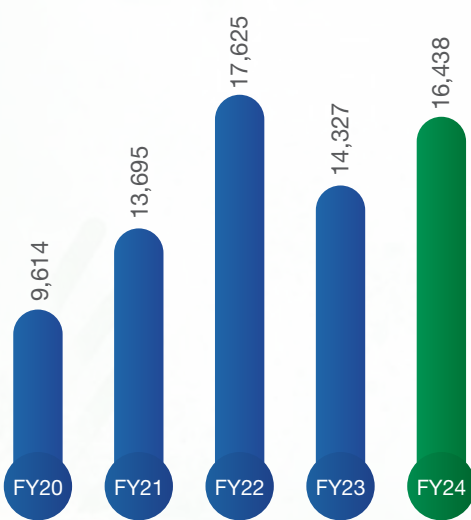
FFB PRODUCTION
(tonnes)



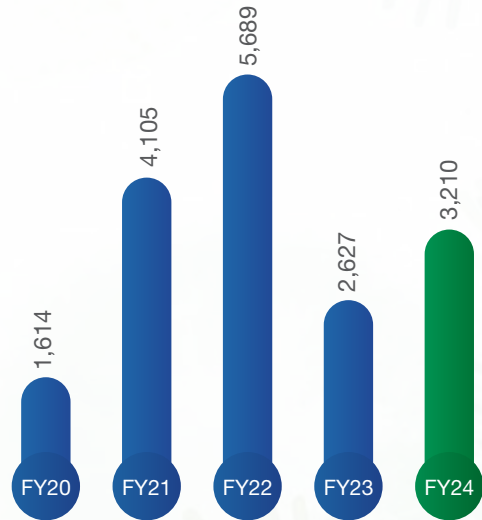
FFB PRICE REALISED
(RM)



REVENUE
(RM'000)



PROFIT AFTER TAXATION
(RM'000)



EARNING PER SHARE
(sen)



DIRECTOR'S PROFILE

DATO' FOONG CHEE MENG

*Independent
Non-Executive Chairman*

Dato' Foong Chee Meng ("Dato' Foong"), male, aged 58, a Malaysian, is our Independent Non-Executive Chairman. He was appointed to our Board of Directors ("Board") on 1 September 2015. He is also the Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee of the Company.



Age
58



Nationality
Malaysian



Gender
Male

Dato' Foong graduated with a Bachelor of Economics, Bachelor of Laws (Hons), and Master of Laws from the University of Sydney in 1987, 1989, and 1993, respectively. In 1989, he was admitted as a solicitor in the Supreme Court of New South Wales and the Federal Court of Australia. In 1989, Dato' Foong joined Messrs Baker & McKenzie in Sydney, Australia as a solicitor. Subsequently, in 1993, he joined Messrs. Zaid Ibrahim & Co. and became a partner at Messrs. Zaid Ibrahim & Co. in 1996, where he led the Corporate & Commercial and Foreign Investment practice groups in the law firm. In 2003, he set up Messrs Foong & Partners and currently holds the position of Managing Partner.

Dato' Foong was previously the Independent Non-Executive Director of Bintai Kinden Corporation Berhad (from 2008 to 2010) and Kumpulan Jetson Berhad (from 2017 to 2023), companies listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). In 2017, Dato' Foong was appointed as Independent Non-Executive Director of RHB Islamic Bank Berhad where he also serves as a member of the Islamic Risk Management Committee. In September 2022, Dato' Foong was appointed as Director of Pacific & Orient Insurance Co. Berhad.

TAN TUAN PENG

Executive Director

Tan Tuan Peng ("Mr. Tan"), male, aged 51, a Malaysian, was appointed to our Board on 1 December 2023 as a an Executive Director. Within Matang group of companies ("Matang Group" or "Group"), Mr. Tan is also a Director of Matang Holdings Berhad ("MHB").



Age
51



Nationality
Malaysian



Gender
Male

Mr. Tan graduated in 1999 with a Bachelor of Civil Engineering from the University of Newcastle Australia.

Mr. Tan has been involved and is experienced since 1999 in the management and strategic planning of the oil palm business, and land investment as well as more recently in the management and business development of container deport services. Other involvements of Mr. Tan include taking charge and leading a wide spectrum of business activities from research and development, to trading, production, marketing, and sales of protective equipment, safety shoes, and footwear.

Mr. Tan holds the position of Director in six (6) private companies in the business and or industries as summarised above.

DIRECTOR'S PROFILE

cont'd

DATO' NG KENG HENG

Executive Director

Dato' Ng Keng Heng ("Dato' Ng"), male, aged 56, a Malaysian, is our Executive Director. He was appointed to our Board as a Non-Independent Non-Executive Director on 1 September 2015 and was subsequently re-designated as Executive Director on 28 August 2019. Dato' Ng is also a Director of MHB.



Age
56



Nationality
Malaysian



Gender
Male

He graduated with a Bachelor Degree in Human Resource Management in 2009 from the Open University of Malaysia after pursuing studies in 2005 and a Degree of Master of Science (Safety, Health and Environment) from the Universiti Teknologi Malaysia in 2024. Dato' Ng has gathered significant oil palm plantation experiences with the involvement in daily operations of estates since 2019 as well as through various trainings comprising seminars, workshops, and conferences for the oil palm sector.

Dato' Ng has served as a local councillor for the Kota Tinggi District Council from 2001 to 2018 where he has extensive experience in local government procedures especially with application for land use conversion, permit and license applications, and business licence applications from local authorities.

SOPHIA LIM CHIA HUI

*Independent
Non-Executive Director*

Ms. Sophia Lim Chia Hui ("Ms. Sophia Lim"), female, aged 43, a Malaysian, is our Independent Non-Executive Director. She was appointed to our Board on 7 June 2022. Ms. Sophia Lim is also the Chairperson of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee of the Company.



Age
43



Nationality
Malaysian



Gender
Female

Ms. Sophia Lim is a Chartered Accountant with more than 18 years of experience in Corporate Finance, Financial Reporting and Auditing. She graduated from University Putra Malaysia in year 2005 with Bachelor of Accountancy (Honours) Degree and was admitted as the Chartered Accountant of the Malaysian Institute of Accountants ("MIA") in year 2008. She was also certified as an ASEAN Chartered Professional Accountant under the ASEAN Chartered Professional Accountants Coordinating Committee ("ACPACC") in year 2019.

Ms. Sophia Lim currently held the position of Transition Manager since the year 2019 in the Finance Shared Services of a multinational corporation ("MNC") incorporated in France and listed on the Paris Stock Exchange. Prior to her current role, she was the Account Manager and Assistant Financial Controller with the same company since year 2012.

DIRECTOR'S PROFILE

cont'd

DATUK TEW BOON CHIN

*Independent
Non-Executive Director*



Age
54



Nationality
Malaysian



Gender
Male

Datuk Tew Boon Chin ("Datuk Tew"), male, aged 54, a Malaysian, is our Independent Non-Executive Director. He was appointed to our Board on 23 May 2019. He is also a member of the Nomination and Remuneration Committee of the Company.

Datuk Tew graduated from the New Jersey Institute of Technology in 1993 with a Bachelor of Science majoring in Civil Engineering and later he continued to obtain his Master Degree in Science in Civil Engineering in 1995. Datuk Tew began his career with Bachy Soletanche, a renowned French geotechnical specialist firm which has been involved in various prominent engineering projects including the construction of the foundation for Kuala Lumpur City Centre, more commonly known as KLCC.

Datuk Tew is currently the Managing Director of Anvil Group, a group of companies focused on property development, construction and plantation with three decades of track records. Anvil Group is also an award-winning property development group of companies which has scored awards that included the Property Insight Luxury Award for 2016 and the Asean Property Award 2019 for their property development projects.

As part of the Anvil Group, Datuk Tew also has experience in oil palm plantation and oil milling businesses where he holds directorship in Lembing Plantation Sdn. Bhd. and Kilang Sawit Lembing Sdn. Bhd. in Sungai Lembing, Kuantan besides vast plantation experiences in Johor, Sabah and Sarawak of Malaysia.

DATUK TEOH SEW HOCK

*Non-Independent
Non-Executive Director*



Age
55



Nationality
Malaysian



Gender
Male

Datuk Teoh Sew Hock ("Datuk Teoh"), male, aged 55, a Malaysian, is our Non-Independent Non-Executive Director. He was appointed to our Board on 1 September 2015. Datuk Teoh is one of the members of the Company's Audit and Risk Management Committee. Datuk Teoh is also the Chairman for the Company's Durian Project Committee.

Datuk Teoh attended Campbell University, United States, where he obtained a Bachelor of Science Degree in 1994. He began his career in 1995 as Managing Director of Local Basic Sdn. Bhd. ("Local Basic"), a family-owned business that is involved in the manufacturing, assembly, and sale of bicycle components, electrical appliances, and components in Gelang Patah, Johor.

Datuk Teoh being the Managing Director of Local Basic has been instrumental in undertaking and managing the Industry Revolution 4.0 exercise and development. He has successfully put in place automation in the manufacturing and assembly process as well as the digitalisation of data and information through the implementation of big data analytics systems for Local Basic, making it at the forefront of automation and digitalisation for an increase in both productivity and efficiency. Effective management in Local Basic is also enhanced following the digitalisation and automation exercises.

In 2004, Datuk Teoh was appointed as a Non-Executive Director of Success Service & Maintenance Sdn. Bhd., a company involved in the servicing and maintenance of motor vehicles. In the same year, he was appointed as an Executive Director of Local Casting Sdn Bhd where he is involved in the day-to-day operations of the company. In 2006, he established and was appointed as Director for Success Local Development Sdn. Bhd., a property development firm, which invested in land development in Kota Iskandar, Nusajaya, Johor.

In addition, together with his family members, Datuk Teoh also owns and manages a durian plantation located in Johor which has been in operation for more than 5 years and has undertaken contract farming for various durian plantations for more than 10 years.

NOTES

- (i) None of the Directors has any family relationship with any other director and/or major shareholder of the Company.
- (ii) None of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- (iii) None of the Directors has been convicted for any offences (other than traffic offences, if any) within the past five (5) years or imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2024.

PROFILE OF KEY SENIOR MANAGEMENT TEAM



TAN TUAN PENG
Executive Director

Please refer to Page 6 of the Annual Report.



DATO' NG KENG HENG
Executive Director

Please refer to Page 7 of the Annual Report.



TAN THENG HWEЕ
*Chief Financial Officer Cum
Chief Operating Officer*

Ms. Tan Theng Hwee ("Ms. Tan"), female, aged 52, Malaysian, was appointed to the position of Chief Financial Officer cum Chief Operating Officer of the Company on 3 February 2020.

Ms. Tan graduated with a Bachelor of Accounting (Honours) Degree from the Northern University of Malaysia. She is a Chartered Accountant (C.A.(M)) and ASEAN Chartered Professional Accountant (ASEAN CPA) under the Malaysian Institute of Accountants (MIA), and a Certified Public Accountant (CPA) under the Malaysian Institute of Certified Public Accountants (MICPA).

Ms. Tan has over 27 years of experience in auditing, financial management, operational finance, corporate finance, treasury, and strategy and business planning. She started her career as an auditor and subsequently served in a few publicly listed and private companies before joining Matang.

Ms. Tan does not hold any directorship in public companies and listed corporations, has no family relationship with any other director and/or major shareholder of the Company, has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries, and has not been convicted for any offences (other than traffic offences, if any) within the past five (5) years or imposed with any public sanction or penalty by the relevant regulatory bodies during financial year ended 30 June 2024.

CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS

“On behalf of the Board of Directors (“the Board”) of Matang Berhad (“Matang” or the “Company”), we are pleased to present the Annual Report and audited financial statements for the financial year ended 30 June 2024 (“FY2024”) for Matang group of companies (“Matang Group” or “Group”)



OVERVIEW

Crude palm oil (“CPO”) prices are expected to trade within the range of RM3,800 per tonne to RM4,000 per tonne in the second half of 2024, the Malaysian Palm Oil Council (MPOC) chief executive officer said, with production conditions remaining the main factor influencing prices. The Malaysian palm oil production growth momentum in the second half of 2024 is expected to slow down due to the high base effect, which is supportive of palm oil prices. The slowing production growth in both Malaysia and Indonesia, coupled with stable demand from India and China, will keep palm oil prices robust. If Indonesia increases its biodiesel rate to B40 in 2025, the global palm oil supply will tighten further.

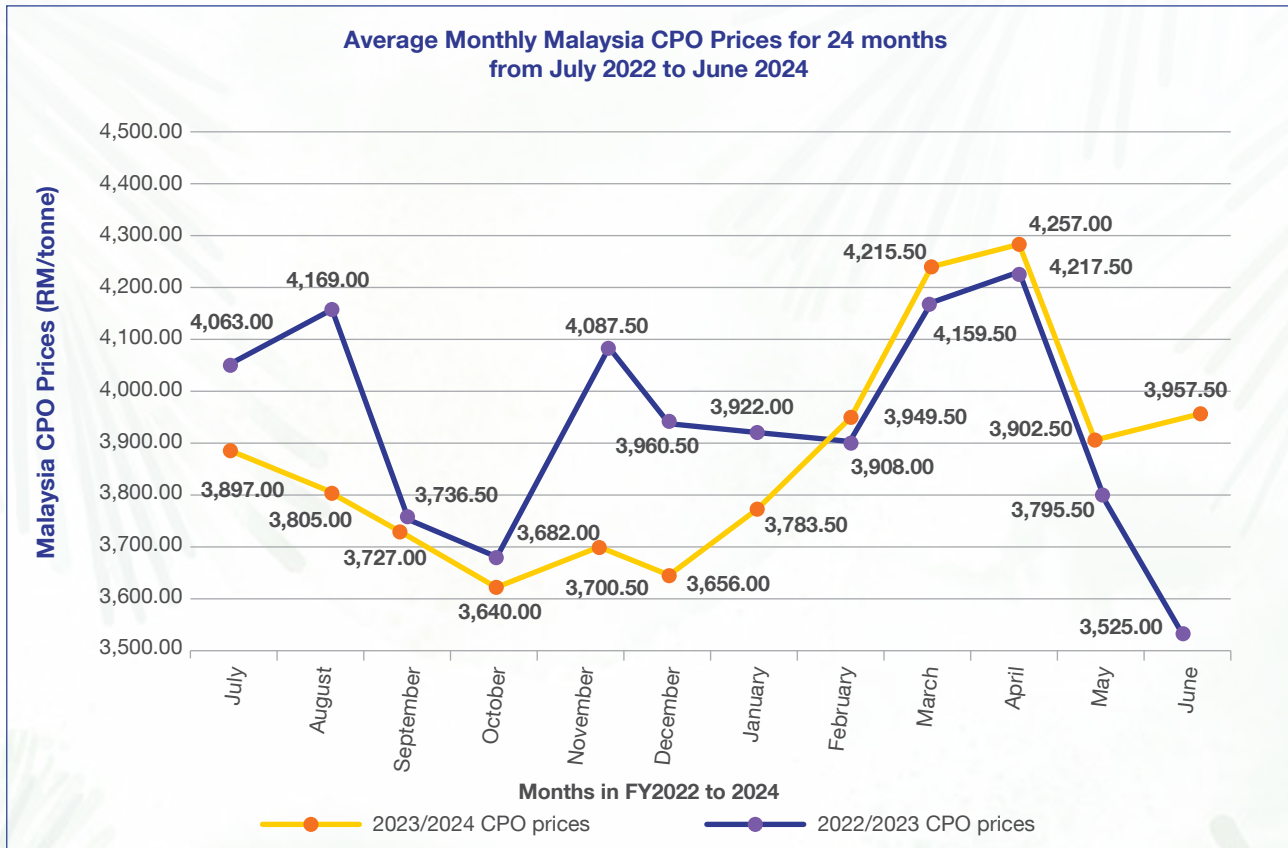
The top two challenges in the palm oil industry are the increasing dependence on foreign labour and the slow pace of mechanisation, besides the significant challenge of the lack of replanting old and unproductive trees. According to the MPOA data, 80% of workers in oil palm estates are foreign labour, and approximately 31% of oil palm trees in Malaysia are currently over 20 years old and unproductive.

For our FY2024, which started on 1 July 2023, the CPO prices were recorded at RM3,897 per tonne in July 2023 and gradually slid into RM3,640 per tonne in October 2023. The decline in prices is generally expected due to the exceptional events in the form of the Russia-Ukraine war in year 2022 as well as the ban on palm oil exports by Indonesia, according to CIMB Investment Bank Bhd plantation analyst. The CPO price rebounded to RM4,257 per tonne in April 2024, slid back to RM3,902.50 per tonne in May 2024 and rebounded at RM3,957.50 per tonne in June 2024.

CHAIRMAN'S STATEMENT

cont'd

The average monthly Malaysia CPO prices for 24 months from July 2022 to June 2024 based on the Malaysian Palm Oil Board ("MPOB") as the diagram below:-



Source: Extracted from MPOB website as updated on 11 September 2024.

REVIEW OF PERFORMANCE AND RESULTS

For FY2024, which ended on 30 June 2024, the **revenue** for the Group increased by about 17.8% from RM14.3 million recorded in financial year ended 30 June 2023 ("FY2023") to RM16.88 million. Included in FY2024 revenue is the revenue from durian of RM0.44 million from Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. ("MAPYP"). Matang's fresh fruit bunches ("FFB") production from our oil palm estate in Segamat and Yong Peng, Johor ("Matang Estate" or "Estate") increased by 17.9% from 17,473 tonnes in the previous financial year ("FY") to 20,600 tonnes in FY2024 partly contributed by the revenue generated from MAPYP that came into the Group on 25 July 2023 with mature hectareage of oil palm plantation in addition to the improved harvesting round. The FFB production yield of Matang Estate increased from 17.91 tonnes per hectare ("ha") in FY2023 to 20.34 tonnes per ha in FY2024. As of 30 June 2024, the total mature oil palm hectareage of Matang Estate was 1,013.03 ha, and the durian plantation of the Group formed another 118.03 ha. Balance of about 19.31 ha are areas of ancillary structure such as estate office, staff and workers' quarters, warehouse, etc.

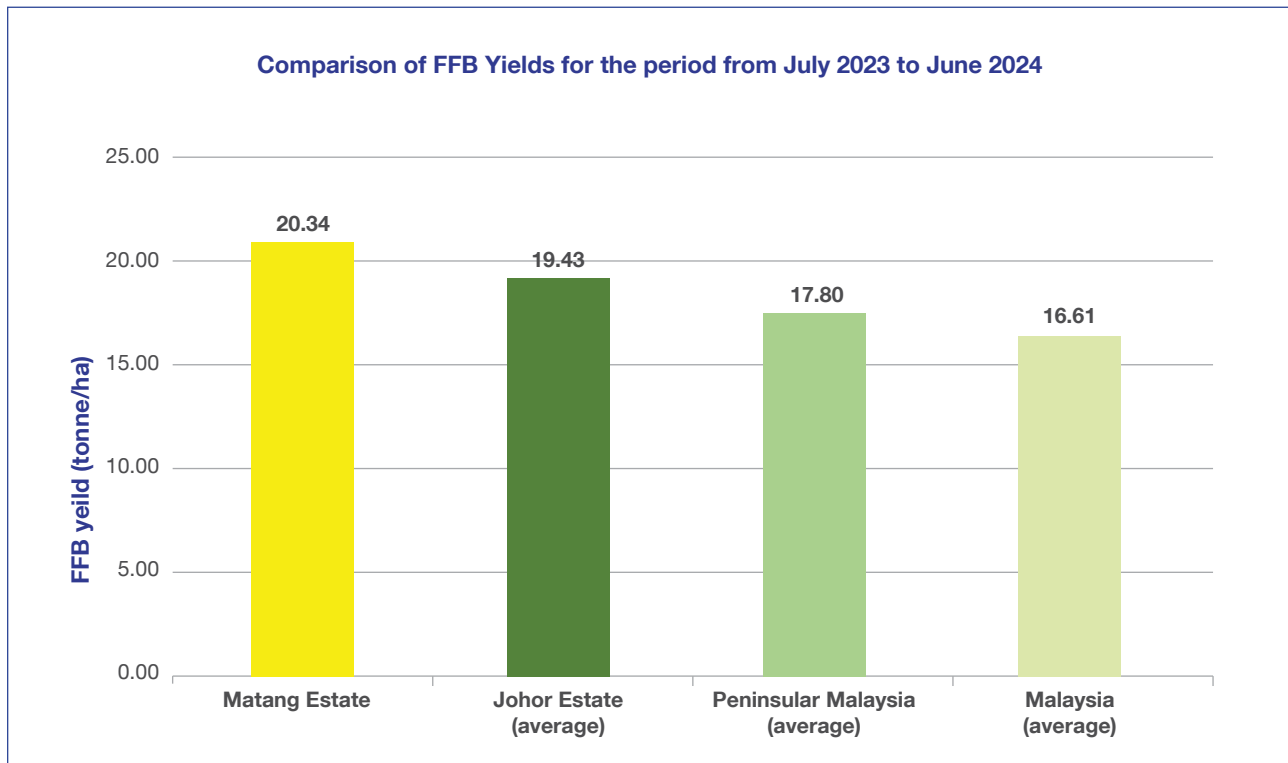
While the FFB production and FFB yield have increased in FY2024, the CPO prices in FY2024 have been lower as compared to FY2023. Fueled by production concerns and weaker Malaysian currency that made palm oil cheaper for overseas buyers, the monthly average CPO prices have demonstrated a downward from RM3,897 per tonne in July 2023 to RM3,640 per tonne in October 2023 and gradually improved from RM3,656.50 per tonne in December 2023 and RM4,257 per tonne in April 2024 before it back to downward at RM3,902.50 per tonne in May 2024 and RM3,957.50 per tonne in June 2024. For FY2024, the monthly average CPO prices remained in the range of between RM3,640 per tonne in October 2023 and RM4,257 per tonne in April 2024.

In terms of FFB yield, based on the data and information extracted from the MPOB's website, the average FFB yield for Johor State for the period from July 2023 to June 2024 was 19.43 tonnes per ha, while it was an average of 17.80 tonnes per ha for Peninsular Malaysia and 16.61 tonnes per ha for Malaysia as a whole.

CHAIRMAN'S STATEMENT

cont'd

The following diagram illustrates the comparison in terms of FFB yield in tonnes per ha between Matang Estate and the average of Johor State, Peninsular Malaysia, and Malaysia for the same period from July 2023 to June 2024.



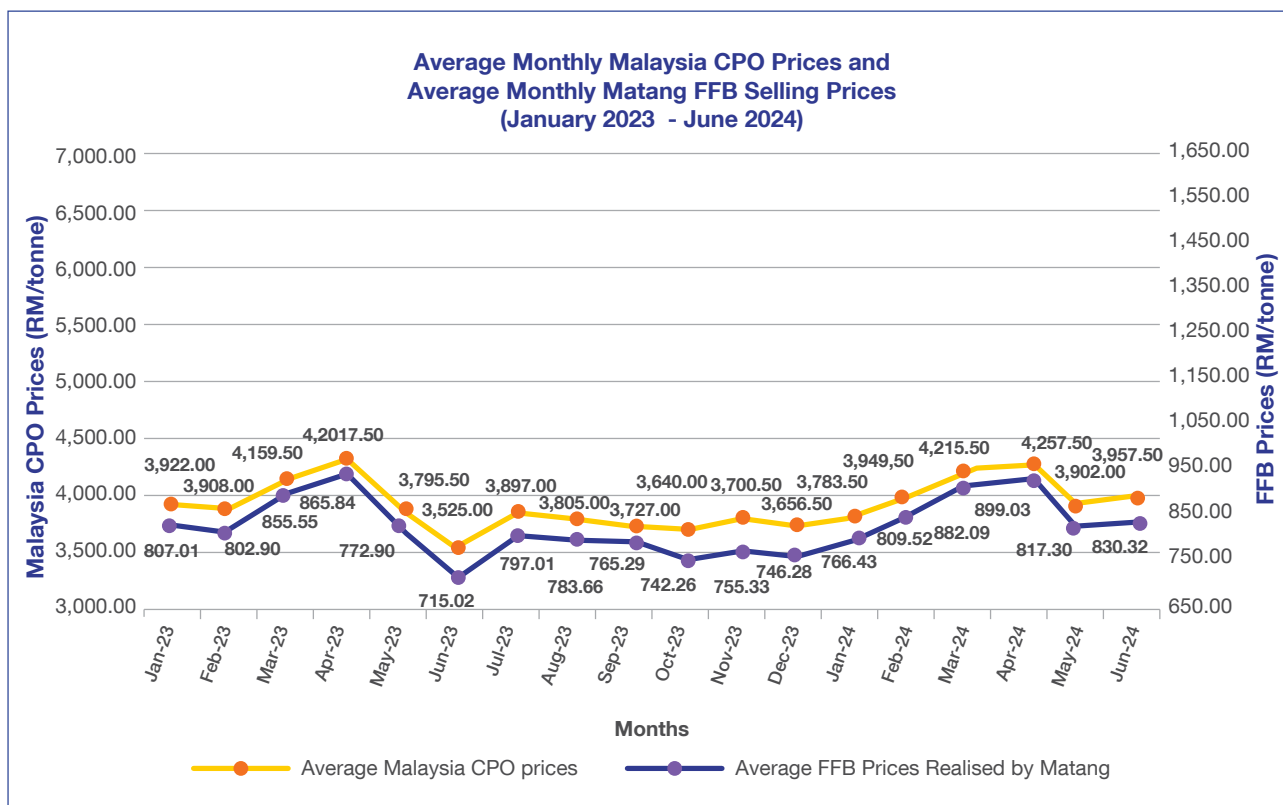
Source: Extracted from the MPOB website as updated on 11 September 2024 and based on information from Matang

The monthly average FFB prices realised from the sales of our FFB were parallel in pattern with the movement of the monthly CPO prices. For FY2024, the average FFB price realised by Matang Estate was RM798 per tonne as compared to RM820 per tonne realised in the previous FY, which was a drop of about 2.7% in FY2024. With the FFB production of 20,600 tonnes in FY2024 and the average FFB price realised of RM798 per tonne, the Group's FFB revenue for FY2024 was RM16.44 million, coupled with durian revenue of RM0.44 million, derived at a total revenue of RM16.88 million in FY2024, as compared to RM14.33 million in FY2023, i.e., with an increase of RM2.55 million or about 17.8%.

CHAIRMAN'S STATEMENT

cont'd

The following diagram shows the levels of monthly average Malaysia CPO prices and the FFB prices of the Group from January 2023 to June 2024



Source: Extracted from the MPOB website as updated on 11 September 2024 (for the monthly average CPO prices) and based on information from Matang (for the FFB prices realised by Matang Estate)

Gross profit ("GP") for the Group for FY2024 was higher at RM10.66 million for the FY under review as compared to RM8.24 million in the previous FY, an increase of RM2.42 million or 29.4%, mainly contributed by the increased revenue.

Other income of the Group decreased from RM4.10 million in FY2023 to RM3.80 million in the current FY under review mainly due to the decrease in interest income. **Administration expenses** increased by about 10.56%, from RM8.52 million in FY2023 to RM9.42 million in FY2024, an increase of RM0.9 million. The increase in administration expenses are mainly due to the increase in depreciation of bearer plant, depreciation of property, plant and equipment, and the increase in recruitment & renewal of foreign workers, mitigated by the lower fair value adjustment of Investment Properties, and fair value adjustment on agriculture produce recorded.

The Group's **profit before taxation ("PBT")** for the current FY was RM4.95 million as compared to RM3.36 million for the previous FY, an increase of RM1.59 million or 47.3%. The increase is contributed from higher increase in gross profit of RM2.42 million mitigated by the lower other income and increased administrative expenses as explained above.

The Group's **profit after taxation ("PAT")** for FY2024 was RM3.21 million compared to RM2.63 million achieved in FY2023, an increase of RM0.58 million or 22.1%. The increase in profit after taxation is due to the increase in profit before taxation mitigated by the higher tax expenses of RM1.74 million in FY2024 as compared to RM0.73 million in FY2023.

The earning per share ("EPS") of the Group increased from 0.11 sen in FY2023 to 0.13 sen in FY2024.

Our shareholders can find more details on the performance and results of the Group in Management Discussion and Analysis in this Annual Report.

CHAIRMAN'S STATEMENT

cont'd

CORPORATE DEVELOPMENT

ACQUISITION OF GREENCODE FARM SDN. BHD. ("GFSB")

The Company entered into a Share Sale Agreement on 2 May 2023 with ten (10) sellers to acquire a total of 2,500,000 shares in GFSB for a total purchase consideration of RM30.57 million.

GFSB is a private limited company with the main asset comprising a parcel of 56.23 ha freehold agricultural land identified as Geran 95001, Lot 7415, Mukim of Tanjung Sembrong, Daerah Batu Pahat, Johor for which approximately 37.64 ha land areas have been planted with oil palm and approximately 17.09 ha of lands was made up by durian plantation with balance being areas of ancillary structures, amenities and internal roads. The majority of the oil palm trees are about 11 years old, while most of the durian trees are about 40 years old.

The acquisition of GFSB was completed on 25 July 2023, and further to that, the company name of GFSB was changed to Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. on 8 September 2023.

PROPOSED ACQUISITION OF TWO UNITS OF INDUSTRIAL PROPERTY TO BE ERECTED ON FREEHOLD LAND

The Company entered into a conditional sale and purchase agreement ("SPA") with Star Media Group Berhad ("Star Media" or "Proprietor") and SMG Land Sdn. Bhd. ("SMG Land" or the "Vendor"), a wholly-owned subsidiary of Star Media to acquire two (2) units of double-storey semi-detached factory and warehouse annexed with a one-and-a-half (1½) storey office building and other ancillary buildings to be erected on part of the land held under Geran 204624, Lot 78658, Mukim Damansara, Daerah Petaling, Negeri Selangor ("Property") for a total purchase consideration of RM33,000,000.00 to be satisfied via the allotment and issuance of 357,000,000 new ordinary shares in Matang to SMG Production & Distribution Sdn. Bhd., a wholly-owned subsidiary of the Vendor at an issue price of RM0.0809 each and cash payment amounting to RM4,118,700 ("Proposed Acquisition of Property").

On 31 May 2023, the Company obtained its shareholders' approvals in an Extraordinary General Meeting ("EGM") for the Proposed Acquisition of Property as well as for the proposed diversification of the existing principal activities of Matang Group to include property investment ("Proposed Diversification"). However, due to non-fulfilment by Star Media of the condition precedent under the SPA to obtain its shareholders' approval for the proposed disposal of the Property, the Company had on 17 July 2023 agreed to Star Media on its request to mutually terminate the SPA with effect from 17 July 2023.

Despite the above, the Company has obtained the approval of its shareholders in the EGM on 31 May 2023 for the Proposed Diversification. Moving forward, the Board will consider other methods of growing its property investment business, such as acquiring other potential property assets, where the Board deems appropriate.

OIL PALM BUSINESS

For FY2024, the FFB production yield of Matang Estate of 1,013.03 ha was 20.34 tonnes per ha which is slightly above the average for Johor State at 19.43 tonnes per ha.

With the gradual arrival of the foreign workers, following the approval of the foreign worker's quota application in October 2022, Matang Estate is currently adequately staffed for its operation in terms of the workers-hectare ratio.

The Board envisages that the Group's FFB production and FFB yield could be enhanced in due course via successful and suitable acquisitions.

As of 30 September 2024, the Group has utilised RM30.85 million (inclusive of RM0.20 million corporate exercise expenditure and RM0.09 million for stamp duty) to acquire MAPYP, which owns the freehold agricultural land of 56.23 ha in Batu Pahat District with 37.64 ha of planted oil palm estate and approximately 17.09 ha of planted durian plantation with balance areas for ancillary structures, amenities, and internal roads.

For the expansion plan in the plantation sector, until recently, the high CPO prices have afforded potential vendors or joint venture partners of suitable assets, i.e., land and oil palm plantations, either significant bargaining power for high asking prices or substantial holding power for the landowners to continue to operate and manage the plantations on their own.

CHAIRMAN'S STATEMENT

cont'd

Notwithstanding that, the Group will continue to be on the look-out for any future investment opportunities in oil palm plantation(s) assets and businesses, provided it is in line with its investment objective and criteria, which include but not limited to, growth potential and prospect, economic viability of project, and ability to create value-added synergies or business peripherals to complement its core business of oil palm plantation. The Group will evaluate and deliberate on the appropriate capital allocations towards such new investment(s), as and when such opportunities arise.

In regard to any suitable acquisitions, the Company shall make the requisite announcements and/or seek shareholders' approval in accordance with the ACE Market Listing Requirements of Bursa Securities as and when the new investment(s) are identified and terms of negotiation are finalised.

DURIAN BUSINESS

Since the approval of the shareholders in November 2019 for the diversification into durian business that includes ownership, operation, and management of durian plantation, processing, production and distribution of durian, and any related downstream business activities ("Durian Business"), the Group has completed the development of its first durian plantation ("First Durian Plantation" or "DP1.0") of 46.60 ha in February 2021 followed with the completion of development of second durian plantation ("Second Durian Plantation" or "DP2.0") ha in October 2022.

Further, the acquisition of MAPYP was completed on 25 July 2023, adding an additional 17.092 ha of durian plantation to the Group, making the Group's total durian plantation area 118.03 ha.

As part of the sustainability program, our DP1.0 was fully operated by Matang's internal staff, with guidance from an external advisor, starting December 2023. The DP2.0 was fully operated by Matang's internal staff, with guidance from an external durian advisor, starting in March 2024. The Group remain committed to fostering a positive work environment by investing in employee development and retaining skilled workers in running the durian plantation.

The Group continued its digitalisation drive for its durian plantations with Internet of Things Technology. The telemetry system customised farm/plantation management software platform that the pilot runs in DP1.0 has been installed with the big data analytic systems, which comprise, among others, weather station, soil health monitoring modules, as well as individual QR codes for selected durian seedlings. The big data analytic systems, vital recurring data, and statistics such as, amongst others, the moisture levels, PH, and nutrient contents of soils of DP1.0 can be gathered, organised and stored in databases for ease of future access. The Group expects that better future management, decision-making, and automation for its durian plantations could be achieved, paving the way for more efficient growth monitoring of the durian trees and effective development of other durian estates in the future.

DP1.0 and DP2.0

The development of the Group's DP1.0 was completed in February 2021. In March 2021, DP1.0, which covers 46.6 ha, entered the maintenance and management phase. Subsequently, grafting for all Kampung breed trees was also completed.

The Group commenced the development of DP2.0, which is also within Matang Estate, in June 2021. DP2.0 was completed in October 2022 and entered into the maintenance and management phase in September 2022.

The Group allocated 10 acres within DP2.0 for a large variety of durian breeds designated for the development of both Agri cum Edu-tourism purposes. Matang envisages all different possible breeds of durians available to be planted in the Durian Corridor, which can serve as a reference for future generations.

To date, the Group achieved 10,000 planted and surviving durian trees of various durian breeds or trees in our DP1.0 and DP2.0 durian plantations under Matang Agriculture and Plantation (Segamat) Sdn. Bhd. ("MAPS"). The durian plantations are currently under the maintenance and management phase, of which a specific supply team was designated to carry out the daily supply work to replace the unhealthy and casualty plants as and when required on a timely basis.

CHAIRMAN'S STATEMENT

cont'd

The following are some of the photos taken at our First Durian Plantation in the FY under review.



CHAIRMAN'S STATEMENT

cont'd

The following are some of the photos taken at our Second Durian Plantation.



Durian Plantation Yong Peng of MAPYP

MAPYP owns a freehold agricultural land of 56.23 ha identified as Geran 95001, Lot 7415, Mukim of Tanjung Sembrong, Daerah Batu Pahat, State of Johor Darul Takzim, for which 37.64 ha has been planted with oil palm and 17.09 ha was planted with durian trees of about 40 years old. MAPYP's durian plantation (or "DP Yong Peng") is a yielding plantation with mature durian trees of various breeds.

With the completion of the acquisition of MAPYP, which owned a mature durian plantation on 25 July 2023, the Group diversified into revenue generated durian estate, with durian revenue recorded in the current FY. While continuous efforts are required to further improve the condition of the durian trees, the Board believes that the income from the durian business represents an opportunity for Matang Group to extend its existing business solely in oil palm plantations. Besides, the acquisition of this mature durian plantation allows a platform for the Group to explore the durian downstream products.

CHAIRMAN'S STATEMENT

cont'd

The following are some of the photos taken at Matang's DP Yong Peng.



PROSPECTS

The **Group's Oil Palm Business** is expected to show growth in financial year ending 30 June 2025 in light of recovery in labour supply conditions, better palm oil price projections, higher yield per hectare and heightened demand from key export destinations. The Group has also carried out several measures to optimise the production yield, including ensuring a sufficient labour supply, the mechanism in plantation operations, and optimal plantation management in terms of scheduled replanting, thinning program, quality fertilizers, and seeds.

With the arrival of the last batch of foreign workers from the 120 approved quotas in February 2024, the Group has the optimal level of workers to run the plantation. At the same time, the Group is gradually venturing into the mechanism of plantation operations to mitigate the risk and adverse impact of significant reliance on foreign workers. Advanced mechanisation tools, such as fertiliser spreaders, mist blowers, spraying pumps, etc., were used to optimise material usage and enhance operational efficiency.

At the same time, 77.2 ha, being the first phase of the scheduled 4-year replanting works for 312.29 ha of oil palm plantation in our Segamat Estate located in the District of Tangkak and Segamat, Johor, commenced in July 2024. The Group is also looking into the thinning program in one of the fields to improve oil palm yield by achieving the site yield potential.

CHAIRMAN'S STATEMENT

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The crude palm oil reached above RM3,900 per tonne in February 2024 and peaked at RM4,257 per tonne in April 2024. The average CPO price for second half 2024 would remain between RM3,800 per tonne and RM4,200 per tonne, based on the statement from the MPOC on 9 July 2024.

For the **Group's Durian Business**, it presents an attractive revenue opportunity for the Group. The Group has managed to diversify into durian revenue for the first year, with the completion of the acquisition of MAPYP, which comes with a matured durian plantation on 25 July 2023. Meanwhile, the DP1.0 and DP2.0, which are mainly planted with Musang King and Black Thorn, are expected to flower in the next few years. Meanwhile, the Group is expanding into durian downstream projects on durian paste processing.

In recent years, durian production has seen remarkable growth. In 2022, Malaysia produced 455,458 metric tons of durian, and this number is expected to grow to 505,853 metric tons by 2025. Additionally, the compound annual growth rate of 7.2% from 2023 to 2033 of the durian industry offers a world of opportunity for Malaysia. [source: Agriculture and Food Security Deputy Minister, in celebrating the Durian Manufacturer Association's first anniversary]

The majority of durian plantations dedicated to premium varieties like "Musang King", which focuses on quality over quantity, resonates with global consumers, enhancing Malaysia's reputation as a producer of the finest durians with its rich history and deep cultural roots.

The Agriculture and Food Security Ministry is confident that the signing of a protocol on 19 June 2024 that allows fresh Malaysian durian to be exported to China will further spur the growth of the local durian cultivation industry.

The Group has continued enhancing the efficiency and productivity of durian farming, with assistance from technology, such as data-driven agriculture methods to optimize output, reduce costs, streamline farming operations

Premised on the above, the Group believes that the Durian Business continues to represent an opportunity for Matang Group to extend its existing oil palm plantations.

DIVIDEND

The Board recommends the first and final dividend of 0.16 sen per ordinary share of Matang in respect of FY2024, which is subject to the approval of the shareholders of Matang in the upcoming Annual General Meeting ("AGM") of the Company.

ACKNOWLEDGEMENTS

The Board would like to convey its sincere gratitude to the Management team and all our employees for their contribution, effort, commitment, and dedication to the Group. The Board would also like to extend sincere appreciation to our shareholders, advisers, business associates, customers, bankers, auditors, and the authorities for their continuous support of the Matang Group of companies.

The Board would like to express its greatest thanks to Datuk Ir. Low Ah Keong, the former Executive Director, resigned on 31 March 2024 for his past services and contributions to the Company and the Group.

The Board would also like to express its greatest thanks to Datuk Teoh Sew Hock, who shall hold office until the conclusion of this Tenth AGM. Datuk Teoh Sew Hock is retiring by rotation pursuant to Clause 125 of the Constitution of the Company and has indicated that he does not wish to seek re-election as a Director of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Matang, a company incorporated in Malaysia on 28 April 2015, and its subsidiaries (collectively as “Matang Group” or “Group”) are principally involved in the investment holding, property investment holding, management of plantation estate, and sale of fresh fruits bunches (“FFB”) and durian.

The plantation estate of Matang Group comprises an Estate held by Matang Agriculture and Plantation (Segamat) Sdn. Bhd. (“MAPS”), located in the District of Tangkak and Segamat, Johor, covers an area of 1,094.15 ha (“Segamat Estate”), and an Estate held by Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. (“MAPYP”), located at Mukim of Tanjung Sembrong, Daerah Batu Pahat, Johor covers an area of 56.23 ha (“YP Estate”). The total plantation estate for the Group, which consists of Segamat Estate and YP Estate (“Matang Estate” or “Estate”), stood at 1,150.38 ha, with a planted area of 1,131.06 ha.

For the Segamat Estate, 1,076.33 ha out of the 1,094.15 ha are planted areas, and the balance is made up of areas for the estate office, staff and workers’ quarters, and warehouse, amongst others. As of 30 June 2024, out of the planted areas of 1,076.33 ha in Segamat Estate, a total of 975.39 ha was planted with oil palm trees, and 100.94 ha were planted with durian trees under the Group’s First Durian Plantation and Second Durian Plantation respectively.

For the YP Estate, 54.73 ha out of the 56.23 ha are planted areas, and the balance comprises areas for ancillary structure and amenities. As of 30 June 2024, out of the planted areas of 54.73 ha, a total of 37.64 ha in YP Estate is planted with oil palm trees between 13 years old and 17.09 ha in YP Estate were planted with durian trees of over 41 years.

In addition to the plantation, Matang, through a wholly owned subsidiary, Matang Holdings Berhad (“MHB”), owns an industrial property comprising three (3) blocks of building with total net lettable areas of about 149,000 square feet located on an approximately 3.20 acres leasehold land in Kawasan Perindustrian Larkin, Johor Bahru, Johor (“Larkin Investment Property”). Meanwhile, MAPS owns a piece of vacant freehold development land of an approximately 5,000 square meters in Tangkak, District of Tangkak, Johor (“Tangkak Vacant Land”), that is currently on a 3+3 years lease to a Food Truck Operator, up to 31 March 2030.

OVERVIEW

For the first half of 2024, the monthly average crude palm oil (“CPO”) prices hovered between RM3,640 per tonne to RM3,897 per tonne as a result of an ample supply of soybeans in Brazil. The reduction of export tax and levy on CPO in Indonesia, coupled with higher production levels, further contribute to the marginal weakening of CPO prices.

The monthly average CPO prices gradually improved in the second half of 2024 as a result of stagnant production levels, coupled with a surge in demand leading up to the various festivals, i.e., Ramadan month, Chinese New Year, and Hari Raya Aidilfitri.

The FFB price movements reflected a similar pattern of changes in CPO prices, with monthly prices realised for Matang’s FFB sold hovering between RM742 per tonne and RM899 per tonne in year 2024. The average FFB price realised by Matang was RM798 per tonne in financial year ended 30 June 2024 (“FY2024”) as compared to RM820 per tonne for financial year ended 30 June 2023 (“FY2023”), reflecting a slight drop in the average price of RM22 per tonne or about 2.7%.

OPERATIONAL OVERVIEW

OIL PALM BUSINESS

The subsidiary companies of Matang are involved in the management of plantation estate, sale of FFB and durian, and property investment holding. The primary activities of oil palm plantations of Matang are in the business of operations and management of plantation estate, including procuring germinated oil palm seeds, planting or replanting, field upkeeping that includes weeding, pruning, manuring, and pest control, harvesting and transporting of FFB and the sales of FFB to the oil palm mills.

For the financial year (“FY”) under review, Matang Estate harvested and sold 20,600 tonnes of FFB in total to four customers, namely Classic Palm Oil Mill Sdn. Bhd., Sri Jelutong Palm Oil Mill Sdn. Bhd., PH Uni Palm Sdn. Bhd. and Keng Long Trading Sdn. Bhd. at an average FFB price of about RM798 per tonne. In comparison, the total FFB harvested and sold for FY2023 was 17,473 tonnes which translated into an FFB production increase of 3,127 tonnes or about 17.90% from FY2023 to FY2024.

MANAGEMENT DISCUSSION AND ANALYSIS

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In terms of yield, the FFB production for FY2024 of 20,600 tonnes translated into a yield of 20.34 tonnes per ha based on 1,013.03 ha mature oil palm hectareage. The current FY yield of which was higher than 17.91 tonnes per ha from the total FFB production of 17,473 tonnes achieved in FY2023.

Despite an increase of 17.9% in FFB production as compared to the previous FY, the FFB revenue of the Group only increased by 14.7%, from RM14.33 million in FY2023 to RM16.44 million in the current FY, due to a drop in FFB price realised. The average FFB price realised for the FY under review was RM798 per tonne which was about 2.7% lower than the FFB price realised in the previous FY of RM820 per tonne.

In terms of the age profile of oil palm trees in Matang Estate as of 30 June 2024, out of the total plantable hectareage of 1,150.38 ha in Matang Estate, 1,013.03 ha was planted with oil palm, all of which is mature oil palm field. Durian plantations cover about 118.03 ha in Matang Estate, with durian revenue of RM0.44 million generated in FY2024.

AGE PROFILE OF OIL PALM TREES AND TERRAIN DISTRIBUTION OF MATANG ESTATE

The following chart and table show the age profile of oil palm trees in Matang Estate as of 30 June 2024.

	OIL PALM 					DURIAN 			TOTAL PLANTED AREAS	
	Mature area					Old area	Total areas (Oil Palm)	Immature areas		Mature areas
Age	(> 4 - 8 years)	(> 8 - 14 years)	(> 14 - 18 years)	(> 18 - 25 years)	(> 25 years)		(1 - 5 years)	(> 5 years)		
Plantation/ Planted area (ha)	52.80	393.44	86.70	216.70	263.39	1,013.03	100.94	17.09	118.03	1,131.06
Percentage (%)	4.67	34.78	7.67	19.16	23.29	89.57	8.92	1.51	10.43	100.00

Segamat Estate also underwent a Re-Certification Audit from SIRIM in June 2024 for its Malaysian Sustainable Palm Oil ("MSPO") certification after attaining the initial certification on 5 August 2019.

DURIAN BUSINESS

In Segamat Estate, the Group has completed the development of its First Durian Plantation ("DP1.0"), measuring about 46.6 ha in February 2021, and Second Durian Plantation ("DP2.0"), measuring about 54.3 ha in October 2022. The experienced specialist contractor was engaged to undertake upkeep, maintenance, and management of the DP1.0 from the completion of planting in February 2021 up to November 2023, before DP1.0 was fully operated internally by Matang's staff, with guidance from an external durian advisor starting December 2023. Similar to DP1.0, upkeep, maintenance, and management work of DP2.0 has been undertaken by a specialist contractor before DP2.0 was fully operated internally by Matang's staff, with guidance from an external durian advisor starting in March 2024.

Within DP2.0, a total of 10 acres were allocated as durian corridor for the planting of various breeds of durian trees. Durian Corridor is developed with the intention of the Board for Agri cum Edu-tourism, where the Company envisages planting as many possible breeds of durians available and known.

For YP Estate, the durian plantation of 17.09 ha, with various locally grown breeds of durian trees, on average above 41 years old, was internally run, with supervision from the external durian advisor as and when required.

MANAGEMENT DISCUSSION AND ANALYSIS

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The following are some of the photos of the works undertaken for our DP1.0, DP2.0 and YP Estate.



MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

As part of the sustainability program, the Group remain committed to fostering a positive work environment by investing in employee development and retaining skilled workers in running the durian plantation. The established internal workforce of workers and staff employed to undertake the activities of field maintenance and cultivation in durian plantations had succeeded in the role undertaken thus far by the specialist contractor to maintain and manage the durian plantations. The Group had reduced reliance on external parties besides building an internal workforce where knowledge and skills were transferred from the outsourced contractors in March 2024, with both DP1.0 and DP2.0 fully operated internally. In addition, the Company has also trained the internal workforce to carry out intensive care and treatment for sick or significantly impacted durian trees that require attention to ensure the containment of significant issues, such as pest attacks and diseases, with the guidance of the durian advisor.

The Company's Durian Project Committee ("DPC") was formed on 28 August 2019 to provide advice and oversight on the development and operation of durian plantations. The verification by DPC, together with the Estate Management on the works done by the specialist contractors and durian advisor in respect of quality and compliance to the requirements, also provides additional assurance of oversight to the Board.

FINANCIAL OVERVIEW

The Group's main contributor to operating revenue for FY2024 derived from the sales of FFB and sales of durian. The financial statements classify rental from both the Larkin Investment Property and Tangkak Vacant Land as part of other income.

The following table shows the comparison of key financial indicators based on the audited financial statements of the Group for FY2024 and FY2023.

Matang Group	FY2024	FY2023
	RM'000	RM'000
Statement of Consolidated Profit or Loss and Other Comprehensive Income	Audited	Audited
FFB Revenue	16,438	14,327
Sales of Durian	441	-
Total Revenue	16,879	14,327
Gross profit	10,664	8,242
GPM	63.2%	57.5%
Other income	3,800	4,096
Net gain on impairment of financial instruments	-	105
Administration expenses	(9,415)	(8,520)
Other expenses	(83)	(549)
Finance cost [#]	(20)	(18)
Profit before taxation	4,945	3,356
Profit after taxation	3,210	2,627
Profit attributable to owners of the parent	3,210	2,627
Basic earnings per share attributable to owners of the parent (sen)	0.13	0.11
Statement of Consolidated Financial Position		
Shareholders' equity	246,196	246,802
Net assets per share (RM) [@]	0.10	0.10
Others		
Total FFB production (tonnes)	20,600	17,473
FFB yield per hectare (tonnes/ha)	20.34	17.91

[@] Expressed based on total issued and paid-up share capital of 2,389,200,276 Matang Shares for FY2024 and FY2023.

[#] Finance cost in respect of the lease interest expense on rented office space of the Group in Menara Multi-Purpose, Kuala Lumpur and Danga Bay, Johor Bahru, Johor.

MANAGEMENT DISCUSSION AND ANALYSIS

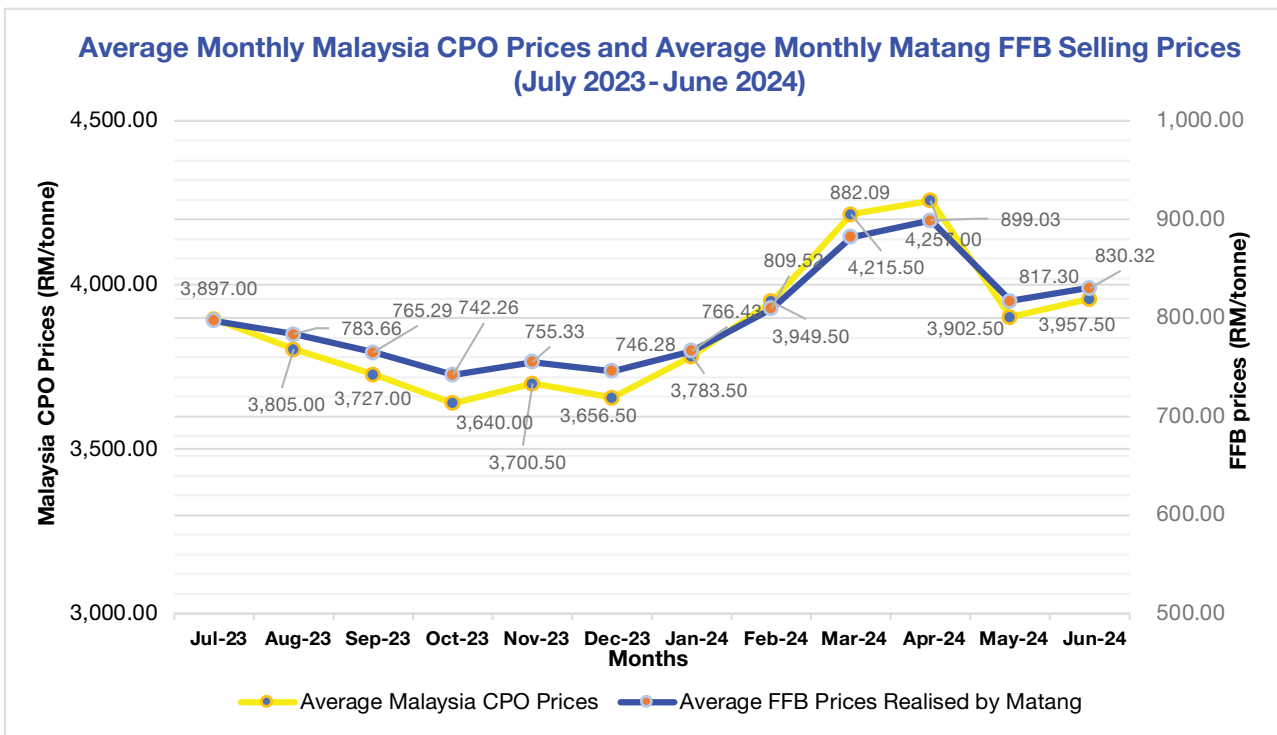
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REVENUE

For the FY2024, the Group's revenue from the sales of FFB increased by about 14.7% from RM14.33 million in the preceding FY to RM16.44 million for FY2024.

The total FFB sold for FY2024 was 20,600 tonnes as compared to 17,473 tonnes for FY2023, reflecting an increase of about 17.9% in FFB tonnage sold. During the same period, the mature oil palm hectarage of Matang Estate has increased from 975.39 ha as of 30 June 2023 to 1,013.03 ha as of 30 June 2024, an increase of 37.64 ha from the YP Estate acquired on 25 July 2023. The increase in revenue was partly attributable to the additional FFB production of 1,076.91 tonnes derived from the YP Estate during FY2024.

The following chart shows the levels of monthly average CPO prices and monthly average FFB prices realised by Matang in FY2024.



Source: Extracted from Malaysian Palm Oil Board website as updated on 18 July 2024 (for the monthly average CPO prices) and based on information of Matang (for the FFB prices realised by Matang Estate)

MANAGEMENT DISCUSSION AND ANALYSIS

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GROSS PROFIT

The Group's gross profit for FY2024 was RM10.66 million as compared to RM8.24 million for FY2023, i.e., with an increase of 29.4% or about RM2.42 million. The Group's gross profit margin ("GPM") for FY2024 was 63.2% as compared to 57.5% in FY2023. The increase in GPM was due to the increase in revenue with higher production for FY2024, mitigated by the increased cost of sales and drop in average FFB price. The increased FFB production of 3,127 tonnes contributed to additional revenue of RM2.11 million in addition to the sales recorded from the sales of durian of RM0.44 million. With the increase in the FFB production, FFB yield improved by 2.43, from 17.91 in the previous FY to 20.34 for the FY2024.

Matang Group	FY2024	FY2023	Increase / (decrease) %
	RM'000	RM'000	
	Audited	Audited	
Harvesting cost			
Labour cost	1,533	1,862	(17.6)
Upkeep and maintenance	214	236	(9.3)
	1,747	2,098	(16.7)
Cultivation costs			
Labour cost	913	554	64.8
Fertiliser	1,491	1,892	(21.2)
Weeding, spraying and others	488	160	205.0
Upkeep and maintenance	92	94	(2.1)
	2,984	2,700	10.5
Transport	335	295	13.6
Windfall tax	508	493	3.0
Overheads associated with labour	641	500	28.2
Total cost of sales	6,215	6,086	2.1

Included in the cost of sales for the Group for FY2024 is the cost of sales of YP Estate, which became part of the Group on 25 July 2023, of RM0.66 million. As shown in the table above, the cost of sales for the Group, which was attributed to the management of Matang Estate, has increased slightly by RM0.1 million or 2.1% in FY2024. The increase is mainly due to the increase in overhead associated with labour of RM0.1 million and the increase in the weeding, spraying and pest and disease control of RM0.3 million which were mitigated by the decrease in fertiliser expenditure of RM0.4 million.

OTHER INCOME

The other income decreased from RM4.10 million in FY2023 to RM3.80 million in the current FY under review mainly due to the reduced fund size following the cash acquisition of MAPYP, with RM27.6 million paid out in July 2023.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses have increased in FY2024 by about 10.6% from RM8.52 million in FY2023 to RM9.42 million in FY2024. The main reasons for the increase were due to the increase in depreciation of bearer plant, depreciation of property, plant and equipment, and the increase in recruitment & renewal of foreign workers. The increase was mitigated by the lower fair value adjustment on Investment property and fair value adjustment on agriculture produce recorded.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

OTHER EXPENSES, FINANCE COSTS AND NET LOSS ON IMPAIRMENT OF FINANCIAL INSTRUMENTS

Other expenses decreased from RM0.55 million in FY2023 to RM0.08 million in the current FY under review due to the one-time write-off of corporate exercise expenses incurred during FY2023 for the proposed acquisition of two units of industrial property in Bukit Jelutong, Shah Alam to be developed by SMG Land Sdn. Bhd. for which the termination of the Sale and Purchase Agreement was announced on 17 July 2023.

The finance costs which were in relation to the interest expense on the lease liabilities for the right-of-use assets in the Group, remain rather consistent despite the additional rent of office space in Kuala Lumpur, and a new lease under MAPYP in Danga Bay, Johor Bahru.

PROFIT BEFORE TAXATION, PROFIT AFTER TAX AND EARNING PER SHARE

The Group's profit before taxation for FY2024 was RM4.95 million as compared to RM3.36 million in FY2023, showing an increase of RM1.59 million or 47.3%. The increase is contributed from higher gross profit of RM2.42 million mitigated by the lower other income and increased administrative expenses. The gross profit of the Group primarily arose from the operations of Matang Estate, increase by about RM2.42 million or 29.4% in FY2024 due to the higher revenue generated from RM14.33 million in FY2023 to RM16.88 million in FY2024, arising from the additional FFB production of 3,127 tonnes and also the sales of durian of RM0.44 million. Other income of the Group decreased from RM4.1 million in FY2023 to RM3.8 million in FY2024 due to the decrease in interest income. At the same time, the higher administrative expenses are mainly due to the higher depreciation of bearer plant and property, plant and equipment in addition to the higher recruitment & renewal of foreign workers.

Consequently, the resultant earnings per share of the Group increased from 0.11 sen in the preceding FY to 0.13 sen in the FY under review.

CASH FLOWS

The Group's net cash generated from the operations for FY2024 was RM7.65 million against the net cash used in the operations of RM0.19 million for the preceding FY, i.e., showing an increase of about RM7.84 million. The main contributor to the increase in cash from operations for FY2024 was the increase in gross profit arising from higher revenue, while the cost of sales remained rather consistent with the marginal increase, for which the reasons have been highlighted in the preceding sections in this Annual Report.

The net cash used in investing activities during the FY was recorded at RM34.41 million from net cash from investing activities of RM16.46 million in the previous FY due to the RM36.76 million cash payment on the acquisition of a subsidiary company and higher sum of deposits placement with licensed banks more than three (3) months, the placement of which have been classified into part of the cash and bank balances as shown in the cash flows statement.

The Company paid a final single tier dividend of 0.16 sen per share in respect of FY2023, the total sum of which amounted to RM3.82 million that was paid on 8 January 2024. The net effect of the aforesaid payment of dividends was net cash used in financing activities as compared to cash generated from financing activities of RM15.70 million for FY2023 mainly derived from the proceeds from the issuance of ordinary shares in July 2022.

The table below shows the summarised cash flow statement of the Group for FY2024 and FY2023.

Matang Group	FY2024	FY2023
	RM'000	RM'000
	Audited	Audited
Net cash from/(used in) operating activities	7,646	(193)
Net cash (used in)/from investing activities	(34,409)	16,465
Net cash (used in)/from financing activities	(3,975)	15,698
Net (decrease)/increase in cash and cash equivalents	(30,738)	31,970
Cash and cash equivalent at beginning of the year	94,543	62,574
Cash and cash equivalent at end of the year	63,805	94,543

MANAGEMENT DISCUSSION AND ANALYSIS

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FINANCIAL POSITIONS

In terms of the financial position of the Group, the shareholders' equity of the Group has slightly decreased from RM246.80 million as of 30 June 2023 to RM246.20 million as of 30 June 2024.

KEY FINANCIAL RATIOS

The key financial ratios of the Group for FY2024 and FY2023 have been tabulated in the table below.

Matang Group	FY2024	FY2023
	RM'000	RM'000
	Audited	Audited
Gross profit margin (%)	63.2%	57.5%
Net profit margin (%)	19.0%	18.3%
Trade receivable turnover (days)	14	20
Trade payable turnover (days)	23	38
Current ratios (times)	23	38

KEY RISK FACTORS

The following section on key risk factors has been updated from the factors presented in the previous FYs guided also by the observations made by our risk management consultant.

1. Fluctuation of CPO prices

FFB prices are correlated to CPO prices, which have been used by the palm oil mill, amongst other determinants, to fix prices for FFB sold by oil palm planters to the oil mills. Volatility in CPO prices since 2021 has seen monthly average CPO prices soaring above RM6,870 per tonne, with daily CPO prices reaching unprecedented levels to above RM8,000 per tonne on 2 March 2022 and above RM7,000 per tonne in the first two weeks of March 2022, late April 2022 to early May 2022. However, the prices plunged from above RM7,000 per tonne to less than half at RM3,331 per tonne as close as early June 2023. For 2023, despite being more stable with a lot smaller differences between the high and low, the daily CPO prices still recorded changes of about 23% between the highest (i.e., at RM4,324.50 per tonne on 3 March 2023) and lowest price level (i.e., at RM3,331.00 per tonne on 1 June 2023).

For the period from August 2023 to July 2024, the monthly average CPO prices exhibited significant fluctuations, ranging between RM3,640 per tonne in October 2023 and RM4,257 per tonne in April 2024. Nevertheless, CPO price assumptions for Year 2024 and Year 2025 are expected to range between RM4,000 per tonne and RM3,800 per tonne as production will likely remain on an uptrend due to seasonality, with the increase in demands from major importers of palm oil such as India and China.

India's increase in demand is linked to its National Policy on Biofuels, which aims for a 15% rise in biofuel consumption by the Year 2030. As for China, it is actively progressing towards sustainability, where its 14th Five-Year Plan (2021-2025) emphasises and highlights green consumption in building a green economy. More companies are expected to incorporate sustainable palm oil into their operations to support and contribute to sustainable development and align with global sustainability goals.

Besides the driving force of high demands from India and China, additional factors such as unpredictable weather have led to lower production that result in tighter and lower supplies of palm oil in the market.

The volatility in CPO prices will continue to impact the planters with fluctuation in FFB prices, and such impacts may be adverse and affect operations and strategic planning of oil palm planters, including Matang, such as from replanting decisions and expansionary strategic decisions, to manuring frequency or activities and to employment of workers, to name a few. Hence, the Group views continuous efforts in ensuring optimal productivity and close monitoring and control of its production costs as effective strategies to counter any adverse implication from the volatility of CPO prices, especially in times when CPO prices are expected to show a downward trend.

MANAGEMENT DISCUSSION AND ANALYSIS

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The Group is cautious by controlling its costs and expenditures in several ways to mitigate the risk of a significant decline in CPO prices that may render drops in revenue of the Group. Expenditures are incurred on a need basis with cost-benefit analyses undertaken for significant or repeated expenditures. In addition, either comparative quotations or tenders are called and obtained for significant expenditures such as fertilisers as an example. In addition, stringent approving authority limits for expenditures have been established to ensure that both the Management and the Board have substantial purview on spending in the Group. The Management is also aware of the requirements to keep abreast of developments in the palm oil industry that will affect the CPO prices.

2. High production costs

High production costs pose a significant risk to both palm oil and durian plantation operations. The production costs that mainly consist of labour, fertilisers, and chemicals encompass various factors that contribute to the overall expense of cultivating and harvesting the crops. Fluctuations in these costs can impact the profitability and financial sustainability of the Group.

The costs for key materials used in field cultivation for oil palm and durian plantations, such as fertilisers and chemicals, have fluctuated significantly since the Movement Control Order from 2020 to 2021 as a result of the global supply and demand imbalance, inflationary pressure and rising logistic and labour costs.

The poor procurement planning and selection process, poor quality of materials that necessitate higher application rates, and poor planning on production activities would also lead to higher production costs.

The effect of the across-the-board rise in labour costs for plantation companies increased minimum wages, and manpower expansion (such as worker accommodation costs, training and retention costs), together with the significant increase in fertiliser and chemical costs, are some of the categories of huge spendings or expenditures for many plantation companies in the country.

To mitigate the adverse risk of rising material prices, the Group constantly works with its plantation advisor to optimise the usage of material, i.e., mainly fertiliser and to ensure no material wastage. The Group also sources the best price for fertilisers and other key materials by obtaining comparative quotations as well as undertaking tenders to lock in the material price upfront (e.g., quarterly for fertilisers). To mitigate the risk and adverse impact of significant reliance on foreign workers, advanced mechanisation tools such as fertiliser spreaders, mist blowers, spraying pumps etc were used to optimise material usage and to enhance operational efficiency. Besides, for its oil palm plantations, the Group explored strategies to improve harvesters' productivity effectively to reduce production costs and increase yields.

3. Low FFB yield

The Group's revenue is mainly reliant on FFB sales which is directly correlated to FFB yield. Such yield is then subject to the Estate's capacity to produce, the quality of the produce and other variables. FFB productions and yields for the oil palm plantations for any particular year or time depend on a magnitude of factors, some of which are controllable while others are out of the planters' control. Fundamental criteria such as optimisation of land usage, selection of good material upon replanting, and suitability of soil series led to better future productivity.

Ineffective replanting schedules, such as delays in the actual execution of works at the site of the estates and wrong planning in the timing of the replanting, can cause an oil palm estate to suffer an overall abrupt drop in yield or lack of sufficient revenue in the near future. In addition, ineffective field cultivation (such as manuring) and field maintenance (such as weeding) are amongst the main factors within the control of the oil palm planters that can either deter the realisation of full harvests when FFB are ripe or lead to the production of less than the optimal weight of each FFB. Moreover, there are factors such as weather conditions and prices of key materials that are out of each planter's control and have direct and indirect effects on the FFB productions and yields.

To mitigate the risk of low FFB yield, the Group recognises that a number of strategic and tactical actions and plans are to be undertaken in coherent manners to achieve the outcome. Strategically, proper replanting decisions, programmes and schedules have been and will continue to be deliberated and decided by the Board of Directors, taking into consideration, amongst others, the prospects of various crops within the Estate, including durian vis-à-vis oil palm. Tactically, using high-quality germinated oil palm seeds for the required or desired breeds is always emphasised alongside measures including benchmark and key performance indicator setting for mill returns and enforcing agronomic studies and tests for leaf and soil sampling to ensure appropriate and adequate fertilisers are used.

Operationally, the recruitment of experienced workers for harvesting activities is always preferred. In addition, comprehensive training is provided for efficient harvesting and cultivation activities, as well as ensuring the close monitoring and supervision of crops and harvests are always carried out.

MANAGEMENT DISCUSSION AND ANALYSIS

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4. Outbreak of pest and disease

Outbreaks of pests and diseases, such as rats, wild boars, etc, pose a significant threat to the oil palm plantation and durian plantations, respectively. The inability to control the outbreak of pests and diseases may lead to the loss of trees or crops, resulting in lower quantity and quality and additional costs incurred for rectification treatment.

Possible causes of the outbreaks of pests and diseases include a lack of pest management and monitoring programmes, untimely implementation of preventive spraying activities, inexperienced or unskilled workers and uncooperative neighbouring estates in pest control.

As part of the prevention, the Group established Pest & Disease Treatment Protocols, which are subject to on-going updating as a reference for actions to be taken in managing the issues. The scheduled preventive spraying programme and field upkeep are performed to ensure the plantation is more resistant to insects and/or fungi. Upon replanting, palm mounding is also performed to prolong the palm's lifespan. Sufficient manpower is assigned to perform essential tasks, and relevant trainings are provided to the workers.

5. Sustainability and climate change

As global concerns over climate change and sustainability intensify, companies within the Group face substantial risks that could impact operations, reputation, financial performance and overall long-term viability. The nature of plantation operations, including reliance on land, water and climate-sensitive crops, as well the involvement in the use of fertilisers and chemicals for weeding and pest and disease controls for the crops, exposes the Group to challenges posed by climate change impacts and the expectations of stakeholders regards to responsible business and operational practices.

A few common root causes that lead to risks under this category are such as the lack of awareness and prioritisation of sustainable practices (particularly human rights), limited access to information (due to poor data tracking and collection), and inadequate and unacceptable environmental management practices (such as activities which lead to carbon emission and its impacts on climate change) that will affect FFB yields and long term quality of palm oil produced.

The Management believes that being MSPO-certified is the primary assurance for sustainable oil palm plantations. The Group is continuously providing relevant training and awareness in relation to environmental matters, issues and requirements to employees in the estate. The Group is also in compliance with all legal requirements related to environmental preservation as required under the Environmental Quality Act 1974 and Jabatan Tenaga Kerja for foreign workers. Other measures undertaken included strict adherence to the Zero Open Burning Policy and the No Child and Forced Labour Policy in the Group. Estate Management also ensures the adherence to sustainable harvesting and cultivation practices and continuously improves the quality of operations towards sustainable development with respect to the environment.

6. Low yield of Durian

With the completion of the acquisition of MAPYP, which comes with matured durian trees, the Group has diversified its revenue stream into durian plantation. At the same time, the durian trees on DP1.0 and DP2.0 under MAPS are close to the maturity years. The production of durian crops is dependent on the estate's capacity, the quality of the produce and various other factors.

The possible causes of the low yield of durians, other than the theft of durians that affect the overall yield, are the incidence of pests, such as insects and diseases, i.e. fungus due to humidity and inadequate preventive measures that lead to the fungus growth and disease proliferation. Incorrect or insufficient fertilisation due to inaccurate soil PH readings or delayed soil analysis and inadequate mechanisation for tasks like spraying and harvesting, coupled with insufficient training on modern farming techniques and pest and disease management, could also lower the yield.

As part of the preparation work for higher durian yield, the Group has put in place security measures such as trenches and shortened gates in MAPS, and fences in MAPYP are built to avoid any security breaches. Preventive spraying is applied on a monthly and bi-monthly basis, with special treatment applied to address disease outbreaks. Soil PH analysis is also performed to adjust the fertiliser application. Meanwhile, spraying and fertilisation activities are mechanised to manage the reliance on labour usage as a precaution for the shortage of labour.

MANAGEMENT DISCUSSION AND ANALYSIS

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7. Performance of Contractor

In this context, the contractor refers to external parties engaged by the Group to carry out replanting works at the Estate. The risk of non-performing contractors may lead to delay in the completion of the replanting works, quality issues (such as sub-standard work) and re-work activities, which may delay the overall replanting timelines.

To mitigate the risk of non-performing, a pre-qualification process, including evaluation of the contractor's track record, is carried out to ensure the competitive source of competent contractors. The contractor is required to allocate experienced mechanics and maintain spare machinery in the event of any machinery breakdown. Two levels of quality checks, by the contractor, followed by an estate representative, are conducted to ensure the quality is as per the required contract agreement.

8. Expiry of the lease for the Larkin Investment Property

Larkin Investment Property, owned by MHB, is a cluster of three industry buildings on a leasehold land measuring approximately 3.2 acres with a 60-year lease term expiring on 24 September 2031, i.e., with a remaining lease period for the land of about 7 years. Applications for lease extensions have previously been made but were rejected on various occasions.

The gross rental income from Larkin Investment Property was RM0.83 million, about 4.0% of the total revenue and other income of the Group for FY2024. The remaining leasehold land tenure of about 7 years will limit and may possibly reduce the rental income from Larkin Investment Property in the near and long term. If there is no change of decision by the Johor Bahru Land Administrator at the expiry of the lease term on 24 September 2031, the land will be surrendered to the Johor State Authority, and there will be a permanent loss of rental income to the Group.

PROSPECTS AND OUTLOOK

For second half of 2024, palm oil production growth momentum is expected to slow down due to the high base effect, which is supportive of palm oil prices. The slowing production growth in both Malaysia and Indonesia, coupled with stable demand from India and China, will keep palm oil prices robust. If Indonesia increases its biodiesel blending rate to B40 in 2025, the global palm oil supply will tighten further. In terms of demand, palm oil exports from Malaysia are expected to remain strong, driven by India's imports and increased imports from China. According to MPOC market intelligence, palm oil inventories in both India and China are at their lowest level since August 2022.

The top challenges in the palm oil industry are the increasing dependence on foreign labour and the slow pace of mechanisation. As the government is committed to no new land clearing for oil palm plantations, addressing the challenge of replanting old and unproductive trees is a significant challenge to increase palm oil production in Malaysia.

Premised on the above, average monthly CPO prices are expected to range between RM3,800 per tonne to RM4,200 per tonne, according to MPOC on 9 July 2024.

For the Durian Business, the taste of durian has gone global. The taste not only captures everyone's attention but it's also impressed with its healthy nutrition. Durian fruits are good fibre and potassium sources and carry some antioxidant compounds. The potential benefits of durian fruit include improved digestion, lower risk for heart disease, anti-ageing and anti-cancer.

As the durian market booms, especially in Asia Pacific, there are growth opportunities in fields like farming and durian-based products like durian-flavored cakes, ice cream, mooncakes, snacks, and beverages like coffee and tea.

The prices for durian fruit have conventionally trended upward since 2015, with wholesale and retail prices growing at a compound annual growth rate of over 30% between 2015 and 2019. Strong domestic consumption, together with the significant demands from consumers in Singapore and China for fresh whole durian fruits, have given premium breeds of durians, such as Musang King and Black Thorn, the edge of commanding higher prices. In addition, demands from China tend to skew towards the Musang King variety due to its sticky, creamy texture and rich bittersweet flavour.

Premised on the above, the Group believes that the Durian Business continues to demonstrate an opportunity for Matang Group, and the diversification shall possibly reduce the Group's reliance solely on its oil palm plantation as the sole revenue generator.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Companies Act 2016 (“the CA”) sets out that the Directors of a public company or a subsidiary of a public company shall have in place a system of internal control that will provide reasonable assurance that the assets of the company are safeguarded against loss from unauthorised use of disposition and to give a proper account of the assets and all transactions are properly authorised as well as recorded as necessary to enable preparation of true and fair view of the financial statements of the company.

Additionally, the Malaysian Code on Corporate Governance (“the Code”) also requires listed companies to maintain a sound system of risk management and internal control to safeguard shareholders’ investments and the group’s assets.

This Statement on Risk Management and Internal Control by the Board of Directors (“the Board”) is made in respect of financial year ended 30 June 2024 (“FY2024”) pursuant to Rule 15.26 of the ACE Market Listing Requirements of Bursa Securities as well as the practice principles set out under the Code.

BOARD’S RESPONSIBILITIES

The Board recognises the importance of maintaining a sound system of internal control and risk management practices to ensure good corporate governance. The Board is responsible for establishing an effective risk management framework and a sound system of internal control operating throughout Matang Group of Companies (“Group”) and for reviewing its effectiveness, adequacy, and integrity, including financial and operational controls, compliance with relevant laws and regulations, and risk management to safeguard shareholders’ investment and the Group’s assets.

In addition, the Board takes cognisance of practicing good standards of corporate governance by observing best practices to improve on current practices and ensuring internal controls are in place and adhered to for the Group. The Board affirms that there is an ongoing or continuous process for identifying, assessing, and managing significant risks faced by the Group through its systems of internal controls and risk management.

However, given the limitations inherent in any systems of internal controls and risk management, such systems are designed to manage rather than eliminate the risk of failure to achieve the business objectives of the Group. Hence, the Group’s system of internal controls can only provide reasonable assurance but not absolute assurance against material misstatement or loss to the Group.

RISK MANAGEMENT

In undertaking the functions of the Board regarding risk management and internal controls of the Group, the Board is supported by several established Board committees, namely the Audit and Risk Management Committee, the Nomination Committee, and the Remuneration Committee, each of which has clearly defined terms of reference. The Nomination Committee and the Remuneration Committee were merged into a single committee known as “Nomination and Remuneration Committee” with effect from 9 October 2024.

The Audit and Risk Management Committee has been tasked by the Board with, amongst others, the duty of reviewing and monitoring the adequacy and effectiveness of the Group’s risk management and internal controls. The day-to-day implementation of risk awareness and management as well as compliance under the Group’s internal control processes and procedures are part of the responsibilities of the management team of the Group. The Group has an organisational structure with clearly defined lines of accountability and responsibility as well as delegation of authority and reporting.

The Group’s systems of internal controls and risk management primarily cover areas of operational efficiency, effectiveness and controls, financial controls and reporting, compliance monitoring, corporate governance, and process improvements. There are sets of policies, procedures, and manuals setting out amongst others the approved standard operating procedures for key operational areas and activities including those for the Group’s head office (“Head Office”) and plantation operation units (“Business Units”). In addition, Board’s approved financial limits and approving authorities were also put in place for key financial matters and decision-making for revenue, major operating and capital expenditures as well as acquisitions of the Group to ensure proper functioning and accountability at respective Business Units and Head Office levels.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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RISK MANAGEMENT *cont'd*

The Group, including the management team comprising the Management Committee (“MC”) made up of the two (2) Executive Directors, Chief Financial Officer cum Chief Operating Officer and Corporate Secretarial, collectively makes decisions guided by the policies and procedures as well as the approved financial limits and approving authorities. The decisions of the MC are made based on deliberations in meetings held at least once a month in accordance with the terms of reference approved by the Board of the Company. For matters of urgency, informal virtual discussions were held amongst the members and Chairman of MC for which decisions made were always followed up with ratifications in scheduled subsequent MC meetings for which proceedings were recorded in minutes for the meetings. Where applicable, according to the financial limits and approving authorities, approvals are accordingly sought for matters reserved for the Board.

In terms of risk assessment and management, the Group has continued the practice as with the previous financial year (“FY”) in undertaking the preparation of the annual Group risk management framework and assessment by an independent risk management consultant as the process for periodic evaluation and management of the significant risks affecting the Group’s operations to ensure that high-risk areas are adequately addressed within the Group. The annual assessment of risk continues to identify any potential new risks arising from any changes in business and operating environments due to both internal or external factors, including any diversifications or expansions and new business ventures undertaken by the Group. The same exercise also identified the specific risk owners to facilitate the responsibility for actions for risk management. The outcome of risk assessment is presented by the independent risk management consultant and reviewed as well as deliberated by the Audit and Risk Management Committee annually, often in August of each year. The risk management consultant generates and updates the risk matrix to assist the management and the Board in prioritising their efforts and appropriately managing the different risks.

In respect of risk management, during the FY under review, the Group undertook a risk assessment in July and August 2024 and updated it by revisiting the risk mapping and assessments facilitated with the assistance of an external risk management consultant. The key risk areas for the core business functions and activities of the Group were reviewed and assessed based on the likelihood of occurrence and the resultant impacts. New risk areas were also explored based on feedback from the management team members from Business Units and the Head Office. Besides, the changes in terms of impact and likelihood of occurrence were also updated for risk factors that exist from previous FYs. For the FY under review, fluctuation of crude palm oil price remains in the high-risk list while the high production cost was dropped from the likelihood of occurrence of almost certain to possible with moderate impact to the Group. At the same time, the external risk management consultant introduced a new risk area for the focus of the Group, i.e., the risk in connection with the low yield of durian and the performance of the contractor. The risk rating for the outbreak of pests and disease and theft of fresh fruit bunches and durian was increased during the FY under review while the risk rating for the shortage of labour was dropped. The key risk areas, including the new risk for the Group presented by the risk management consultant, have been outlined under Key Risk Factors in the Management Discussion and Analysis of this report for reference of our shareholders.

INDEPENDENT INTERNAL AUDIT REVIEW

The Board is fully aware of the importance of the internal audit function and has continued the engagement of an independent professional firm, Tricor Axcelasia Sdn. Bhd. (“Tricor Axcelasia” or “Internal Auditors”) to provide independent assurance to the Board and Audit and Risk Management Committee by providing an independent assessment on the adequacy, efficiency and effectiveness of the Group’s internal control and risk management systems.

The internal audits carried out by the Internal Auditors identify and address the internal control weaknesses. The internal audit undertaken independently also assesses the compliance of the Group’s Business Units, including the Head Office, to the approved policies and procedures, the efficacy of processes for better efficiency and effectiveness of existing controls, and where applicable, the improvements required to the internal controls of the Group. Any weaknesses and lapses in controls identified during the reviews, together with the improvement measures to strengthen the internal controls, were reported to the Audit and Risk Management Committee accordingly.

The Internal Auditors are not related to any of the Directors and members of the management team of the Group, nor do there exist any conflicts of interest between the Internal Auditors and the companies in the Group that could impair the objectivity and independence of the Internal Auditors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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INDEPENDENT INTERNAL AUDIT REVIEW *cont'd*

For FY2024, the Group continued its practice of annual internal audits by independent Internal Auditors who, in February 2024, reported to the Audit and Risk Management Committee the follow-up review of the findings observed in respect of FY2024. The internal audits review had increased from an annual audit to a semi-annual audit per financial year following the acquisition of Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. ("MAPYP") in July 2023. From June 2024 to August 2024, the Internal Auditors conducted the first cycle of internal audit review for financial year ending 30 June 2025 ("FY2025"). For the first cycle of internal audit reviews in FY2025, the Internal Auditors undertook the audit of the newly acquired subsidiary, i.e., MAPYP which, covering the areas of plantation operation (Oil Palm and Durian) and procurement function and payment control.

The internal audit reviewed various areas that included the effectiveness of the plantation management system, manpower planning, efficiency of resource utilization i.e., water, fertilizer, etc., the planting procedures and tree propagation methods, the pruning and canopy management, the pest and disease control measures, the effectiveness of field maintenance practices and pruning activities, the harvest and post-harvest handling procedures, on-site inspections to assess the condition of the plantation and nurseries, and the performance metrics and reporting.

The Internal Auditor also reviewed the procurement function and payment control like sourcing process, suppliers/vendors selection procedures, ordering to receiving process for key materials, vendor management, payment controls system, verification and review of purchasing documents, payment and approval process, and access adherence to Discretionary Authority Limits.

The second cycle of the Internal Audit reviews in FY2025 will cover the areas of plantation operation (Oil Palm and Durian) and the payment control of Matang Agriculture and Plantation (Segamat) Sdn. Bhd. which are scheduled to be carried out from December 2024 to February 2025.

The Internal Auditors report for the above review was provided directly to the Audit and Risk Management Committee and therein the report highlighted the observations on the adequacy of internal controls and findings regarding the compliance to control procedures derived from approved policies, procedures, operational manuals, and financial limits and approving authorities as well as reasonable practices expected to safeguard the assets and interest of the company. In addition, the Internal Auditors also made necessary recommendations for process and control improvements to the Group based on the findings and observations.

The internal audit fees incurred for FY2024 were RM26,500.00.

INFORMATION AND COMMUNICATION

While the management has full responsibility for ensuring the effectiveness of its internal control, the Board has the authority to assess the state of internal control as it deems necessary. In doing so, the Board has the right to enquire about information and clarification from the management as well as to seek inputs from the Audit and Risk Management Committee, External and Internal Auditors, and other experts at the expense of the Group. The Audit and Risk Management Committee has independently deliberated findings and observations with the Internal Auditors and External Auditors.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required under Rule 15.23 of the ACE Market Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control and 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 for FY2024 has not been prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of the Listed Issuers, nor the Statement on Risk Management and Internal Control factually inaccurate.

The limited assurance review was performed in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants which does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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REVIEW BY THE BOARD

The Board considered the key findings and observations of the internal audit as well as the adequacy and effectiveness of the risk management and internal control process in the FY2024 based on the following:

- (a) The Management Committee of the Group is responsible for the development and maintenance of the risk management and internal control framework or for ensuring the implementation and conduct of adequate risk management and internal control systems within the Group.
- (b) The conduct or performance of the independent internal audit function for which an internal audit report, including any follow-up audit report, was first reviewed by the Audit and Risk Management Committee which discussed critical issues and findings with the Internal Auditors. The Audit and Risk Management Committee also met with the Internal Auditors who presented their findings and deliberated on the same in meetings held with the Audit and Risk Management Committee.
- (c) The periodic feedback of the management with regard to the adequacy of the operations and functioning of the Group's risk management and internal control systems.
- (d) The quarterly review of the Group's financial results and associated discussions with the Audit and Risk Management Committee in connection with the financial conditions and performance of the Group.

The Board has also received assurance from the Management Committee that the risk management and internal control systems of the Group are operating adequately and effectively in all material aspects based on the risk management and internal control systems of the Group.

Premised on the preceding sections, the Board considers the system of internal controls as set out in this Statement to be satisfactory and the risks to be at an acceptable level within the context of the Group's business and operating environment. The Board is pleased to report that there were no major internal control weaknesses identified during the FY under review, nor have any of the reported weaknesses which have resulted in material losses or contingencies requiring disclosure in the Company's Annual Report. The Board and the management of the Group will continue to take measures to strengthen the risk and control environment and monitor the health of the risk management and internal control framework.

This Statement on Risk Management and Internal Control has been approved by the Board of Matang on 9 October 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee of the Company was established by the Board of Matang on 9 September 2015 with the primary objective of assisting the Board in discharging its duties and responsibilities and fulfilling its corporate governance responsibilities in relation to financial reporting and other financial-related matters, quarterly and annual reporting, internal control, risk management, related party transactions/recurrent related party transactions and conflict of interest, and external and internal audit functions of the Matang Group of Companies Matang Group or Group.

COMPOSITION AND MEETINGS

The Audit and Risk Management Committee is made up of three Directors of the Company, two (2) of whom are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The composition of the Audit and Risk Management Committee is as follows:

- a. Ms. Sophia Lim Chia Hui as Chairperson;
- b. Dato' Foong Chee Meng as member; and
- c. Datuk Teoh Sew Hock as member.

The Audit and Risk Management Committee is made up solely of Non-Executive Directors of the Company, the majority of whom are Independent Directors. The details of qualifications and experiences of the Chairman and members of the Audit and Risk Management Committee can be found in the Director's Profile in this Annual Report. No Director in the Audit and Risk Management Committee save for Datuk Teoh Sew Hock holds any interest (whether direct or indirect) in Matang. The Directors' shareholdings in Matang as of 12 September 2024 are presented in the Analysis of Shareholdings in this Annual Report.

Based on the terms of reference ("TOR"), the Audit and Risk Management Committee shall meet at least four (4) times annually and hold such additional meetings as the Chairperson may call at any time at his or her discretion. Other directors and employees within the Group and representatives of the External Auditor and Internal Auditors may attend any particular or any part of the meeting at the invitation of the Audit and Risk Management Committee.

The details of attendance of the members at the meetings held during financial year ended 30 June 2024 ("FY2024") are as follows:

Name	No. of meetings attended
Sophia Lim Chia Hui <i>Independent Non-Executive Director</i>	4 out of 4
Dato' Foong Chee Meng <i>Independent Non-Executive Chairman</i>	4 out of 4
Datuk Teoh Sew Hock <i>Non-Independent Non-Executive Director</i>	4 out of 4

TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The complete TOR of the Audit and Risk Management Committee can be found on the Company's website, www.matangbhd.com.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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SUMMARY OF WORKS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

This section sets out the works and tasks of the Audit and Risk Management Committee of Matang during the current financial year ("FY") under review.

(a) Financial Reporting and Other Financial Related Matters

The Audit and Risk Management Committee shall meet quarterly to deliberate the announcements of quarterly financial results. For FY2024, the dates of announcements for the Company's quarterly financial results and the Audit and Risk Management Committee meetings are set out below

Date of Audit and Risk Management Committee meetings	Review of Financial Results / Annual Financial Statements and Other Financial Related Matters
29 August 2023	Unaudited fourth quarter financial results for the period ended 30 June 2023 and draft audited financial statements for the financial year ended 30 June 2023
21 November 2023	Unaudited first quarter FY2024 financial results for the period ended 30 September 2023
28 February 2024	Unaudited second quarter FY2024 financial results for the period ended 31 December 2023
29 May 2024	Unaudited third quarter FY2024 financial results for the period ended 31 March 2024

As set out in the table above, the Audit and Risk Management Committee met on 29 August 2023, 21 November 2023, 28 February 2024, and 29 May 2024 to deliberate on the Group's quarterly financial results. The Audit and Risk Management Committee was also presented with the draft audited financial statements of the Company for FY2024 on 21 August 2024 and 9 October 2024 for its review. The Audit and Risk Management Committee ensures that the financial results and statements, as the case may be, are prepared in a timely and accurate manner, complying with applicable accounting, regulatory requirements, and financial reporting standards.

(b) External Audit

On 29 May 2024, the Board, in its meetings, was briefed by the chairperson and members of the Audit and Risk Management Committee, who had in its meeting reviewed and deliberated on the scope of the statutory audit and the audit plan as well as discussed with the External Auditors the audit approach for FY2024 and any implementation of new or changes in accounting standards that will affect the Group in the current and next FY. In the same meeting, the External Auditors also presented the audit plan and confirmed their independence in undertaking the Group and the Company audit for FY2024. The Audit and Risk Management Committee also noted the annual Transparency Report 2023 of the External Auditors prepared pursuant to the requirement of the Audit Oversight Board.

The Audit and Risk Management Committee, on 21 August 2024 and 9 October 2024, held a discussion with the External Auditors in relation to the conclusion of their statutory audits of the Group after the completion of audit field works for any findings and observations of material concerns and effects (if any) to the Group for FY2024.

The External Auditors highlighted the valuation of Larkin Investment Property as the key audit matter and areas of significant auditors' attention as the area is material, and the valuation process involved judgement in determining the appropriate valuation methodologies to be used and the underlying assumptions to be applied. To address the potential risk of such key audit matters, the External Auditors satisfied themselves by considering the qualifications and competence of the valuer as well as assessing the scope of work of the valuation to determine whether the valuation is appropriate to be applied for financial reporting purposes. Besides, the External Auditors also read the valuation report and assessed the valuation methodology adopted by the valuer for similar types of properties. The External Auditors also evaluated the key assumptions used in the valuation by comparing against the available industry data taking into consideration comparability and market factors.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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SUMMARY OF WORKS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE *cont'd*

(b) External Audit *cont'd*

The other areas of significant auditor attention include the acquisition of a new subsidiary, Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. ("MAPYP") (formerly known as Greencode Farm Sdn. Bhd.) and the impairment assessment on investment in the subsidiary.

On 2 May 2023, Matang Berhad entered into a conditional Share Sale Agreement for the acquisition of 100% equity interest in MAPYP. The acquisition was completed on 25 July 2023. Based on the concentration test assessment, it was concluded that the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets, ie, a piece of freehold agricultural land of 56.226 Ha or about 138.94 acres planted with oil palm trees of between 13 years old for about 37.64 ha or about 93.01 acres and durian trees of over 41 years old for about 17.09 ha or about 42.24 acres. Accordingly, it met the concentration test, and the acquisition of MAPYP is not a business combination. The transaction arising from the acquisition does not give rise to goodwill or a gain on a bargain purchase, and the purchase price is allocated to the assets acquired and liabilities assumed, with no recognition of deferred tax liability for taxable temporary differences.

Significant judgement and estimates are exercised on the future results and the key assumptions applied to cash flow forecast and projections of MAPYP, which include the projected growth in future revenues, profit margins and pre-tax discount rate to support the recoverable amount of cost of investment in MAPYP.

The External Auditors also confirmed that there were no significant misstatements during their audit. In addition, the External Auditors pointed out that there was no significant deficiency in internal control noted during the course of the audit. Minor management letter points for improvement with management responses, if any, would be forwarded to the Board in due course on finalisation.

The Audit and Risk Management Committee had assessed the independence and suitability of the External Auditors and had recommended the reappointment of the auditors for the ensuing year for shareholders' approval at the forthcoming Annual General Meeting.

(c) Internal Audit

The Audit and Risk Management Committee oversees the conduct of internal audits to ensure that a review of the adequacy of the Group's internal control systems is carried out in a timely manner, as well as ensuring operations are conducted in compliance with the established internal controls. An internal audit by an independent party provides an independent assessment of the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to provide assurance to the Audit and Risk Management Committee.

Similar to previous FYs, the Company has continued the appointment of an independent professional internal audit firm, namely Tricor Axcelasia Sdn. Bhd. ("Tricor Axcelasia" or "Internal Auditors"), to undertake the internal audit of the Group for the scope or cycle as set out in the Statement of Risk Management and Internal Control.

The internal audit function is outsourced to Tricor Axcelasia. The engagement Executive Director is Mr. Chang Ming Chew ("Mr. Chang"), who has over 20 years of experience in providing statutory audit, transaction reporting for Initial Public Offering ("IPO"), share registration & IPO processing, internal audit, risk management, IT/cybersecurity advisory, operational risk and control review, financial due diligence, management consulting and corporate governance advisory. Mr. Chang is a Certified Internal Auditor and Certification in Risk Management Assurance from the IIA; and a Certified Information Systems Auditor and Certified in the Governance of Enterprise IT from the ISACA. He is also a Fellow Member of the Association of Chartered Certified Accountants (UK), the Malaysian Institute of Accountants and the Institute of Internal Auditors of Malaysia.

Starting July 2024, with the departure of Mr. Chang Ming Chew, Puan Noor Lilah Wati has taking over the role as engagement Executive Director. Puan Noor Lilah has over 20 years of experience in providing risk-based audit, enterprise risk management, corporate governance and business continuity management advisory. Puan Noor Lilah is certified business continuity practitioner from Business Continuity Institute and lead auditor for ISO 9000. She also an Associate member of Institute of Internal Auditors of Malaysia.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

SUMMARY OF WORKS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE *cont'd*

(c) Internal Audit *cont'd*

Tricor Axcelasia confirmed that they are free from any relationships or conflicts of interest which could impair their objectivity and independence in the internal audit of the Group. A team of staff of Tricor Axcelasia, carried out internal audits of the Group for FY2024. The conduct of the internal audit was guided by, in all material respects, the International Professional Practices Framework by the Institute of Internal Auditors. The Internal Auditors report directly to the Audit and Risk Management Committee based on the approved internal audit plan, which was designed to cover the key activities of the Group's operations.

During the FY under review, the scope of works of the Internal Auditors is primarily to independently review whether the procedures, systems, and controls put in place by the Board and the management are present and functioning to ensure that the organisation meets its objectives of:

- (i) Compliance with the applicable laws, regulations, policies, and standard operating procedures ("SOP");
- (ii) Reliability and integrity of information; and
- (iii) Safeguarding of assets.

The Audit and Risk Management Committee reviewed and accepted the financial year ending 30 June 2025 ("FY2025") audit plan for the Company presented by the Internal Auditors on 29 May 2024, the internal audit review of which will be carried out between June and August 2024. The scope of the review of the internal control system undertaken by the Internal Auditors for FY2025 covers the following key business activities of Matang Group:

- (i) Plantation Operation (Oil Palm and Durian); and
- (ii) Procurement Function and Payment Controls.

For FY2024, the Audit and Risk Management Committee has reviewed the internal audit report of the Group prepared by the Internal Auditors for the above on 29 August 2023.

The scope of work on the assessment of internal controls used to manage the key risks associated with the operating processes are on the oil palm and durian plantation operation and also the procurement function and payment control in relation to the plantation operation.

The Internal Auditor has based on the review of the Monthly Progress Report from January 2024 to June 2024 to ascertain the effectiveness of the plantation management system, which among others, includes manpower planning, efficiency of resources utilisation, planting procedures and tree propagation methods, pruning and canopy management, pest and disease control measures, effectiveness of field maintenance practices and pruning activities, and harvesting and post-harvest procedures. In addition, the Internal Auditor also conducted on-site inspections to assess the condition of the plantations to access the performance metrics and reporting.

The scope of Internal Auditors for FY2024 related to the Procurement function includes the sourcing process, which covers the pre-qualification of suppliers/vendors, selection procedures, ordering processing and receiving for key materials, as well as vendor management. The internal audit also covered the system in use for payment controls (i.e., computerised or manual), verification and review of purchasing documents, payment and approval process, and assessment adherence to discretionary authority limits, with a focus on the transaction below RM1,000, cash purchase and purchase without purchase order.

Based on the above, the Internal Auditors have, on 21 August 2024, presented its findings to the Audit and Risk Management Committee, and the said committee highlighted to the Board the key matters.

Premised on the above and the findings presented by the Internal Auditors, the Audit and Risk Management Committee and the Board are of the opinion that the internal audit review has been carried out in accordance with the internal audit plan and that the coverage is adequate.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

SUMMARY OF WORKS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE *cont'd*

(d) Risk Management

The Group has undertaken the risk assessment in connection with FY2024 with the assistance of an independent risk management consultant who has presented their findings and observations with regard to the risk profile of the Group in August 2024. The risk of fluctuation in crude palm oil, which is a lot tough to mitigate, has remained the key risk factor. At the same time, the risk of high production costs has reduced from the almost certain likelihood of occurrence to the possible likelihood of occurrence. Two findings of risk which are becoming more prominent this year and hence have moved up along the likelihood of occurrence are the theft of fresh fruit bunches and durian and the outbreak of pests and disease.

More information and details in relation to risk management practices in the Group have been summarised in the Statement on Risk Management and Internal Control in this Annual Report.

(e) Related Party Transaction(s)/Recurrent Related Party Transaction(s) and Conflict of Interest

The Audit and Risk Management Committee has been satisfied that there was no related party transaction or recurrent related party transaction or conflict of interest situation that arose, persist or may arise within the Company or the Group took place during FY2024 other than the following:

- (i) Renewal of tenancy arrangement between the Company and its substantial shareholder for the Group's Head Office at level 39.02, Menara Multi-Purpose located at 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia.

The said tenancy, which was signed for three (3) years effective 1 May 2023 and expires on 30 April 2026.

- (ii) Additional space for office extension between the Company and its substantial shareholder for the Group's Head Office at level 39.03, Menara Multi-Purpose located at 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia.

The said offer was signed for two (2) years, effective 1 May 2024, and expires on 30 April 2026 to coincide with the expiry date of the principal tenancy agreement as stated in (i) above.

- (iii) Tenancy arrangement between MAPYP and a substantial shareholder of the Company for the Group's Estate Office at #01-15, Block 4, Danga Walk Jalan Skudai, Danga Bay, 80200 Johor Bahru, Johor, Malaysia.

The said tenancy was signed for one (1) year, effective 1 April 2024, and expires on 31 March 2025.

The aforesaid tenancy arrangements (i), (ii) and (iii) are not regarded as related party transactions pursuant to Rule 10.08(11)(h) of the ACE Market Listing Requirements of Bursa Securities. The additional information in relation to the said tenancy arrangements has been included under Additional Compliance Information on Page 74 of this Annual Report.

- (iv) Temporary outsourcing of the operation and maintenance of durian estate and sales of durian to a common director's company, Hua Kee Local Food Sdn. Bhd.
- (v) Rental of vehicles from a common director's company, CH Excavator Work Sdn. Bhd.

(f) Corporate Governance & Others

The Audit and Risk Management Committee also reviewed and made recommendations to the Board for the Annual Report for the FY under review on the Audit and Risk Management Committee Report and the Statement on Risk Management and Internal Controls of the Group.

In addition, the Chairperson and members of the Audit and Risk Management Committee have also engaged continuously with other Board members, the Executive Directors, and the management of the Group to be kept informed of the operations and management of Segamat Estate and Yong Peng Estate ("Estates") including any material events and/or matters affecting the operations and financial affairs of the Estates and of the Group as a whole.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

INTERNAL AUDIT FUNCTION AND SUMMARY OF WORKS DONE

Due to the size of subsidiaries and operations involved for Matang Group, the Audit and Risk Management Committee and the Board have continued the practice of outsourcing the internal audit function of the Group to an independent internal audit firm. The Internal Auditors are appointed to report directly to the Audit and Risk Management Committee on the findings and observations made from the internal audit reviews undertaken based on the internal audit plan. The details of the Internal Auditors and work done by the Internal Auditors have been outlined in the above section within the Audit and Risk Management Committee Report and the Statement of Risk Management and Internal Control in this Annual Report.

This Audit and Risk Management Committee Report has been approved by the Board of Matang on 9 October 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) places significant emphasis on ensuring that the practical standards of corporate governance are implemented as adequately as possible throughout the Matang Berhad (“Matang”) and its Group of Companies (“Matang Group” or “Group”) as the essential part of discharging its responsibilities to safeguard and enhance shareholders’ interests and value as well as for the financial performance of the Group.

This Corporate Governance Overview Statement provides an overview of the application of the principles set out under the Malaysian Code on Corporate Governance (“Code”), while the full details of the application of the principles are disclosed in the Corporate Governance Report submitted to Bursa Securities together with this Annual Report, which is also available on the Company’s website, www.matangbhd.com.

1. BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board has the overall responsibilities for the strategic aims and corporate governance of the Company including providing overall strategic guidance and effective oversight of the management of the Group. The Board is to ensure that the activities of the Company comply with its Constitution, from which the Board derives its authority to act and monitor the Company’s performance towards the strategic aims and directions and to sustainably create value for the shareholders.

The Board Charter of the Company has been included on the Company’s website, www.matangbhd.com, and the Board shall also periodically review its Board Charter, and a copy of the revised charter shall be updated on the Company’s website from time to time whenever there are changes. The Board also has in place the Code of Ethics and Conducts for Directors and Employees of the Company, the details of which can also be found on the Company’s website, www.matangbhd.com.

The Company is guided by the Board’s overall strategic aims to grow the Group through both organic growth by way of optimal and yet sustainable increase of fresh fruit bunches production and yield from its estates or plantations as well as inorganic development by way of acquisition, joint venture or expansion of viable assets both for oil palm plantations and the durian business.

The development of durian business, together with the continuous oversight of the Board in relation to the oil palm business, besides undertaking expansions through various modes such as acquisitions, are targeted to enhance the value and performance of the Group economically in a sustainable manner to Matang’s shareholders. At the same time, the Board also ensures that corporate governance of the Company is implemented and safeguarded to provide effective oversight of the management.

The Board meets at least quarterly to deliberate and decide on significant business and financial decisions, whether strategically or otherwise, as well as to review the company’s financial performance, amongst others. To facilitate the deliberation and decision-making of the Board on material matters affecting the Company notices for meetings are circulated at least seven (7) days prior to the meeting, and complete and comprehensive meeting papers are circulated within a reasonable time prior to each Board and Board Committee meeting. Minutes of each Board Committee and Board meeting are also circulated prior to subsequent meetings for confirmation by the Board and Board Committees’ members.

The Board actively evaluates and deliberates all strategic proposals of the Group, whether operational or strategic, for corporate matters and fundraising prospects, the proposals of which the Management puts forward for approval. Where appropriate, recommendations of the Audit and Risk Management Committee are also sought especially with regards to the financial, strategic, and corporate proposals of the Group as well as in the event of conflict of interest and involvement of related parties in the transaction. As a result, a number of ad-hoc or special Board meetings of the Company have been called in the past when necessary to deliberate aforesaid proposals. When necessary, the Board sought advisers’ views, advice, and opinions in Board meetings regarding corporate and fundraising proposals.

Besides delegating the overall supervision of the management and operations of the Group to the Executive Directors of the Company, the Board has established the Management Committee for the oversight of major and key management decisions and day-to-day implementation of the business, operation and corporate decisions, matters and Board directions of the Group and the implementation of the same. The Management Committee is chaired by one of the Executive Directors, Tan Tuan Peng (or “Mr. Tan”), and consists of members made up of an Executive Director, i.e., Dato’ Ng Keng Heng (or “Dato’ Ng”), the Chief Financial Officer cum Chief Operating Officer and the Corporate Secretarial of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

1. BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Board Responsibilities *cont'd*

The Management Committee meets at least once a month to deliberate all significant matters affecting the Group, be it operationally and strategically. Special sub or project committees such as the Durian Project Committee was also established to look into, evaluate, and consider strategic and operational matters critical to the durian business' implementation and provide necessary oversight of the roles and performances of the Management on the same. The formation of the Durian Project Committee by the Board has also led to the diversification of the Group into the durian business. The same committee has been instrumental in making necessary recommendations and providing advice in relation to the durian business to the Management Committee and Board for approvals and implementation with regards to the development works as well as upkeep and maintenance works for the durian plantations in the Group.

Board Composition

As of the date of this Statement, the Board consists of six (6) members, i.e., two (2) Executive Directors and four (4) Non-Executive Directors, out of whom three (3) are Independent Directors. The three (3) Independent Directors make up more than one-third (1/3) of the Board membership in line with the requirement as prescribed under Rule 15.02 of the ACE Market Listing Requirements.

The Board is led by an Independent Non-Executive Chairman ("Chairman"), Dato' Foong Chee Meng ("Dato' Foong"), who is experienced in corporate and legal matters. The executive roles and responsibilities in the Group are undertaken by the two (2) Executive Directors, namely Mr. Tan and Dato' Ng ("Dato' Ng"). The profile of Dato' Foong, Mr. Tan, and Dato' Ng can be found in the section for Director's Profile in this Annual Report.

In terms of Board membership, Matang's Board consists of members with a wide and relevant range of skills and experiences. Board members consist of businessmen and entrepreneurs with extensive commercial and operational experiences in oil palm plantations or other agriculture sectors such as durian plantations, qualified professionals with corporate backgrounds such as professional accountants, prominent legal professionals, and professional engineers in construction and property development industries.

A summary of the information relating to the profile, meeting attendance, and shareholdings of the Company's directors has been included in this Annual Report.

The Company has a policy on the tenure for Independent Directors for a cumulative term of not more than nine (9) years. The Board may seek shareholders' approval in the event that it retains an Independent Director who has served in that capacity for more than nine (9) years, with strong justification(s) provided. Otherwise, upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. That having said, Dato' Foong, who joined the Company on 1 September 2015 as an Independent Non-Executive Director, has served more than nine (9) years on the Board as of the date of this Annual Report and the Company will seek shareholders' approval for the retention of Independent Director in the forthcoming AGM.

The Ordinary Resolution of the aforesaid motion, if passed, will enable Dato' Foong, who has served more than nine (9) years, to be retained and continue to act as Independent-Non-Executive Chairman of the Company to be in line with the Board Charter and the Board Assessment Policy of the Company, and the Code. However, if this Ordinary Resolution is not carried out, Dato' Foong will remain on the Board as a Non-Independent Non-Executive Chairman of the Company.

The Board composition is reviewed and assessed by the Nomination Committee, which is also entrusted by the Board to review and recommend the appointment of any new Directors, Chief Executive and Chief Financial Officer when appropriate. The Nomination Committee of the Company comprises solely Independent Non-Executive Directors and is chaired by the Independent Non-Executive Chairman of the Company, Dato' Foong and consists of two (2) other members who are Datuk Tew Boon Chin and Ms. Sophia Lim Chia Hui.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

1. BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Board Composition *cont'd*

The Board is cognisant of the recommendation under the Code with regard to workforce and boardroom gender diversity. While the Company has not adopted any formal policy on gender diversity in the selection of candidates, the Company does not restrict any specific gender in filling the workforce gaps so long as the suitable candidate(s) have the merits of, amongst others, qualifications, experience and aptitude for specific roles within the Group. Similarly, for the Board, the Company and its subsidiaries evaluate the suitability of the candidates for new Directors based on the candidates' competency, skills, knowledge, experiences, characters, time commitment, and other relevant specific criteria regardless of the gender of the candidates.

The Board also adopted a view of diversity with respect to age, considering the receptiveness of the younger generation to digital ideas, knowledge, and technologies in businesses and operations. In that regard, the Board of Matang is made up of diverse age groups, with the youngest member being 43 years old and the oldest being 58 years old.

The Board also assessed the performance and contribution of the Board members and the effectiveness of Board and Board Committees' functioning annually.

Board Committees

The Board delegates specific responsibilities of financial performance review and monitoring, measurement, risk management, monitoring of internal controls, and anti-bribery and anti-corruption functions to the Audit and Risk Management Committee. In addition, guided by the internal audit of the Group undertaken by independent professionals annually, the Audit and Risk Management Committee of the Company also provides independent oversight with regard to the risk management and internal controls frameworks, systems, and practices of the Company. It also provides necessary views, opinions, and recommendations to the Board regarding any significant financial-related matters or decisions affecting the Group in connection with any strategic and corporate proposals and exercises.

In that regard, the Audit and Risk Management Committee has undertaken a discussion with the External Auditors on 21 August 2024 in relation to the statutory audits of the financial statements of the Group for the financial year ended 30 June 2024 ("FY2024"). On the even date, the Audit and Risk Management Committee has also been presented with the internal audit report by the Internal Auditors, which essentially focused on the plantation operation oil palm and durian, procurement function and payment controls in Matang Estates. In addition, the independent risk management consultant presented their findings and observations with regard to the risk profile of Matang Group on 21 August 2024 to the Audit and Risk Management Committee.

The duties and responsibilities of overseeing the establishment of Board committees, selection, appointment, and nomination of Directors, Chief Executive and Chief Financial Officer, as well as Directors' training needs, have been delegated to the Nomination Committee. The evaluation of Directors by peers, as well as the assessment of Board and Board Committees' functioning, remain part of the annual assessment, and the Nomination Committee has been entrusted by the Board to assess the overall annual evaluation participated by the Board members.

During the financial year ("FY") under review, the Nomination Committee deliberated and recommended the re-election of Directors due for retirement at the forthcoming Annual General Meeting, considering the annual assessment outcome and the Directors' fulfilment of criteria under the Directors' Fit and Proper Policy. The annual assessment evaluates the Directors based on several criteria and key factors, amongst others, including the contributions and performance of individual Directors where each Director is evaluated by all his/her peers in the Board on, amongst others, the ability and efforts in analysing and probing into the proposals and decisions of the Management as well as the contributions with ideas, opinions, and advice to the Management, the Board and the Company. In addition, another criterion includes the preparations of the Director for Board meetings, his or her ability to work constructively with other Board members, and the said Director's integrity. As for the evaluation of Directors on the Board, the Directors look into the mix and composition of the Board in terms of knowledge and experiences and the ability of the Board to bring value to the Management's decisions and proposals, to name a few. Besides, other criteria include the quality of information made available to the Board and for decision-making, the Board room activities, and the Board's relationship with the Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

1. BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Board Committees *cont'd*

The duties and responsibilities on evaluating and recommending remuneration structure, levels, and packages for Board members and Chief Executive and Chief Financial Officer have been delegated to the Remuneration Committee. The Remuneration Committee, which consists of three members, has been established by the Board, and it comprises a majority of Independent Non-Executive Directors with the overall responsibility to recommend to the Board the remuneration and other benefits for all Directors and senior executives of the Company.

Any Executive Director who is on the Remuneration Committee should play no part in any decision on his/her remuneration. The remuneration packages of Non-Executive Director shall be a matter to be decided by the Board with the Director concerned abstaining from discussion and voting on any decision on his/her remuneration.

The Company has in place a general policy with regard to the remuneration levels for the Directors of the Group, i.e., for the Directors' fees and meeting allowances. However, these remunerations are to be approved by the Board from time to time after due deliberation by the Nomination Committee of the competencies, skills, experiences and needs for the positions. The Remuneration Committee shall recommend the proposed remuneration to the Board for deliberation and approval.

During the FY under review, the Remuneration Committee deliberated and thereafter recommended to the Board on the Directors' remuneration, including Director's fees for the financial year ended 30 June 2024 and Directors benefits for the period from 1 January 2025 to 31 December 2025 before the Company seeking applicable shareholders' approval in the Tenth Annual General Meeting of the Company to be held on 19 November 2024. In addition, the Remuneration Committee also evaluated and deliberated on the proposed bonus payment and increment for the Executive Directors and the Chief Financial Officer cum Chief Operating Officer of the Company prior to making a recommendation of the same to the Board for approval.

All committees, i.e., the Audit and Risk Management Committee, Nomination Committee, and Remuneration Committee, shall present to the Board on relevant matters discussed and decisions arrived at, as well as recommendations, if any, made to the Board. Minutes of the Audit and Risk Management Committees' meetings are also presented to the Board to keep the Board informed of deliberations and decisions of the said committee. The composition of each of the Board committees is shown on page 2 of this Annual Report.

For FY2024, the Audit and Risk Management Committee held four (4) meetings. The Nomination Committee and the Remuneration Committee had respectively held four (4) meetings and three (3) meetings respectively during the FY under review.

To enhance the efficiency of the Board in discharging its duties and responsibilities, the Nomination Committee and the Remuneration Committee were merged into a single committee known as "Nomination and Remuneration Committee".

Remuneration for Directors

The Board has formalised and approved the structure that remunerates the Directors' contribution based on fixed annual Director's fees and Director's meeting allowances, the latter of which are payable based on the number of attendances of the Directors to the Board Committees and Board meetings.

The Remuneration Committee shall first deliberate the level of annual Director's fees and meeting allowance, the outcome of which shall be recommended to the Board for approval before approval of shareholders is sought in the Company's Annual General Meeting. The Directors with executive roles and responsibilities in the Group are also entitled to the Director's salary, including certain allowances in connection with the executive roles, the salary and allowances of which are also deliberated by the Remuneration Committee, and the outcome are then recommended to the Board for approval.

The level of the Director's fees and Director's meeting allowances have been most recently reviewed in the financial year under review, as part of the annual evaluation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

1. BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Remuneration for Directors *cont'd*

The following section shows the summary of total remuneration for the Executive Directors and Non-Executive Directors by type of remuneration for FY2024.

By type of remuneration	Group		Company	
	Executive Directors [®] RM'000	Non-Executive Directors RM'000	Executive Directors [®] RM'000	Non-Executive Directors RM'000
Directors' fees [#]	64.2	127.5	64.2	127.5
Salary and other emoluments [^]	520.5 ⁻	92.0	353.6 ^{-*}	92.0 ^{&}
Total	584.60	219.5	417.8	219.5

Notes:

- [#] Directors' fees are to be approved by the shareholders in the forthcoming Annual General Meeting of the Company.
- [®] Inclusive of remunerations for Mr. Tan Tuan Peng, the new Executive Director of the Company appointed on 1 December 2023 and Datuk Ir. Low Ah Keong, the former Executive Director of the Company, resigned on 31 March 2024.
- ⁻ Salary-related payments to the Executive Directors includes employer's portion of the Employment Provident Fund ("EPF"), bonus and other allowances where applicable for their executive roles.
- [^] Other emoluments include the meeting allowances for the Directors' attendance to the Board and Board Committees meetings as well as sub or project committees of the Group.
- ^{*} Excludes the retirement gratuity payment of RM10,000.00 to Datuk Ir. Low Ah Keong, the former Executive Director. The retirement gratuity payment is intended as a token of appreciation for his past services and contributions to the Company. The retirement gratuity payment has been provisioned under the directors' benefit for the financial period from 1 January 2024 to 31 December 2024 and approved by the Shareholders at the last Annual General Meeting. The one-off payment will be made in 2024.
- [&] Excludes the retirement gratuity payment of RM10,000.00 to Datuk Teoh Sew Hock, the Non-Independent Non-Executive Director who will retire at the conclusion of Tenth Annual General Meeting, in recognition for his past services and contributions to the Company. The retirement gratuity payment has been provisioned under the directors' benefit for the financial period from 1 January 2024 to 31 December 2024 and approved by the Shareholders at the last Annual General Meeting. The one-off payment will be made in 2024.

The following section shows the summary of total remuneration for the Directors by bands of remuneration.

Name of Directors	Number of Board meetings attended	Director Fees RM'000	Meeting Allowances RM'000	Salaries & other emoluments [#] RM'000	Total RM'000
Dato' Foong Chee Meng	6/6	45.0	21.0	-	66.0
Tan Tuan Peng [®]	3/3	16.0	7.50	97.2	120.7
Dato' Ng Keng Heng	6/6	27.5	21.3	222.4	271.2
Sophia Lim Chia Hui	6/6	27.5	27.3	-	54.8
Datuk Tew Boon Chin	6/6	27.5	17.5	-	45.0
Datuk Teoh Sew Hock	6/6	27.5	26.2	- ^{&}	53.7
Datuk Ir Low Ah Keong [^]	5/5	20.7	12.5	159.5 [*]	192.7
Total		191.7	133.3	479.1	804.1

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

1. BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Remuneration for Directors *cont'd*

Notes:

- Ⓔ Mr. Tan Tuan Peng was appointed as Executive Director on 1 December 2023.
- ^ Datuk Ir. Low Ah Keong was resigned as Executive Director on 31 March 2024.
- # Other emoluments include salary-related payments to the Executive Directors, such as the employer's portion of the EPF, bonus and other allowances where applicable for their executive roles.
- * Excludes the retirement gratuity payment of RM10,000.00 to Datuk Ir. Low Ah Keong, the former Executive Director. The retirement gratuity payment is intended as a token of appreciation for his past services and contributions to the Company. The retirement gratuity payment has been provisioned under the directors' benefit for the financial period from 1 January 2024 to 31 December 2024 and approved by the Shareholders at the last Annual General Meeting. The one-off payment will be made in 2024.
- & Excludes the retirement gratuity payment of RM10,000.00 to Datuk Teoh Sew Hock, the Non-Independent Non-Executive Director who will retire at the conclusion of Tenth Annual General Meeting, in recognition for his past services and contributions to the Company. The retirement gratuity payment has been provisioned under the directors' benefit for the financial period from 1 January 2024 to 31 December 2024 and approved by the Shareholders at the last Annual General Meeting. The one-off payment will be made in 2024.

Company Secretaries

The Board continues to be supported by qualified and competent company secretaries in FY2024. The Board, including any of the Directors of the Company, has direct access to the advice and services of the company secretaries who are responsible for ensuring the Board meeting's procedures are adhered to, and applicable rules and regulations are complied with. The company secretaries have also regularly updated and advised the Board and the Management of the Company on any new statutory and regulatory requirements, amongst others, in connection with discharging the duties and responsibilities of the Directors and the Management.

During FY2024, Ms. Liew Shu Ning was appointed on 28 February 2024 as the joint company secretary of the Company to replace Ms. Tan Siew Hong, who resigned on the even date.

Conduct of Board Meetings

The deliberation of matters by the Board in every meeting held has been carried out with agendas or meeting notices being circulated at least seven (7) days before scheduled dates of meeting, and relevant meeting materials are circulated to the Board and Board committees within reasonable time prior to the meetings save, in accordance with provisions under the Constitution of the Company, for circumstances where special board meetings that have been called for on short notices.

Minutes of all Board and Board committee meetings have been duly circulated to all members of the Board and Board committee as the case may be for review prior to the succeeding meeting, and all members of the Board have direct access to the company secretaries for any queries and doubts raised with regard to the records of the proceedings of all Board and Board committee meetings.

Directors' Training

The Company acknowledges the importance of continuous education, training, and professional development for all Directors, and as such, the Directors are encouraged to attend suitable seminars, conferences, and workshops organised by relevant regulatory authorities and professional bodies to keep abreast with the latest developments in the industry, marketplace and/or new statutory and regulatory requirements. Guided by the training needs and requirement matrix for the Directors, most of our directors have participated in some training in relation to the oil palm industry, regulatory requirements or guidelines, and/or financial and taxation matters.

Our newly appointed Executive Director, Mr. Tan Tuan Peng, attended the Mandatory Accreditation Programme (MAP) via the ICDM virtual classroom, organised by ICDM, the MAP-approved Service Provider for Bursa Malaysia, on 25 and 26 March 2024. In addition, Dato' Ng Keng Heng, the Executive Director, also attended the Palm Oil Economic Review and Outlook Seminar R&O 2024 on 11 January 2024, organised by the Malaysian Palm Oil Board (MPOB), conducted in Pullman Kuala Lumpur City.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

2. EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The Board is committed to furnishing the shareholders of the Company timely with up-to-date Group's financial performance and conditions through disseminating interim financial reports and statements, including notes to the financial statements, annual reports, and relevant announcements to Bursa Securities. The Board is assisted by the Audit and Risk Management Committee, which shall sit quarterly to review the interim and annual financial reports of the Group.

As of the date of this Statement, the Audit and Risk Management Committee is made up of three (3) members, all of whom are Non-Executive Directors of the Company. The committee is chaired by Ms. Sophia Lim Chia Hui, who is a qualified chartered accountant, and the other members of the Audit and Risk Management Committee are Dato' Foong Chee Meng and Datuk Teoh Sew Hock. The profile of the existing Audit and Risk Management Committee members has been included in Section Audit and Risk Management Committee of this Annual Report.

Prior to the commencement of the annual audit of the financial statements of the Group for the financial year under review, the Audit and Risk Management Committee conducted a discussion with the External Auditors in May 2024 to assess, amongst others, their independence in acting as External Auditors for the Group. Besides, in the same meeting, deliberation was also held with the External Auditors on audit scope, plan, and approach, as well as the relevant new accounting standards affecting the annual audit of financial statements. The External Auditors of the Group have also provided assurance to the Audit and Risk Management Committee, confirming their independence for the audit engagement and the conduct of the audit of the Group's financial statements for FY2024.

During the FY under review, the Audit and Risk Management Committee has undertaken the review of the quarterly financial results, including notes on the financial results of the Group and addressed their queries, if any, to the Management during the meetings of the Audit and Risk Management Committee. The Management was present in the Board meetings to clarify all queries of the Board with respect to the quarterly financial results. The Audit and Risk Management Committee, with satisfactory responses from the Management, has reported their view and advice in relation to the quarterly financial result and any relevant matters to the Board before the Board deliberates and approves the results for announcement to Bursa Securities.

The Audit and Risk Management Committee also exercises its responsibilities by reviewing both the Internal Audit Report and Audited Financial Statements of the Group and holding discussions with the respective auditors in 21 August 2024 and 9 October 2024, respectively, for any questions and comments the Audit and Risk Management Committee may have. Guided by the discussions with the auditors and necessary responses and clarifications from the Management, the Audit and Risk Management Committee then reports to the Board any matters of material concerns, if any, in connection with the financial reporting and performances of the Group, risk management measures and the implementation of internal control systems of the Group and the effectiveness of the same.

During the FY under review, the Audit and Risk Management Committee exercised its independence to discuss the audit plan, audit approach, and any key areas of concern and the resources with the external and internal auditors. More details of the internal audit performed have been included under Internal Audit Function and Summary of Works Done in the Audit and Risk Management Committee Report on page 40 of this Annual Report.

The Audit and Risk Management Committee, under its terms of reference approved by the Board, has the authority to investigate any matters of the Group it has come across in respect of any transactions that raise questions of management integrity, possible conflict of interest, or abuse by a significant or controlling shareholder. The roles and authorities of the Audit and Risk Management Committee have also been extended to cover any integrity issues in relation to bribery and corruption that may have taken place in the Group. In addition, it also has been granted full access to all information and resources to carry out such inquiries.

CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

2. EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

Risk Management and Internal Control Framework

In addition to overseeing the proper preparation of the quarterly financial reports and the annual financial statements of the Company and the Group, the Audit and Risk Management Committee also independently evaluates the adequacy of the risk management and internal control framework of the Group as well as assessing the effectiveness of the implementation by the Management of the components required under the frameworks.

The Company's Audit and Risk Management Committee is made up of Non-Executive Directors to oversee the Company's risk management framework and policies. The terms of reference of the Audit and Risk Management Committee can be found on the Company's website, www.matangbhd.com.

The external risk management consultant engaged by the Company has undertaken the risk assessment of the Group, and the report was presented to the Audit and Risk Management Committee in the meeting in August 2024. With the report, the risk management consultant shall present to the Audit and Risk Management Committee its conclusions with regards to the risk assessment and management profile of the Group as well as specific areas of concern in terms of risks which the Group is to focus on. For the financial year under review, a summary of the scope of the internal audit review undertaken by the Internal Auditors and the conclusions of the risk management consultant have been included in the Audit and Risk Management Committee Report and the Statement of Internal Control and Risk Management, respectively.

3. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Board uses public announcements made as well as the Company's website, www.matangbhd.com (where relevant announcements of the Company are linked to Bursa Securities), to disseminate information about the Group and major developments to the Group's business to existing and potential shareholders. In that connection, the Company also incorporates investor relations and corporate governance sections on its website, where links to announcements made to Bursa Securities for financial results and corporate developments are posted. Annual reports of the Company are also posted on this part of the website to facilitate download.

Other information provided on the website included the nature and location of the Group's business as well as other corporate information such as the Board Charter, terms of reference of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee in addition to corporate exercises undertaken and the status or progress update. All aforesaid terms of reference for Board Committees and the code of conduct and ethics for Directors and employees will be posted timely if there is/are any amendments and/or modifications once the same is approved by the Board. In addition, the Company has also uploaded the amended Whistle Blowing policy and the Anti-Bribery and Anti-Corruption policy in 2021 as well as the Directors' Fit and Proper Policy of the Company in 2022.

In accordance with the ACE Market Listing Requirements, where necessary, the Company either makes necessary announcements or, if approvals of shareholders are required, the Company will issue comprehensive circulars to the shareholders to facilitate obtaining shareholders' approval for relevant matters required under the Listing Requirements. In addition, where applicable and appropriate, explanatory notes to special businesses will also be furnished to ensure the availability of adequate information to the shareholders before voting in Annual General Meetings. Notices for Annual General Meetings will be sent out at least twenty-eight (28) days prior to the date of the meeting and the same notices will be announced to Bursa Securities and published in at least one (1) nationally circulated daily newspapers.

Conduct of General Meetings

The forthcoming Annual General Meeting of the Company is scheduled to be held on 19 November 2024. The Board views that Annual General Meetings and extraordinary general meetings called and conducted will be good opportunities for the shareholders to seek clarifications on the performance and development of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

3. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

Conduct of General Meetings *cont'd*

In the Annual General Meeting of the Company for financial year ended 30 June 2023, the meeting of which was held virtually on 22 November 2023, the Company has:

- made a presentation of the Group's business and financial performance for the financial year ended 30 June 2023 to its shareholders;
- taken and addressed all questions raised by the shareholders in the said annual general meeting;
- conducted electronic poll voting for all resolutions for which approvals of the shareholders were sought.

For the forthcoming Annual General Meeting to be held on 19 November 2024, the Company adheres to the practice recommended under the Code to circulate notice for the Annual General Meeting at least twenty-eight (28) days prior to the date of the said meeting. In addition, as with the few General Meetings of the shareholders in the past years, the Company found meetings conducted on a virtual basis attract a sizable number of attendees possibly due to the elimination of logistic challenges for some shareholders to attend. Besides, the virtual manner of posing questions with questions being typed allows questions to be raised at any point in time during the proceeding of the General Meetings thus giving more chances to shareholders to ask questions without having to wait for previous questions to be completely answered or addressed.

The Board envisages that it will, as part of the Board's effort, continue to create open dialogue with the shareholders, to conduct presentation(s) in relation to the Group and its performance along with prospects and outlooks disclosed in compliance with the Listing Requirements. Questions and Answers session with the floor of the audience or virtual participants attending the annual general meetings shall provide chances for the shareholders to have their questions addressed by the Board.

In the event of any questions received from the Minority Shareholders Watchdog Group, the Board shall aim at replying in writing before the general meetings if possible and have the responses/replies summarised for presenting to the shareholders during the general meetings.

The Company shall ensure that all resolutions set out in the notice of any general meeting or any notice of resolutions which are to be properly moved and are intended to be moved at any general meeting will continue to be voted by poll. An independent scrutineer will be appointed by the Company to validate the votes cast at the general meeting.

The Board of Matang recognises the importance of good corporate governance towards safeguarding and enhancing the shareholders' interest and value, the financial performance of the Group as well as the long-term sustainability of the Group. The Board places significant priorities to ensure that principles and recommendations under the Code are adopted by the Group where applicable and practical.

Looking ahead to the financial year ending 30 June 2025, the Board's key focus areas are to evaluate business diversification and explore new business opportunities. Through a review of the management structure and a talent review update, the priority is to maintain a diverse pipeline of talent.

This Corporate Governance Overview Statement has been approved by the Board of Matang on 9 October 2024.

SUSTAINABILITY STATEMENT

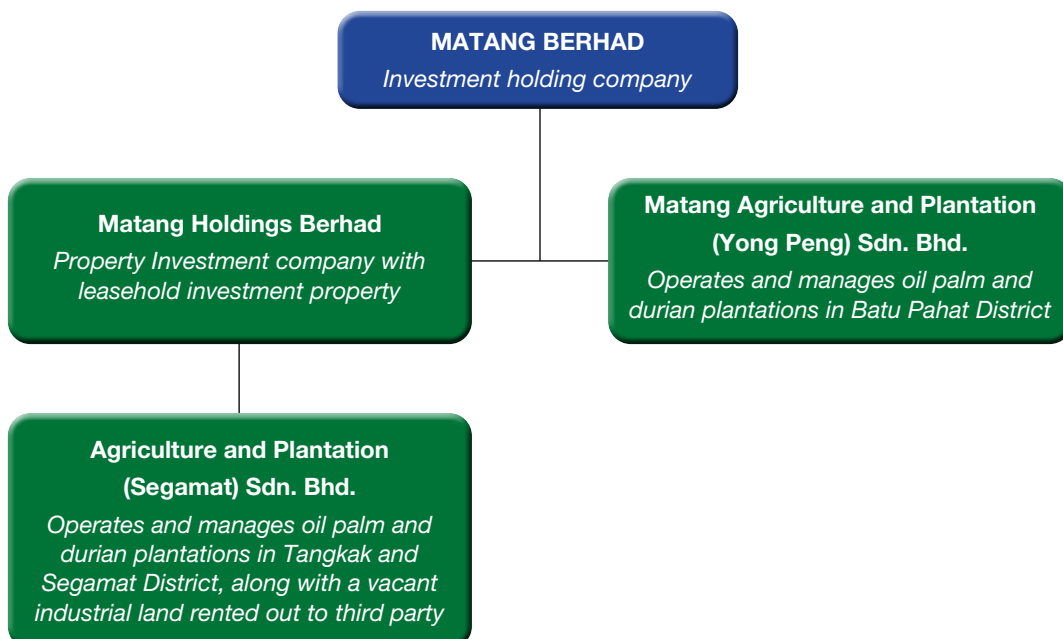
OUR SUSTAINABILITY COMMITMENT

At Matang Berhad (“Matang” or the “Company”) and its subsidiaries (collectively referred to as “Matang Group” or “Group”), we recognise the importance of integrating sustainability into every aspect of our operations, particularly in the plantation and property investment sectors. Our sustainability strategy is built on three key pillars: economic viability, environmental stewardship and social responsibility. By focusing on these areas, we aim to create long-term value for our stakeholders while contributing to a sustainable future. This aligns with our mission to “Grow A Greener Future Together”.

In this report, we present the Sustainability Statement (“Statement”) for the Financial Year 2024 (“FY2024”) for the Group. This Statement highlights our progress and initiatives in integrating key sustainability considerations into our business operations. Our ultimate aim is to be acknowledged for our commitment to sustainability and our efforts to make a positive impact on the industry and the environment.

REPORTING COVERAGE AND PERIOD

This Sustainability Statement covers the sustainability activities and performance of Matang Group during the period from 1 July 2023 to 30 June 2024, for the financial year ended 30 June 2024. The reporting scope of this Statement includes Matang and its subsidiaries as follows:



SUSTAINABILITY STATEMENT

cont'd

OUR SUSTAINABILITY COMMITMENT *cont'd*

REPORTING FRAMEWORKS AND STANDARDS

The Statement has been developed in accordance with the following best practice guidelines, standards, and frameworks:

- 
 - Bursa Malaysia’s ACE Market Listing Requirements
 - Sustainability Reporting Guide (3rd Edition)
- 
 - Malaysian Code On Corporate Governance, Updated April 2021
- 
 - Global Reporting Initiative (“GRI”), 2021

FEEDBACK

We appreciate and value the feedback, suggestions, and input from our stakeholders regarding this Statement. Your insights on any aspect of our sustainability practices and performance are welcome. For any comments, queries or suggestions regarding the content of this Statement, please email us at info@matangbhd.com.

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

Our commitment to sustainability is integrated into our governance structure, which is essential for driving our ongoing sustainability efforts. This structure, established in August 2024, is led by the Board of Directors (“Board”), who oversee the overall sustainability strategy. The governance structure is supported by Senior Management, responsible for executing the Board’s directives, and the Operational Management team, who implements and monitors sustainability initiatives.

Sustainability matters are discussed in monthly management meetings and as necessary, in quarterly Board meetings. The key roles and responsibilities for sustainability governance are as follows:



SUSTAINABILITY STATEMENT

cont'd

OUR APPROACH TO SUSTAINABILITY *cont'd*

SUSTAINABILITY POLICY

The Sustainability Policy, effective from August 2024, outlines the Group's commitment to ethical business practices, reducing environmental impact, promoting social responsibility, and ensuring economic viability.

The Policy aims to achieve the following key objectives:

- **Governance Sustainability:** Clearly outline ESG-related duties for Matang Berhad's Board of Directors and employees, ensuring accountability and transparency in decision-making processes.
- **Environmental Sustainability:** Foster a corporate culture focused on reducing the Group's environmental impact, including initiatives to protect the biodiversity of its surrounding communities.
- **Economic Sustainability:** Promote economic resilience and sustainable growth within the organisation.
- **Social Sustainability:** Embed sustainability principles into the company's core values employee practices, employee training and development initiatives, and community engagement. We are also committed to promote sustainability awareness across all levels of the organisation and continuously evaluating ESG practices for ongoing improvement.

These objectives are designed to demonstrate Matang's commitment to integrating sustainability into its core business practices and creating long-term value for all stakeholders.

GOVERNANCE EXCELLENCE POLICIES AND GUIDELINES

We remain dedicated to upholding the highest standards of corporate governance across the Group. The sustainability governance at Matang is supported by various policies and guidelines to manage our economic, environmental and social responsibilities. These policies include the following:



SUSTAINABILITY STATEMENT

cont'd

OUR APPROACH TO SUSTAINABILITY *cont'd*

STAKEHOLDER ENGAGEMENT

Our dedication to engaging stakeholders forms the foundation for creating sustainable value for the Group. We actively collaborate with our primary stakeholders across our business operations, ensuring alignment between their interests and expectations and our business objectives. The following summary outlines our interactions with key stakeholders, the engagement and communication platforms utilised, the areas of concern discussed, and our corresponding responses.

Frequency & Methods of Engagement	Key Concern	Our Response
GOVERNMENT AND REGULATORS / TRADE ASSOCIATIONS & INDUSTRY BODIES		
Ongoing <ul style="list-style-type: none"> Worker's documentation Ad-hoc <ul style="list-style-type: none"> Inspection by local authority Regular reporting and submission Legal compliance 	<ul style="list-style-type: none"> Commitment to regulatory compliance Timely reporting and resolution of issues Maintenance of corporate governance and best business practice 	<ul style="list-style-type: none"> Anti-Corruption, page 58
EMPLOYEES		
Annually <ul style="list-style-type: none"> Annual performance review Ongoing <ul style="list-style-type: none"> Daily operations Meeting / Discussion Training and development Ad-hoc <ul style="list-style-type: none"> Employment agreements Job description 	<ul style="list-style-type: none"> Employee rewards and recognitions Well-being and benefits Personal development Work-life balance 	<ul style="list-style-type: none"> Labour Practices & Standards, page 61 Diversity & Equal Opportunities, page 63 Occupational Health & Safety, page 65
Frequency & Methods of Engagement	Areas of Concern	Our Response
CUSTOMERS		
Ad-hoc <ul style="list-style-type: none"> Proposals / Quotations Customer needs and requirements Agreements Customer visits 	<ul style="list-style-type: none"> Sustainable products of high quality Customer experience Relationship with clientele 	<ul style="list-style-type: none"> Data Privacy and Security, page 66 Sustainable Sourcing of Input (Procurement Practices), page 59
SUPPLIERS / CONTRACTORS		
Ongoing <ul style="list-style-type: none"> Quotations / Tender Supply of goods and services Enquiry and feedback channels Meeting and discussion with the suppliers Annually <ul style="list-style-type: none"> Supplier analysis and assessment 	<ul style="list-style-type: none"> Compliance with terms and condition of transaction Engaging continuously with suppliers Transparency and objectivity in procurement practices 	<ul style="list-style-type: none"> Sustainable Sourcing of Input (Procurement Practices), page 59

SUSTAINABILITY STATEMENT

cont'd

OUR APPROACH TO SUSTAINABILITY *cont'd*

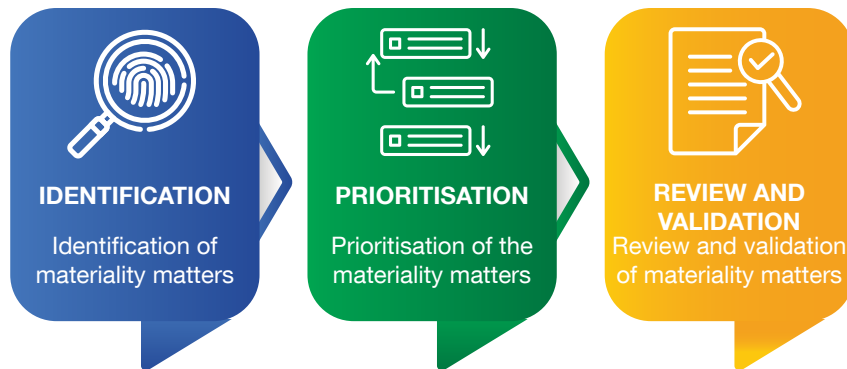
STAKEHOLDER ENGAGEMENT *cont'd*

Frequency & Methods of Engagement	Areas of Concern	Our Response
SHAREHOLDERS / INVESTORS / FINANCIAL INSTITUTIONS		
Annually <ul style="list-style-type: none"> Annual General Meetings Annual Reports Quarterly <ul style="list-style-type: none"> Quarterly Reports Ad-hoc <ul style="list-style-type: none"> Investor briefings 	<ul style="list-style-type: none"> Transparency and profitability Company growth and value chain Compliance and governance 	<ul style="list-style-type: none"> Anti-Corruption, page 58
LOCAL COMMUNITIES		
Ongoing <ul style="list-style-type: none"> Local community initiatives Ad-hoc <ul style="list-style-type: none"> Donation and sponsorship Participation in job fairs and events Community development programme Corporate social events 	<ul style="list-style-type: none"> Corporate social responsibility Donations and financial aids Contribution to social enhancement 	<ul style="list-style-type: none"> Local Communities, page 66

MATERIALITY MATTERS

Materiality is a cornerstone of our value creation journey, enabling us to identify the most significant aspects for both our business and stakeholders. Through materiality assessments, we inform our decision-making by identifying key economic, environmental, and social issues that could impact our business’s value and stakeholder relationship.

Materiality Assessment Process



In FY2024, Management, with endorsement from the Board, reviewed Matang’s materiality matters to ensure their ongoing relevance. This review adhered to the requirements of the Sustainability Reporting Guide (3rd Edition), ensuring that material matters align with our business environment. Moving forward, we plan to conduct a comprehensive materiality assessment every three years. Additionally, we undertake to perform an annual review to assess the relevance of previously prioritised economic, environmental, social and governance impacts arising from our day-to-day activities.

SUSTAINABILITY STATEMENT

cont'd

OUR APPROACH TO SUSTAINABILITY *cont'd*

MATERIALITY MATTERS *cont'd*

Materiality Matrix FY2024



ECONOMIC

- 1 Anti-corruption

ENVIRONMENT

- 2 Sustainable Sourcing of Input (Procurement Practices)
- 3 Energy Management
- 4 Water Management

SOCIAL

- 5 Labour Practice and Standards
- 6 Diversity & Equal Opportunities
- 7 Occupational Health and Safety
- 8 Local Communities
- 9 Data Privacy and Security

SUSTAINABILITY STATEMENT

cont'd

OUR APPROACH TO SUSTAINABILITY *cont'd*

RISKS AND OPPORTUNITIES

Recognising material issues is crucial for shaping our strategy, as it helps us identify both risks and opportunities. With a comprehensive understanding of their significance, we can set future targets and develop action plans to address associated risks and leverage on potential opportunities.

Materiality Matters	Risks	Opportunities
ECONOMIC		
Anti-Corruption	<ul style="list-style-type: none"> Corruption risk 	<ul style="list-style-type: none"> Enhance transparency and reporting Improve the corporate governance practices of the Group
ENVIRONMENTAL		
Sustainable Sourcing of Input (Procurement Practices)	<ul style="list-style-type: none"> Non-compliance to regulatory requirements/accreditation requirements 	<ul style="list-style-type: none"> Improved sustainability performance through responsible sourcing practices
Energy Management	<ul style="list-style-type: none"> Climate change risk 	<ul style="list-style-type: none"> Energy efficiency initiatives Renewable energy adoption
Water Management	<ul style="list-style-type: none"> Climate change risk 	<ul style="list-style-type: none"> Water conservation
SOCIAL		
Labour Practices and Standards	<ul style="list-style-type: none"> Non-compliance to statutory / regulatory labour requirements Shortage of labour 	<ul style="list-style-type: none"> Talent attraction and retention Training and development programmes
Diversity and Equal Opportunities	<ul style="list-style-type: none"> Shortage of labour 	<ul style="list-style-type: none"> Ability to contribute diverse ideas, improving the quality of decisions
Occupational Health and Safety	<ul style="list-style-type: none"> Health, safety and environmental hazard Non-compliance to local business / statutory / regulatory requirements 	<ul style="list-style-type: none"> Enhanced safety training and awareness programme
Local Communities	<ul style="list-style-type: none"> Health, safety and environmental hazard 	<ul style="list-style-type: none"> Local hiring Strengthen community engagement and development programmes
Data Privacy and Security	<ul style="list-style-type: none"> Loss of critical information 	<ul style="list-style-type: none"> Improve data security measures

FY2024 KEY SUSTAINABILITY HIGHLIGHTS



SUSTAINABILITY STATEMENT

cont'd

OUR APPROACH TO SUSTAINABILITY *cont'd*

KEY PERFORMANCE INDICATORS (“KPI”)

A set of sustainability targets and Key Performance Indicators (“KPIs”) have been established for Management, organised around our sustainability pillars. These KPIs were set in July 2024, approved by the Board in August 2024, and developed with input from relevant Heads of Department. To ensure we meet these KPIs, we have implemented specific sustainability targets, as shown in the table below.

Materiality Matters	FY2024 Performance	Sustainability Target FY2025
Anti-Corruption	<ul style="list-style-type: none"> The data related to percentage of employees who received training on anti-corruption is not available The data related to operations assessed for corruption-related risks is not available Zero corruption and bribery cases 	<ul style="list-style-type: none"> Achieve / Maintain the percentage of employees who received training on anti-corruption by the following employee category: <ol style="list-style-type: none"> Management: 100% Executive: 100% Non-executive: 100% Achieve / Maintain 100% of operations assessed for corruption-related risks Zero corruption and bribery cases
Sustainable Sourcing of Input (Procurement Practices)	<ul style="list-style-type: none"> 100% spending on local suppliers The data related to suppliers assessed for environmental impacts is not available 	<ul style="list-style-type: none"> Maintain at least 80% of spending on local suppliers Achieve / Maintain 10% of suppliers assessed for environmental impacts
Energy Management	<ul style="list-style-type: none"> Electricity consumption increased by 40% 	<ul style="list-style-type: none"> Reduce electricity consumption by 5%
Water Management	<ul style="list-style-type: none"> Increase in water consumption by 21% 	<ul style="list-style-type: none"> Reduce water consumption by 10%
Labour Practices and Standards	<ul style="list-style-type: none"> Zero cases of non-compliance cases with relevant employment laws and regulations 81.3% of employees are under temporary contract 	<ul style="list-style-type: none"> Zero cases of major non-compliance with relevant employment laws and regulations Achieve / Maintain 10.5% of employees that are under temporary contract
Diversity and Equal Opportunities	<ul style="list-style-type: none"> Obtained 17% of female Board composition 	<ul style="list-style-type: none"> Obtain at least 30% female Board composition
Occupational Health & Safety	<ul style="list-style-type: none"> Zero non-compliance cases with relevant health and safety laws and regulations Zero work-related fatalities 	<ul style="list-style-type: none"> Maintain zero non-compliance with relevant health and safety laws and regulations Maintain zero work-related fatalities
Local Communities	<ul style="list-style-type: none"> Allocated RM1,300 in community engagement activities Provided 2 beneficiaries investment of communities 	<ul style="list-style-type: none"> Allocate a budget of RM3,600 in community engagement activities Achieve at least 2 number of beneficiaries of the investment on communities
Data Privacy and Security	<ul style="list-style-type: none"> Zero cases of complaints relating to customer privacy and losses of customer data 	<ul style="list-style-type: none"> Obtain zero complaints concerning breaches of customer privacy and losses of customer data

SUSTAINABILITY STATEMENT

cont'd

OUR SUSTAINABILITY PROGRESS

ECONOMIC

ANTI-CORRUPTION

Matang Group is committed to operating with the highest ethical standards and governance excellence. Our actions reflect our core values and promote a culture of accountability and responsibility throughout the Group.

Our Approach

The following section details the frameworks and policies that underpin our commitment to responsible business practices.



ANTI-BRIBERY AND CORRUPTION POLICY

Matang Berhad enforces a zero-tolerance policy against bribery and corruption. The Group is committed to ethical and transparent business practices in compliance with relevant laws.

This policy applies to all employees, directors, and business associates within the Matang Group. It defines key terms such as bribery, corruption, facilitation payments and prohibits the giving or receiving of gifts for undue advantages, as well as facilitation payments and political donations. Charitable donations are permitted under strict guidelines.



WHISTLE BLOWING POLICY

Matang Berhad's Whistle Blowing Policy encourages employees and the public to report any concerns about unethical or illegal activities. All reports will be treated confidentially, and whistleblower(s) are protected from retaliation. Any concerns can be reported verbally or in writing via a letter or email to:

By post:

Chairman of the Audit and Risk Management Committee
Matang Berhad
Unit 39.02, Level 39, Menara Multi-Purpose, Capital Square, 8,
Jalan Munshi Abdullah, 50100 Kuala Lumpur

By email:

ARMCChairman@matangbhd.com

The detail Whistle Blowing Policy is available on our corporate website at <https://matangbhd.com/corporate-governance/>



CODE OF CONDUCTS AND ETHICS FOR THE DIRECTORS

Matang Berhad's Code of Conduct and Ethics mandates the highest standards of integrity, professionalism, and ethical conduct from its Board members. Director(s) must prioritise the interests of the Company and its stakeholders, avoid conflicts of interest, safeguard confidential information, and responsibly utilise company resources.

The Anti-Bribery and Corruption Policy is available on our corporate website at <https://matangbhd.com/corporate-governance/>

SUSTAINABILITY STATEMENT

cont'd

OUR SUSTAINABILITY PROGRESS *cont'd*

ECONOMIC *cont'd*

ANTI-CORRUPTION *cont'd*

Our Approach *cont'd*

While there was no Anti-Bribery and Corruption training conducted in FY2024, we are committed to implementing mandatory training for employees following any policy updates or regulatory changes. Additionally, we ensure that our suppliers align with our Anti-Bribery and Corruption guidelines, as outlined in the Policy. Compliance is mandatory, and suppliers must affirm their commitment to these standards by signing a declaration form.

Our Performance

No misconduct cases related to corruption or bribery were reported in FY2024. To maintain this positive record and further strengthen our anti-corruption measures, we plan to expand our anti-corruption training to all employees as needed and conduct regular risk assessments across our operations. This proactive approach will help us identify potential vulnerabilities and implement effective preventive measures.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2022	FY2023	FY2024
Confirmed incidents of corruption and action taken	Zero corruption and bribery cases	Number	Nil	Nil	Nil
Percentage of employees who have received training on anti-corruption by employee category	Achieve / Maintain the percentage of employees who received training on anti-corruption by the following employee category: a) Management: 100% b) Executive: 100% c) Non-executive: 100%	Percentage	a) – c) Nil	a) - c) Nil	a) - c) Nil
Percentage of operations assessed for corruption-related risk	Achieve / Maintain 100% of operations assessed for corruption-related risks	Percentage	Nil	Nil	Nil

ENVIRONMENT

SUSTAINABLE SOURCING OF INPUT (PROCUREMENT PRACTICE)

Matang Berhad is committed to sustainable and resilient oil palm and durian plantations. We prioritise responsible procurement practices by integrating sustainability throughout our supply chain.

Our Approach

At Matang, our procurement processes are standardised and transparent, as outlined in our Procurement Manual. We are proud to support local economic growth by sourcing 100% of our products and services from local suppliers, fostering strong partnerships with small and medium enterprises (“SMEs”).

While our current procurement manual does not explicitly address sustainability criteria, we recognise its growing importance. We are committed to integrating Environmental, Social, and Governance (“ESG”) considerations into our procurement processes to enhance our supply chain’s environmental and social impact.

SUSTAINABILITY STATEMENT

cont'd

OUR SUSTAINABILITY PROGRESS *cont'd*

ENVIRONMENT *cont'd*

SUSTAINABLE SOURCING OF INPUT (PROCUREMENT PRACTICE) *cont'd*

Our Performance

Matang has consistently achieved a 100% local sourcing rate, demonstrating a strong commitment to supporting the local economy for the last 3 financial years.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2022	FY2023	FY2024
Proportion of spending on local suppliers	Maintain at least 80% of spending on local suppliers	Percentage	100%	100%	100%
Suppliers assessed for environmental impacts ¹	Achieve 10% of suppliers assessed for environmental impacts	Percentage	Nil	Nil	Nil

Note:

1. No data has been collected for FY2022, FY2023 and FY2024.

ENERGY MANAGEMENT

Effective energy management is essential for Matang to reduce costs, ensure compliance, support sustainability, strengthen our corporate responsibility, and boost our competitiveness in the agricultural industry.

Our Approach

Matang Group is committed to sustainable and efficient plantation operations. We implement practical energy management strategies, including energy tracking, equipment optimisation, and waste reduction. Additionally, we utilise solar lighting in office areas, staff quarters and durian plantation areas, and we have implemented electric water pumps to minimise diesel consumption.

By adopting these measures, we aim to lower costs, reduce our environmental impact, and explore renewable energy options such as solar panels and biomass.

Our Performance

In FY2024, the Group's energy consumption, encompassing both electricity and fuel, totalled 3,691,112.48 MJ. We have established a 5% reduction target for electricity consumption by FY2029 to bolster our sustainability efforts.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2022	FY2023	FY2024
Electricity consumption	-	kWh	120,496	617,492	616,941
Fuel (Diesel)	-	litre	22,467	24,138	36,573
Total energy consumption	-	MJ	1,336,892	3,193,246	3,691,112
Percentage of change in electricity consumption	Reduce electricity consumption by 5%	Percentage	Nil	412%	-0.09%

Note:

1. Conversion factors used are 1 kWh = 3.6 MJ and 1 litre of diesel = 40.2 MJ.

SUSTAINABILITY STATEMENT

cont'd

OUR SUSTAINABILITY PROGRESS *cont'd*

ENVIRONMENT *cont'd*

WATER MANAGEMENT

Responsible water management is vital for sustaining crop health and maximising yields in our oil palm and durian plantations, directly affecting our overall productivity.

Our Approach

Our water management strategy is centred on the sustainable and efficient use of water resources across our oil palm and durian plantations. By closely monitoring water consumption in irrigation, processing, and other operational activities, and implementing water-saving techniques, we aim to reduce our water footprint and support local water conservation efforts. We maintain three water ponds in the durian plantation area and one in the nursery for effective water catchment, which is then used to supply the surrounding areas.

Our Performance

Our water consumption was monitored and reported a total usage of 3,263 m³ in FY2024. This represents a 21% increase, primarily due to the rise in the number of workers in plantation areas.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2022	FY2023	FY2024
Total volume of water used	-	m ³	1,586	2,687	3,263
Percentage of change in water consumption	Reduce water consumption by 10%	Percentage	5%	69%	21%

SOCIAL

LABOUR PRACTICES AND STANDARDS

At Matang Group, we understand that our employees are assets to our success, and we are dedicated to maintaining fair labour practices and creating a supportive work environment. We believe that focusing on employee well-being and engagement is key to fostering motivation and ensuring long-term business sustainability. To this end, we have implemented initiatives, such as training and development opportunities. By investing in our employees, we are investing in the future of our company.

Our Approach

The Group strictly adheres to all local labour and employment laws, demonstrating our dedication to ethical labour practices. Our impeccable track record, with zero non-compliance cases to date, underscores our dedication to regulatory compliance.

We prioritise our employees' health, safety, and well-being through comprehensive occupational health and safety policies, competitive benefits packages and employee recognition such as medical benefits and insurance coverage. By fostering a positive and supportive work environment, we empower our employees to contribute fully to Matang's success.

Talent Acquisition and Retention

Cultivating a robust talent pipeline is essential for our continued success at Matang Group. Our rigorous recruitment process, aligned with our HR Policy and Procedures, focusses on identifying candidates who embody our values and contribute to our growth.

We achieved an employee turnover rate of 5.1% in FY2024, primarily due to the completion of the Corporate Smart Internship programme for 'Orang DiParol' ("ODP"). We remain committed to fostering a positive work environment. By investing in employee development, offering competitive compensation, and prioritising work-life balance, we aim to reduce turnover and retain top talent.

SUSTAINABILITY STATEMENT

cont'd

OUR SUSTAINABILITY PROGRESS cont'd

SOCIAL cont'd

LABOUR PRACTICES AND STANDARDS cont'd

Employees Engagement

We implement various employee engagement initiatives in FY2024 such as follows:

1. 'Majlis Jamuan Makan & Cabutan Bertuah Bersama Pihak Berkepentingan dan Perkerja Sempena Hari Raya Aidilfitri'
2. 'Pemberian Ayam 1 Ekor kepada Pekerja Sempena Hari Raya Aidilfitri'
3. 'Pemberian Kurma 1 Kotak kepada Pekerja Sempena Menyambut Bulan Ramadhan (Puasa)'

Compensation and Benefits

We acknowledge and celebrate exceptional performance, high-quality results, and exemplary behaviour through bonuses and promotions. Our goal is to create a motivating and supportive environment that attracts and retains top talent by offering competitive benefits and compensation.

No Child and Forced Labour Policy

The Group strictly prohibits child labour in all operations, both direct and indirect. We also confirm the absence of forced labour within the Group. Foreign and contract workers are employed in compliance with 'Jabatan Tenaga Kerja' regulations, including fair wages, permissible deductions, and adequate living conditions.

Our Performance

The table below outlines the relevant sustainability indicators and their targets related to 'Labour Practices and Standards'. For indicators without established targets, we are in the process of developing appropriate sustainability targets by FY2025.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2022	FY2023	FY2024
Percentage of employees that are contractors or temporary staff	Maintain 10.5% of employees that are under temporary contract	Percentage	44.4%	74.29%	81.3%
Total number of employee turnover by employee category: a) Management b) Executive c) Non-executive	-	Number	a) Nil b) Nil c) 5	a) Nil b) Nil c) Nil	a) 1 b) 1 c) 6
Employee turnover rate	-	Percentage	10%	Nil	5%

Total Hours of Training by Employee Category

Year	Sustainability Target	Training Hours		
		Management	Executive	Non-Executive
FY2022	-	16	Nil	Nil
FY2023		120	16	8
FY2024		72	8	40

SUSTAINABILITY STATEMENT

cont'd

OUR SUSTAINABILITY PROGRESS *cont'd*

SOCIAL *cont'd*

LABOUR PRACTICES AND STANDARDS *cont'd*

Non-Compliance Cases with Relevant Employment Laws and Regulations

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2022	FY2023	FY2024
Number of substantiated complaints concerning human rights violation	Zero cases of major non-compliance with relevant employment laws and regulations	Number	Nil	Nil	Nil
Number of non-compliance cases with relevant employment laws and regulations		Number	Nil	Nil	Nil

DIVERSITY AND EQUAL OPPORTUNITY

We thrive on diversity and equal opportunity. We gain a competitive edge and drive innovation by harnessing a wide range of perspectives and talents.

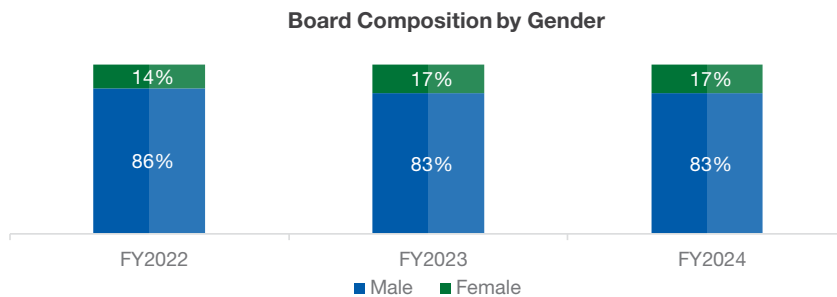
Our Approach

We are committed to equal employment opportunities, regardless of race, gender, or age. Our workforce reflects the nation's diversity, with employees from all major racial groups and both genders contributing across our operations. We have made significant strides in inclusivity by appointing the first female Director and employing ex-convicts through the Parole and Community Services Programme. Twelve parolees have joined our team at Matang Estate, with some continuing their employment beyond their parole period.

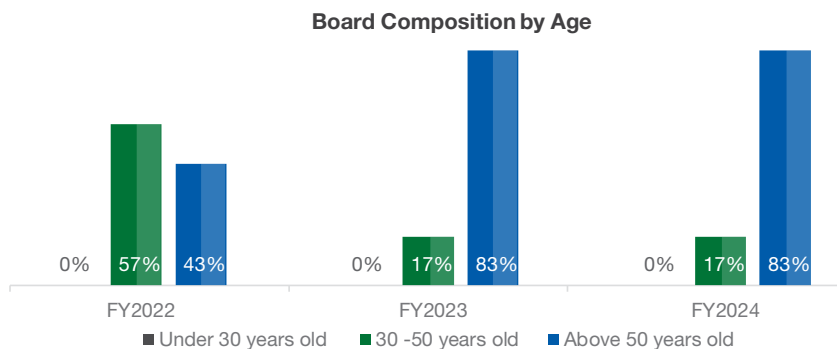
Our Performance

Board Composition

Board of Directors' Composition by Gender



Board of Directors' Composition by Age



The diagrams above illustrate the gender and age distribution of the Group's Board members.

SUSTAINABILITY STATEMENT

cont'd

OUR SUSTAINABILITY PROGRESS *cont'd*

SOCIAL *cont'd*

DIVERSITY AND EQUAL OPPORTUNITY *cont'd*

The Board composition remains at six members in FY2024, with a gender split of five men and one woman. The average age is skewed towards experienced leadership, with 83% of members over 50 years old and 17% between 30 and 50 years old. While achieving a 30% female representation on the Board remains a challenge due to industry trends, the Group is committed to increasing gender diversity across the organisation by 2028. The appointment of a female director in mid-2022 marks a positive step towards this goal.

Employee Composition

Employee Composition by Gender

Year	Management		Executive		Non-Executive	
	Male	Female	Male	Female	Male	Female
FY2022	66.7%	33.3%	50.0%	50.0%	89.5%	10.5%
FY2023	66.7%	33.3%	60.0%	40.0%	97.9%	2.1%
FY2024	33.3%	66.7%	50.0%	50.0%	97.2%	2.8%

Employee Composition by Age

Year	Management			Executive			Non-Executive		
	< 30	30-50	>50	< 30	30-50	>50	< 30	30-50	>50
FY2022	Nil	66.7%	33.3%	25.0%	75.0%	Nil	15.8%	68.4%	15.8%
FY2023	Nil	33.3%	66.7%	20.0%	60.0%	20.0%	22.7%	67.0%	10.3%
FY2024	Nil	66.7%	33.3%	Nil	75.0%	25.0%	25.2%	68.5%	6.3%

The Group's workforce is predominantly male (95%), reflecting the industry's historical gender imbalance. The physically demanding nature of agricultural work, particularly on plantations, has traditionally attracted a male workforce. While female representation remains low, Matang Group values the diversity of its team, recognising the contributions of employees from various backgrounds, experiences and perspectives. This diversity is a cornerstone of our success towards the positive community impact.

SUSTAINABILITY STATEMENT

cont'd

OUR SUSTAINABILITY PROGRESS *cont'd*

SOCIAL *cont'd*

OCCUPATIONAL HEALTH AND SAFETY

Matang Group prioritises the health and safety of our employees and contractors across our operations and workplace. By creating a secure work environment, we prevent injuries and illnesses, boosting overall productivity.

Our Approach

The Group has established Occupational Health and Safety (“OSH”) guidelines to safeguard employees from sector-specific hazards such as sharp tools, chemicals and machinery. We emphasise maintaining a safe and healthy workplace to prevent accidents and illnesses, which in turn boosts productivity.

Our commitment to safety is reinforced through continuous OSH assessments, regular worker training, and strict adherence to industry best practices. We provide all workers personal protective equipment (“PPE”) and enforce its proper use. Additionally, we prepare Hazard Identification, Risk Assessment, and Determining Control (“HIRADC”) plans for all types of work.

Our Performance

In FY2024, we invested in our workforce by training 145 employees on health and safety standards. Our commitment to safety resulted in 260,592 accident-free man-hours. This achievement safeguards our employees, equipment, and overall work environment.

Health & Safety Training

	FY2022	FY2023	FY2024
Number of employees trained on health and safety standards	43	101	145

Work-related Injuries

The Lost Time Incident Rate (“LTIR”) has decreased this year due to fewer incidents occurring. Several actions for this reduction, including increasing safety awareness among management and workers, strictly enforcing the use of PPE and providing continuous safety training.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2022	FY2023	FY2024
Total Hours Worked	-	Number	136,847	108,623	260,592
Number of cases of non-compliance to OSHA regulation	Zero cases of non-compliance to OSHA regulation	Number	Nil	Nil	Nil
Number of Fatalities	Zero cases of fatalities	Number	Nil	Nil	Nil
Lost Time Incident Rate (“LTIR”)	-	Percentage	0.011	0.014	0.005

SUSTAINABILITY STATEMENT

cont'd

OUR SUSTAINABILITY PROGRESS *cont'd*

SOCIAL *cont'd*

LOCAL COMMUNITIES

Matang Group is dedicated to building strong community partnerships. These relationships are essential for driving social progress and creating long-term benefits for all.

Our Approach

We are dedicated to being a responsible corporate citizen at our Group. We actively support our communities through donations to schools and non-profit organisations. By investing in education, we help nurture local talent and improve the overall quality of life. These initiatives not only improve our community but also strengthen our reputation as a socially responsible organisation, attracting customers and investors who share our values.

Our Performance

In FY2024, a total of RM1,300 was donated to various parties, including non-profit organisations and schools. Some of the notable donations made by the Group are as follows:

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2022	FY2023	FY2024
Total amount invested where the target beneficiaries are external to Matang	Allocate a budget of RM 3,600 in community engagement activities	RM	1,800	1,300	1,300
Total number of beneficiaries of the investment in communities	Achieve at least 2 number of beneficiaries	Number	3	2	2

DATA PRIVACY AND SECURITY

The rapid adoption of digital technologies, driven by trends like remote work and e-commerce, has significantly increased cybersecurity risks. To protect our business and customer data, the Group is committed to safeguarding against cyberattacks and preventing data breaches.

Our Approach

Our Group prioritises customer privacy and fully complies with the Personal Data Protection Act 2010 ("PDPA"). Our robust data protection measures, embedded in our IT Policy, include strict confidentiality protocols, regular security updates, and controlled access management. In addition, our Code of Conduct enforces stringent confidentiality measures that ensures the protection of sensitive customer information.

SUSTAINABILITY STATEMENT

cont'd

OUR SUSTAINABILITY PROGRESS *cont'd*

SOCIAL *cont'd*

DATA PRIVACY AND SECURITY *cont'd*

Our Performance

We have experienced no data breaches in FY2024, consistent with our track record, as there were no reported incidents in the previous financial years.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2022	FY2023	FY2024
Number of breaches of customer and privacy data	To obtain zero complaints concerning breaches of customer privacy and losses of customer data	Nil	Nil	Nil	Nil

MOVING FORWARD / INITIATIVES FOR FY2025

As we look ahead to FY2025, we are determined to drive positive change and sustainability across the Group. Our initiatives for the coming year cover several key areas as below:

- **Data Collection and Monitoring:** Improve data collection and tracking systems to streamline the collection, storage, and analysis of sustainability data across all operations.
- **Continuous Training Programmes:** Provide continuous training programmes for employees focusing on sustainability best practices and ESG awareness.

ASSURANCE STATEMENT

This Sustainability Statement has not been subjected to an assurance process.

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100%	100%	100%
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	Nil	Nil	Nil
Executive	Percentage	Nil	Nil	Nil
Non-executive	Percentage	Nil	Nil	Nil
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	Nil	Nil	Nil
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	Nil	Nil	Nil

SUSTAINABILITY STATEMENT

cont'd

PERFORMANCE DATA TABLE *cont'd*

Indicator	Measurement Unit	2022	2023	2024
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megajoules	1,336,892	3,193,246	3,691,112
Bursa (Water)				
Bursa C9(a) Total volume of water used	m ³	1,586	2,687	3,263
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	Nil	Nil	Nil
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.011	0.014	0.005
Bursa C5(c) Number of employees trained on health and safety standards	Number	43	101	145
Bursa (Employee Management)				
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	Nil	Nil	1
Executive	Number	Nil	Nil	1
Non-executive	Number	5	Nil	6
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	Nil	Nil	Nil
Management Between 30-50	Percentage	66.7%	33.3%	66.7%
Management Above 50	Percentage	33.3%	66.7%	33.3%
Executive Under 30	Percentage	25.0%	20.0%	Nil
Executive Between 30-50	Percentage	75.0%	60.0%	75.0%
Executive Above 50	Percentage	Nil	20.0%	25.0%
Non-executive Under 30	Percentage	15.8%	22.7%	25.2%
Non-executive Between 30-50	Percentage	68.4%	67.0%	68.5%
Non-executive Above 50	Percentage	15.8%	10.3%	6.3%
Gender Group by Employee Category				
Management Male	Percentage	66.7%	66.7%	33.3%
Management Female	Percentage	33.3%	33.3%	66.7%
Executive Male	Percentage	50.0%	60.0%	50.0%
Executive Female	Percentage	50.0%	40.0%	50.0%
Non-executive Male	Percentage	89.5%	97.9%	97.2%
Non-executive Female	Percentage	10.5%	2.1%	2.8%

SUSTAINABILITY STATEMENT

cont'd

PERFORMANCE DATA TABLE *cont'd*

Indicator	Measurement Unit	2022	2023	2024
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	86%	83%	83%
Female	Percentage	14%	17%	17%
Under 30	Percentage	Nil	Nil	Nil
Between 30-50	Percentage	57%	17%	17%
Above 50	Percentage	43%	83%	83%
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	44.4%	74.29%	81.3%
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	Nil	Nil	Nil
Bursa (Training and development)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	16	120	72
Executive	Hours	Nil	16	8
Non-executive	Hours	Nil	8	40
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	1,800	1,300	1,300
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3	2	2
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	Nil	Nil	Nil

Note:

Internal assurance	External assurance	No assurance	(*) Restated
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SUSTAINABILITY STATEMENT

cont'd

PERFORMANCE DATA TABLE (BURSA REPORTING PLATFORM)

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	0.00
Executive	Percentage	0.00
Non-executive/Technical Staff	Percentage	0.00
General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,300.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	66.70
Management Above 50	Percentage	33.30
Executive Under 30	Percentage	0.00
Executive Between 30-50	Percentage	75.00
Executive Above 50	Percentage	25.00
Non-executive/Technical Staff Under 30	Percentage	25.20
Non-executive/Technical Staff Between 30-50	Percentage	68.50
Non-executive/Technical Staff Above 50	Percentage	6.30
General Workers Under 30	Percentage	0.00
General Workers Between 30-50	Percentage	0.00
General Workers Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	33.30
Management Female	Percentage	66.70
Executive Male	Percentage	50.00
Executive Female	Percentage	50.00
Non-executive/Technical Staff Male	Percentage	97.20
Non-executive/Technical Staff Female	Percentage	2.80
General Workers Male	Percentage	0.00
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.00
Female	Percentage	17.00
Under 30	Percentage	0.00
Between 30-50	Percentage	17.00
Above 50	Percentage	83.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	3,691,112.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.01
Bursa C5(c) Number of employees trained on health and safety standards	Number	145
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	72
Executive	Hours	8
Non-executive/Technical Staff	Hours	40
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	12.60

SUSTAINABILITY STATEMENT

cont'd

PERFORMANCE DATA TABLE (BURSA REPORTING PLATFORM) *cont'd*

Indicator	Measurement Unit	2024
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	1
Executive	Number	1
Non-executive/Technical Staff	Number	6
General Workers	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	3,263.000000

SUSTAINABILITY STATEMENT

cont'd

GRI CONTENT INDEX

Statement of use: Matang Berhad has reported information cited in this GRI content index for the period of 1 July 2023 to 30 June 2024 in accordance with the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI STANDARD / OTHER SOURCE	DISCLOSURE ITEM	REFERENCE PAGES(S) IN ANNUAL REPORT
GRI 2: General Disclosures 2021		
2-1	Organisation details	2
2-2	Entities included in the organisation's sustainability reporting	2, 50
2-3	Reporting period, frequency and contact point	50
2-6	Activities, value chain and other business relationship	3
2-7	Employees	64
2-8	Workers who are not employees	62
2-9	Governance structure and composition	41
2-10	Nomination and selection of highest governance body	2, 6-9
2-11	Chair of the highest governance body	41
2-12	Role of the highest governance body in overseeing the management of impacts	6-9
2-15	Conflict of interest	35
2-16	Communication of critical concerns	20
2-22	Statement on sustainable development strategy	51
2-23	Policy commitments	52
2-27	Compliance with laws and regulations	51, 74
2-29	Approach to stakeholder engagement	41
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	54
3-2	List of material topics	55
3-3	Management of material topics	56
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	60
GRI 205: Anti-corruption 2016		
205-1	Operation assessed for risks related to corruption	59
205-2	Communication and training about anti-corruption policies and procedures	59
205-3	Confirmed incidents of corruption and actions taken	59
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	60
302-4	Reduction of Energy Consumption	60
GRI 303: Water and Effluents 2018		
303-5	Water consumption	61

SUSTAINABILITY STATEMENT

cont'd

GRI CONTENT INDEX *cont'd*

GRI STANDARD / OTHER SOURCE	DISCLOSURE ITEM	REFERENCE PAGES(S) IN ANNUAL REPORT
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	62
401-2	Benefit provided to full-time employees that are not provided to temporary or part-time employees	62
401-3	Parental leave	
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	65
403-2	Hazard identification, risk assessment, and incident investigation	65
403-4	Worker participation, consultation, and communication on occupational health and safety	65
403-5	Worker training on occupational health and safety	65
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	62
404-2	Programs for upgrading employee skills and transition assistance programs	59
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	63
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	66
413-2	Operations with significant actual and potential negative impacts on local communities	66
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	66

ADDITIONAL COMPLIANCE INFORMATION

Other information required by the ACE Market Listing Requirements of Bursa Securities

Status of Utilisation of Proceeds

(1) Issuance of 362,000,000 Shares pursuant to the Private Placements in 2021 (“PP 2021”)

The Board of Directors (“the Board”) had earlier on 28 February 2024 resolved that:-

- (i) The balance of unutilised working capital of RM11.34 million as of 31 March 2024 be used in the future for working capital purposes of the Group, and
- (ii) In the event of any of the future acquisition(s) of new oil palm plantation(s), durian plantation(s), and/or new land bank for the aforesaid plantation purposes arise or materialise, the Board shall re-allocate any balance amount unutilised to satisfy the purchase consideration arising from such acquisition(s).

The Group utilised RM0.67 million as working capital for durian plantation, with the balance unutilised working capital as of 30 June 2024 stood at RM10.67 million.

(2) Issuance of 217,200,020 Matang shares pursuant to the private placement exercise undertaken in 2022 (“PP 2022”)

Based on the issue price of RM0.0971 per Matang share for 217,200,020 placement shares issued and listed pursuant to PP 2022, the total gross proceeds amounting to RM21.09 million have been utilised in the following manner:

Purposes	Approved utilisation	Actual utilisation	Deviation: surplus/ (deficit)	Balance unutilised	The initial time frame for utilisation	Revised expected time frame for utilisation
	RM'000	RM'000	RM'000	RM'000		
Future acquisitions	21,010	(7,021)	31 ⁽²⁾	14,020	Within 18 months	Within 30 months ⁽¹⁾
Estimated expenses	80	(49)	(31) ⁽²⁾	-	Immediate	Immediate
Total	21,090	(7,070)	0	14,020		

The utilisation of proceeds as disclosed for the PP 2022 should be read in conjunction with the announcement made by the Company dated 6 May 2022.

Notes:

1. The initial time frame for utilisation of the proceeds was 18 months from the date of receipt of the funds on 6 July 2022 for RM21.09 million in respect of PP2022.

The Board had earlier on 28 February 2024 resolved that the period of utilisation of proceeds from PP 2022 for future acquisitions be extended within 30 months from the date of receipt of the funds, i.e. to 5 January 2025.

Up to 30 June 2024, out of the total proceeds of RM21.09 million raised in total under PP 2022, the Group has utilised approximately RM7.07 million, most of which formed partial payment made on 25 July 2023 to the vendors of shares in Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. (“MAPYP”) towards satisfying the total purchase consideration of RM30.57 million less retention sum of RM0.20 million.

Further to 25 July 2023, the Company is evaluating with a continuous effort in securing additional new oil palm plantation(s) and/or durian plantation(s) and/or additional land bank for the same.

ADDITIONAL COMPLIANCE INFORMATION

cont'd

2. The RM31,061 balance unutilised for estimated expenses has subsequently been reallocated for future acquisition purposes.
3. The Board of Directors had on 6 September 2024 resolved to propose a variation on the utilisation of the balance gross proceeds raised from the PP 2022 ("Proposed Variation of Proceed Raised from PP 2022"). Kindly refer to the announcements made by the Company to Bursa Securities on 6 September 2024 and Circular to the Shareholders of the Company dated 21 October 2024 for more details in connection with the Proposed Variation of Proceed Raised from PP 2022.

Material Contracts

There were no material contracts or contracts of the Company and its subsidiaries involving the interest of any directors, chief executive, or major shareholders for the financial year under review save for the following:

- (i) Tenancy agreement dated 3 April 2023 (Tenancy Agreement) entered into between the Company and Huaren Resources Sdn. Bhd. Huaren for the rent of the office space for the Company's head office at Unit 39.02, Level 39, Menara Multi-Purpose, Capital Square, 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur. The tenancy agreement is for a period of three (3) years from the commencement date of 1 May 2023, and expires on 30 April 2026.

The sum of rental paid to the Huaren for the aforesaid office space for financial year ended 30 June 2024 ("FY2024") was RM136,298.40.

- (ii) Additional space for office extension via Letter of Offer dated 20 May 2024 ("Offer Letter") entered into between the Company and Huaren for the rent of the office space for the Company's head office at Unit 39.03, Level 39, Menara Multi-Purpose, Capital Square, 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur. The Offer Letter is for a period of two (2) years from the commencement date of 1 May 2024 and expires on 30 April 2026 to coincide with the expiry date of the principal tenancy agreement as stated in (i) above.

The sum of rental paid to the Huaren for the aforesaid office space for FY2024 was RM7,283.60.

- (iii) Tenancy agreement dated 1 March 2024 entered into between MAPYP and with Malaysian Chinese Association Johor State Liaison Committee ("Landlord") for the rent of the office space for the Company's Estate office at #01-15, Block 4, Danga Walk Jalan Skudai, Danga Bay, 80200 Johor Bahru, Johor. The tenancy agreement is for a period of one (1) year from the commencement date of 1 April 2024, and expires on 31 March 2025.

The sum of rental paid to the Landlord for the aforesaid office space for FY2024 was RM9,000.00.

The aforesaid tenancy arrangements (i), (ii), and (iii) are not regarded as related party transactions pursuant to Rule 10.08(11)(h) of the ACE Market Listing Requirements of Bursa Securities. The additional information in relation to the said tenancy arrangements has been included under Additional Compliance Information on Page 74 of this Annual Report.

- (iv) Temporary outsourcing of the operation and maintenance of MAPYP's durian estates and durian sales to a common director's company, Hua Kee Local Food Sdn. Bhd.

The income from and expenses related to the temporary operation and maintenance of the aforesaid durian estate for FY2024 were RM200,585.05 and RM241,123.67, respectively.

- (v) Rental of vehicles from a common director's company, CH Excavator Work Sdn. Bhd.

The rental sum paid for the aforementioned vehicles for FY2024 was RM75,525.

None of the contracts between the Company and persons in which the major shareholder has an interest relates to any loan of the Company and its subsidiaries.

ADDITIONAL COMPLIANCE INFORMATION

cont'd

Audit and Non-Audit Fees

The following table shows the sum of audit and non-audit fees paid and payable to the Company's External Auditors during the financial year under review.

	Group		Company	
	FY2024 Payable RM'000	FY2023 Paid RM'000	FY2024 Payable RM'000	FY2023 Paid RM'000
Audit fees	101.0	66.7	35.0	28.9
Non-statutory audit fees				
- Review of the Statement on Risk Management and Internal Control	5.0	5.0	5.0	5.0
Total	106.0	71.7	40.0	33.9
Non-audit fees				
- Tax return preparation	24.5	18.0	3.8	4.0

Corporate Social Responsibility

The Company did not carry out any specific program or activities in relation to corporate social responsibility but generally, the Company endorses actions and projects that would not have any detrimental implications to the environment and public at large. Certain activities that have social implications have been undertaken by the Group, and these have been set out and clarified in the Sustainability Statement set out on pages 50 to 73 of this Annual Report for reference.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

In preparing the financial statements of the Group and the Company for financial year ended 30 June 2024, the Board has:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable;
- ensured that all applicable accounting standards have been complied with; and
- applied the going concern basis.

The Board of Directors is responsible for ensuring that the Group and the Company keep proper accounting records, which disclose with reasonable accuracy the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016. The Directors are responsible for taking reasonable steps to safeguard the assets of the Company and to prevent and detect other irregularities.

This statement has been approved by the Board of Matang on 16 October 2024.

DIRECTORS' REPORT

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities.

The principal activities of the subsidiaries are primarily involved in investment holding, property investment holding, management of plantation estate, cultivation of oil palm and durian and sales of fresh fruit bunch and durian as disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and Company during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	3,209,565	3,862,172
Profit attributable to owners of the parent	3,209,565	3,862,172

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	RM
In respect of the financial year ended 30 June 2023:	
Final and single tier dividend of 0.16 sen per share, paid on 8 January 2024	3,822,529

At the forthcoming Annual General Meeting, a first and final single tier dividend of 0.16 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2025.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS' REPORT

cont'd

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Matang Berhad

Dato' Foong Chee Meng
 Dato' Ng Keng Heng*[#]
 Datuk Tew Boon Chin
 Datuk Teoh Sew Hock
 Sophia Lim Chia Hui
 Tan Tuan Peng[†] (Appointed on 1 December 2023)
 Datuk Ir Low Ah Keong[^] (Resigned on 31 March 2024)

* *These Directors of the Company are also the Directors of certain subsidiaries of the Company.*

[#] *The Director has resigned as the Director of subsidiaries on 29 February 2024.*

[^] *The Director has resigned as the Director of subsidiaries on 31 March 2024.*

Subsidiaries of Matang Berhad (excluding those who are listed above)

Lee Yin Chung (Appointed on 1 March 2024)
 Tai Chee How (Appointed on 25 July 2023)
 Teoh Yap Kun (Appointed on 25 July 2023)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of 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 ordinary shares			Balance as at 30.6.2024
	Balance as at 1.7.2023	Bought	Sold	
Shares in the Company				
<u>Direct interests:</u>				
Datuk Teoh Sew Hock	10,028,000	-	-	10,028,000
Dato' Ng Keng Heng	9,000	-	-	9,000

None of the other Directors holding office at the end of the financial year held any beneficial interest in the ordinary shares of the Company or options over ordinary shares and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the 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 other than the remuneration received by certain Directors as executives of the subsidiaries.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the 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' REPORT

cont'd

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and the Company for the financial year ended 30 June 2024 were as follows:

	Group 2024 RM	Company 2024 RM
Fees	263,667	191,667
Other emoluments	615,467	445,634
	879,134	637,301

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company has entered into an arrangement for a corporate liability insurance for the Directors and officers of the Group during the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid by the Company was RM15,925.

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

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts to be written off and that provision need not be made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or the making of provision for doubtful debts in the financial statements of the Group and of the Company;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

cont'd

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY *cont'd*

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT *cont'd*

- (d) In the opinion of the Directors
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 10 February 2023, the Company announced that it entered into a conditional sales and purchase agreement ("SPA") with Star Media Group Berhad ("Star Media") and SMG Land Sdn. Bhd. ("SMG Land") for the Proposed Acquisition of Property, i.e., two (2) units of double-storey semi-detached factory and warehouse annexed with a one-and-a-half (1½) storey office building and other ancillary buildings to be erected upon part of the land held under Geran 204624, Lot 78658, Mukim Damansara, Daerah Petaling, Negeri Selangor ("Property") for a total purchase consideration of RM33,000,000.00 to be satisfied via the allotment and issuance of 357,000,000 new ordinary shares in the Company to SMG production & Distribution Sdn. Bhd., a wholly-owned subsidiary of the SMG Land at an issue price of RM0.0809 each and cash payment amounting to approximately RM4,118,700.00. On even date, the Company also announced the proposed diversification of the existing principal activities of the Group to include property investment ("Proposed Diversification"). The Proposed Acquisition of Property and the Proposed Diversification shall be herein referred to as "Proposal".

On 31 May 2023, the Company announced that it has secured the approvals of its shareholders for the Proposal. However, the Company received a request from Star Media on 14 July 2023 to mutually terminate the SPA as Star Media was not able to secure its shareholders' approval at its Extraordinary General Meeting on 31 May 2023 for the proposed disposal of the Property to the Company and they do not foresee their ability to have the same resolution passed. On 17 July 2023, the Company had written to Star Media to state its agreement to mutually terminate the SPA with effect from 17 July 2023, the announcement of which has been made on even date.

- (b) On 2 May 2023, the Company announced that it had on 2 May 2023 entered into a conditional share sales agreement ("SSA") with Tan Chor Wee, Teyu Soo Moi, Lim Pon Chuan, Bu Yau Hoi, Tan Yu Kung, Tan Yue Teck, Tan Yew Hock, Tan Yu Chuan, Tew Han Kiong and Ngah Seng Moe (collectively referred to as the "Sellers") for the proposed acquisition of 2,500,000 Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. ("MAPYP") (formerly known as Greencode Farm Sdn. Bhd.) shares, representing 100% equity interest in MAPYP for a purchase consideration of RM30,566,196.61 ("Purchase Consideration") to be satisfied entirely via cash ("Purchase Acquisition of MAPYP").

On 25 July 2023, the Company announced that all the conditions precedent under the SSA have been fulfilled, and with the full settlement of the Purchase Consideration in accordance with the terms of the SSA, the completion of the Proposed Acquisition of MAPYP has taken place on 25 July 2023.

DIRECTORS' REPORT

cont'd

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and the Company for the financial year ended 30 June 2024 were as follows:

	Group RM	Company RM
Statutory audit	101,000	35,000
Other services	5,000	5,000
	106,000	40,000

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

Dato' Ng Keng Heng
Director

Kuala Lumpur
16 October 2024

Tan Tuan Peng
Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements as set out on pages 88 to 127 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Dato' Ng Keng Heng
Director

Kuala Lumpur
16 October 2024

Tan Tuan Peng
Director

STATUTORY DECLARATION

I, Tan Theng Hwee (CA 15907), being the officer primarily responsible for the financial management of Matang Berhad, do solemnly and sincerely declare that the financial statements set out on pages 88 to 127 are, to the best of my knowledge and belief, 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.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
16 October 2024)

Tan Theng Hwee

Before me:
MARDHIYYAH ABDUL WAHAB (W 729)
COMMISSIONER OF OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MATANG BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Matang Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 88 to 127.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), 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 ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

a) Fair value of investment properties

As disclosed in Note 6 to the financial statements, the carrying amount of the investment properties ("IP") of the Group, which were stated at fair value amounted to RM10.8 million as at the end of the reporting period, were determined based on independent external valuation.

We determined this to be a key audit matter as the valuation process involved judgement in determining the appropriate valuation methodology to be used, and the underlying assumptions to be applied. The valuation was sensitive to the key assumptions applied.

Audit response

Our audit procedures included the following:

- (i) Considered the qualifications and competence of the external valuers and assessed the scope of work of the external valuers to determine whether the valuation was appropriate to be applied for financial reporting purposes;
- (ii) Read the external valuation reports and assessed the valuation methodology adopted by the external valuers for similar type of properties; and
- (iii) Evaluated the key assumptions used in the valuation by comparing them against available industry data, taking into consideration of comparability and market factors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATANG BERHAD cont'd (Incorporated in Malaysia)

Key Audit Matters *cont'd*

b) Impairment assessment of the carrying amount of investment in a subsidiary

As at 30 June 2024, the carrying amount of investments in subsidiaries of the Company was RM208,533,223 as disclosed in Note 8 to the financial statements. Management considered losses in a subsidiary with a carrying amount of cost of investment amounted to RM30,983,588 as an impairment indication.

We determined this to be a key audit matter because it requires management to exercise significant judgement and estimates about the future results and key assumptions applied to cash flow projections of the subsidiary. In this instance, the recoverable amount is based on value-in-use. These key assumptions include forecast growth in future revenue and profit margins, as well as determining an appropriate pre-tax discount rate used for the subsidiary.

Audit response

Our audit procedures included the following:

- (i) compared cash flow projections against recent performance and assessed the key assumptions used in the projections by comparing to actual gross margins and growth rates to assess reliability of management forecasting process;
- (ii) verified projected profit margins and growth rates to support the key assumptions in projections;
- (iii) verified pre-tax discount rate used by the management for the subsidiary by comparing to weighted average cost of capital of the Group and its relevant risk factors; and
- (iv) performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATANG BERHAD cont'd (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs 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 conducted in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) 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.
- b) 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 internal control of the Group and of the Company.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- 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 ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- e) 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.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATANG BERHAD cont'd (Incorporated in Malaysia)

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 content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
16 October 2024

Tan Seong Yuh
03314/07/2025 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	163,873,726	133,184,033	487,809	334,551
Right-of-use asset	5	744,176	735,960	685,023	735,960
Investment properties	6	10,799,868	10,450,000	-	-
Other investments	7	181,460	175,130	-	-
Investments in subsidiaries	8	-	-	208,533,223	177,549,635
Inventories	9	-	1,099,868	-	-
Deferred tax assets	15	59,094	151,003	59,094	151,003
		175,658,324	145,795,994	209,765,149	178,771,149
Current assets					
Inventories	9	185,760	134,628	-	-
Biological assets	10	739,281	462,368	-	-
Trade and other receivables	11	1,637,860	4,118,861	1,387,231	3,598,188
Current tax assets		1,138,621	935,920	384,100	-
Cash, bank balances and short term funds	12	72,433,274	100,411,387	38,994,073	67,783,646
		76,134,796	106,063,164	40,765,404	71,381,834
TOTAL ASSETS		251,793,120	251,859,158	250,530,553	250,152,983
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	13	245,070,549	245,070,549	245,070,549	245,070,549
Reserves	14	1,125,284	1,731,918	3,439,440	3,399,797
TOTAL EQUITY		246,195,833	246,802,467	248,509,989	248,470,346
LIABILITIES					
Non-current liabilities					
Lease liabilities	5	559,327	619,056	532,917	619,056
Deferred tax liabilities	15	1,736,939	1,680,780	-	-
		2,296,266	2,299,836	532,917	619,056
Current liabilities					
Trade and other payables	16	3,106,019	2,599,213	1,325,871	905,939
Lease liabilities	5	195,002	118,487	161,776	118,487
Current tax liabilities		-	39,155	-	39,155
		3,301,021	2,756,855	1,487,647	1,063,581
TOTAL LIABILITIES		5,597,287	5,056,691	2,020,564	1,682,637
TOTAL EQUITY AND LIABILITIES		251,793,120	251,859,158	250,530,553	250,152,983

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	17	16,878,872	14,327,110	5,866,597	9,094,802
Cost of sales		(6,215,228)	(6,085,501)	-	-
Gross profit		10,663,644	8,241,609	5,866,597	9,094,802
Other income		3,800,155	4,095,743	1,462,525	2,206,232
Net gain on impairment of financial instruments	11(h)	-	105,095	-	-
Administration expenses		(9,415,442)	(8,519,637)	(2,996,779)	(2,865,909)
Other expenses		(83,327)	(548,813)	(72,605)	(541,797)
Finance cost		(19,699)	(17,922)	(18,666)	(17,922)
Profit before tax	18	4,945,331	3,356,075	4,241,072	7,875,406
Tax expense	19	(1,735,766)	(729,229)	(378,900)	(284,837)
Profit for the financial year		3,209,565	2,626,846	3,862,172	7,590,569
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Fair value gain on equity investments at fair value through other comprehensive income	7	6,330	3,165	-	-
Total other comprehensive income, net of tax		6,330	3,165	-	-
Total comprehensive income		3,215,895	2,630,011	3,862,172	7,590,569
Profit attributable to owners of the parent		3,209,565	2,626,846	3,862,172	7,590,569
Total comprehensive income attributable to owners of the parent		3,215,895	2,630,011	3,862,172	7,590,569
Earnings per share attributable to ordinary equity holders of the Company (sen):					
- Basic	22	0.13	0.11		
- Diluted	22	0.13	0.11		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Group	Note	[-----Non-distributable-----]			Distributable	Total equity RM
		Share capital RM	Fair value reserve RM	Merger reserve RM	Retained earnings RM	
Balance as at 1 July 2022		223,980,427	47,390	(108,000,004)	112,310,761	228,338,574
Profit for the financial year		-	-	-	2,626,846	2,626,846
Other comprehensive income, net of tax		-	3,165	-	-	3,165
Total comprehensive income		-	3,165	-	2,626,846	2,630,011
Transactions with owners						
Issuance of ordinary shares	13	21,090,122	-	-	-	21,090,122
Dividend paid	23	-	-	-	(5,256,240)	(5,256,240)
Total transactions with owners		21,090,122	-	-	(5,256,240)	15,833,882
Balance as at 30 June 2023		245,070,549	50,555	(108,000,004)	109,681,367	246,802,467
Balance as at 1 July 2023		245,070,549	50,555	(108,000,004)	109,681,367	246,802,467
Profit for the financial year		-	-	-	3,209,565	3,209,565
Other comprehensive income, net of tax		-	6,330	-	-	6,330
Total comprehensive income		-	6,330	-	3,209,565	3,215,895
Transactions with owners						
Dividend paid	23	-	-	-	(3,822,529)	(3,822,529)
Total transactions with owners		-	-	-	(3,822,529)	(3,822,529)
Balance as at 30 June 2024		245,070,549	56,885	(108,000,004)	109,068,403	246,195,833

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

cont'd

Company	Note	<i>Non-distributable</i> Share capital RM	Retained earnings RM	Total equity RM
Balance as at 1 July 2022		223,980,427	1,065,468	225,045,895
Profit for the financial year		-	7,590,569	7,590,569
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	7,590,569	7,590,569
Transactions with owners				
Issuance of ordinary shares	13	21,090,122	-	21,090,122
Dividend paid	23	-	(5,256,240)	(5,256,240)
Total transactions with owners		21,090,122	(5,256,240)	15,833,882
Balance as at 30 June 2023/1 July 2023		245,070,549	3,399,797	248,470,346
Profit for the financial year		-	3,862,172	3,862,172
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	3,862,172	3,862,172
Transaction with owners				
Dividend paid	23	-	(3,822,529)	(3,822,529)
Total transaction with owners		-	(3,822,529)	(3,822,529)
Balance as at 30 June 2024		245,070,549	3,439,440	248,509,989

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		4,945,331	3,356,075	4,241,072	7,875,406
Adjustments for:					
Depreciation of property, plant and equipment	4	3,309,569	1,990,696	65,185	37,926
Depreciation of right-of-use assets	5	141,453	121,909	133,003	121,909
Fair value adjustments of:					
- investment properties	6	750,000	877,600	-	-
- biological assets	10	(276,913)	481,118	-	-
Gain on:					
- disposal of property, plant and equipment	18	-	(36,377)	-	(36,289)
- lease modification	5(c)	-	(22,269)	-	(22,269)
Reversal of impairment loss on other receivables	11(h)	-	(105,095)	-	-
Interest expense	5(c)	19,699	17,922	18,666	17,922
Interest income	18	(2,343,163)	(2,795,062)	(1,399,476)	(1,950,451)
Dividend income from a subsidiary		-	-	(3,834,669)	(7,772,978)
Operating profit/(loss) before working capital changes		6,545,976	3,886,517	(776,219)	(1,728,824)
Changes in working capital:					
Inventories		(51,132)	86,641	-	-
Trade and other receivables		2,521,524	(2,191,792)	(812,411)	(3,401,608)
Trade and other payables		399,909	399,958	76,822	196,776
Cash generated from/(used in) operations		9,416,277	2,181,324	(1,511,808)	(4,933,656)
Tax paid		(1,771,340)	(2,373,976)	(710,991)	(476,515)
Tax refunded		745	-	745	-
Net cash from/(used in) operating activities		7,645,682	(192,652)	(2,222,054)	(5,410,171)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

cont'd

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances from/(to):					
- a subsidiary		-	-	15,827	(31,264)
- a related party		32,938	-	(15,000)	-
(Placement)/Withdrawals of deposits with licensed banks more than three (3) months		(2,760,040)	16,639,154	255,625	15,045,987
Interest received		2,317,640	2,809,820	1,381,224	1,969,409
Investment in a subsidiary		-	-	(27,599,685)	-
Dividend received from a subsidiary		-	-	3,834,669	7,772,978
Additions to investment properties		-	(42,000)	-	-
Purchase of property, plant and equipment	4	(33,999,262)	(3,003,005)	(218,443)	(271,611)
Proceeds from disposal of property, plant and equipment		-	60,670	-	59,800
Net cash (used in)/from investing activities		(34,408,724)	16,464,639	(22,345,783)	24,545,299
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid		(3,822,529)	(5,256,240)	(3,822,529)	(5,256,240)
Payments of lease liabilities		(152,582)	(136,298)	(143,582)	(136,298)
Proceeds from issuance of ordinary shares	13	-	21,090,122	-	21,090,122
Net cash (used in)/from financing activities		(3,975,111)	15,697,584	(3,966,111)	15,697,584
Net (decrease)/increase in cash and cash equivalents		(30,738,153)	31,969,571	(28,533,948)	34,832,712
Cash and cash equivalents at beginning of financial year		94,543,309	62,573,738	67,528,021	32,695,309
Cash and cash equivalents at end of financial year	12(f)	63,805,156	94,543,309	38,994,073	67,528,021

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

cont'd

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Lease liabilities (Note 5)	Group RM	Company RM
At 1 July 2022	484,376	484,376
Cash flows	(136,298)	(136,298)
Non-cash flows		
- Unwinding of interest	17,922	17,922
- Lease reassessment and modification	371,543	371,543
At 30 June 2023/1 July 2023	737,543	737,543
Cash flows	(152,582)	(143,582)
Non-cash flows		
- Unwinding of interest	19,699	18,666
- Additions	149,669	82,066
At 30 June 2024	754,329	694,693

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. On 17 January 2017, the ordinary shares of the Company were quoted and listed on the Ace Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Unit 39.02, Level 39, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur.

The Company and its subsidiaries are referred to collectively as “the Group”. The consolidated financial statements of the Group are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 16 October 2024.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities.

The principal activities of the subsidiaries are primarily involved in investment holding, property investment holding, management of plantation estate, cultivation of oil palm and durian and sales of fresh fruit bunch and durian as disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and Company during the financial year.

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 28.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

4. PROPERTY, PLANT AND EQUIPMENT

Group 2024	Balance as at 1.7.2023 RM	Additions RM	Balance as at 30.6.2024 RM
Cost			
Freehold estate land	107,787,217	17,356,672	125,143,889
Bearer plants	45,748,154	15,332,387	61,080,541
Plant and equipment	3,049,694	632,301	3,681,995
Motor vehicles	2,501,201	677,902	3,179,103
	159,086,266	33,999,262	193,085,528

	Balance as at 1.7.2023 RM	Depreciation charges for the financial year RM	Balance as at 30.6.2024 RM
Accumulated depreciation			
Bearer plants	21,993,733	2,887,162	24,880,895
Plant and equipment	2,100,924	124,960	2,225,884
Motor vehicles	1,807,576	297,447	2,105,023
	25,902,233	3,309,569	29,211,802

Group 2023	Balance as at 1.7.2022 RM	Additions RM	Disposals RM	Balance as at 30.6.2023 RM
Cost				
Freehold estate land	107,787,217	-	-	107,787,217
Bearer plants	43,425,487	2,322,667	-	45,748,154
Plant and equipment	2,685,107	365,382	(795)	3,049,694
Motor vehicles	2,323,647	314,956	(137,402)	2,501,201
	156,221,458	3,003,005	(138,197)	159,086,266

	Balance as at 1.7.2022 RM	Depreciation charges for the financial year RM	Disposals RM	Balance as at 30.6.2023 RM
Accumulated depreciation				
Bearer plants	20,243,728	1,750,005	-	21,993,733
Plant and equipment	2,012,549	88,388	(13)	2,100,924
Motor vehicles	1,769,164	152,303	(113,891)	1,807,576
	24,025,441	1,990,696	(113,904)	25,902,233

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024
cont'd

4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Company 2024	Balance as at 1.7.2023 RM	Additions RM	Disposal RM	Balance as at 30.6.2024 RM
Cost				
Plant and equipment	448,158	218,443	-	666,601
Motor vehicles	181,902	-	-	181,902
	630,060	218,443	-	848,503
	Balance as at 1.7.2023 RM	Depreciation charges for the financial year RM	Disposal RM	Balance as at 30.6.2024 RM
Accumulated depreciation				
Plant and equipment	283,382	28,805	-	312,187
Motor vehicles	12,127	36,380	-	48,507
	295,509	65,185	-	360,694
Company 2023				
Company 2023	Balance as at 1.7.2022 RM	Additions RM	Disposal RM	Balance as at 30.6.2023 RM
Cost				
Plant and equipment	358,449	89,709	-	448,158
Motor vehicles	137,402	181,902	(137,402)	181,902
	495,851	271,611	(137,402)	630,060
	Balance as at 1.7.2022 RM	Depreciation charges for the financial year RM	Disposal RM	Balance as at 30.6.2023 RM
Accumulated depreciation				
Plant and equipment	261,858	21,524	-	283,382
Motor vehicles	109,616	16,402	(113,891)	12,127
	371,474	37,926	(113,891)	295,509

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Carrying amount				
Freehold estate land	125,143,889	107,787,217	-	-
Bearer plants	36,199,646	23,754,421	-	-
Plant and equipment	1,456,111	948,770	354,414	164,776
Motor vehicles	1,074,080	693,625	133,395	169,775
	163,873,726	133,184,033	487,809	334,551

- (a) Property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.
- (b) Freehold estate land has unlimited useful life and is not depreciated.
- (c) Bearer plants include mature and immature plantations that are established or acquired by the Group. Bearer plants are depreciated when the plantation starts to be harvested. Oil palm bearer plants are depreciated over their useful life from year five (5) to year twenty five (25) while durian bearer plants are depreciated over their useful life from year six (6) to year fifty (50). No depreciation is provided on the immature oil palm bearer plants from year one (1) to year four (4) and immature durian bearer plants from year one (1) to year five (5).
- (d) Depreciation of other property, plant and equipment is calculated to write off the cost of the assets on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Plant and equipment	5% - 15%
Motor vehicles	20%

- (e) Analysis of bearer plants:

Bearer plants comprise of Oil palm plantation and Durian plantation.

At the end of the financial year, the Group's mature and immature plantations are as follows:

Carrying amount	Group	
	2024 RM	2023 RM
Oil palm plantation:		
- Mature	23,795,715	18,401,482
- Immature	-	-
	23,795,715	18,401,482
Durian:		
- Mature	5,218,238	-
- Immature	7,185,693	5,352,939
	12,403,931	5,352,939
	36,199,646	23,754,421

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024
cont'd

5. LEASES

The Group and the Company as lessee

Right-of-use assets

Group 2024	Balance as at 1.7.2023 RM	Additions RM	Depreciation RM	Balance as at 30.6.2024 RM
Carrying amount				
Premises	735,960	149,669	(141,453)	744,176

2023	Balance as at 1.7.2022 RM	Reassessment and modification RM	Depreciation RM	Balance as at 30.6.2023 RM
Carrying amount				
Premises	464,057	393,812	(121,909)	735,960

Lease liabilities

Group 2024	Balance as at 1.7.2023 RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2024 RM
Carrying amount					
Premises	737,543	149,669	(152,582)	19,699	754,329

2023	Balance as at 1.7.2022 RM	Reassessment and modification RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2023 RM
Carrying amount					
Premises	484,376	371,543	(136,298)	17,922	737,543

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

5. LEASES *cont'd*

The Group and the Company as lessee *cont'd*

Right-of-use assets

Company 2024	Balance as at 1.7.2023 RM	Additions RM	Depreciation RM	Balance as at 30.6.2024 RM
Carrying amount				
Premises	735,960	82,066	(133,003)	685,023
2023	Balance as at 1.7.2022 RM	Reassessment and modification RM	Depreciation RM	Balance as at 30.6.2023 RM
Carrying amount				
Premises	464,057	393,812	(121,909)	735,960

Lease liabilities

Company 2024	Balance as at 1.7.2023 RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2024 RM
Carrying amount					
Premises	737,543	82,066	(143,582)	18,666	694,693
2023	Balance as at 1.7.2022 RM	Reassessment and modification RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2023 RM
Carrying amount					
Premises	484,376	371,543	(136,298)	17,922	737,543

Represented by:	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current liabilities	195,002	118,487	161,776	118,487
Non-current liabilities	559,327	619,056	532,917	619,056
	754,329	737,543	694,693	737,543
Lease liabilities owing to a non-financial institution	754,329	737,543	694,693	737,543

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

5. LEASES *cont'd*

The Group and the Company as lessee *cont'd*

- (a) The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use asset or the end of the lease term. The lease terms of right-of-use assets are as follows:

Premises	2 - 6 years
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- (b) The Group and the Company have low value lease of office equipments of RM20,000 and below. The Group and the Company apply the "lease of low-value asset" exemptions for this lease.

- (c) The following are the amounts recognised in profit or loss:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Depreciation charge of right-of-use asset (included in administration expenses)	141,453	121,909	133,003	121,909
Interest expense on lease liabilities (included in finance costs)	19,699	17,922	18,666	17,922
Expense relating to leases of low-value assets (included in administration expenses)	6,895	7,268	4,290	4,748
Gain on lease modification (included in other income)	-	(22,269)	-	(22,269)
	168,047	124,830	155,959	122,310

- (d) The Group and the Company lease a lease contract that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

- (e) The following are total cash outflows for leases as a lessee:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Included in net cash from/(used in) operating activities:				
Payments relating to:				
- leases of low-value assets	6,895	7,268	4,290	4,748
Included in net cash (used in)/from financing activities:				
Payment of lease liabilities	152,582	136,298	143,582	136,298
	159,477	143,566	147,872	141,046

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

5. LEASES *cont'd*

The Group and the Company as lessee *cont'd*

- (f) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group and of the Company that are exposed to interest rate risk:

Group	Weighted average incremental borrowing rate %	Total RM	Within 1 year RM	Within 1-3 years RM	Within 3-5 years RM	Over 5 years RM
2024						
Lease liabilities						
Fixed rate	3.37	754,329	195,002	315,144	244,183	-
2023						
Lease liabilities						
Fixed rate	2.65	737,543	118,487	246,594	260,000	112,462
Company						
2024						
Lease liabilities						
Fixed rate	3.09	694,693	161,776	288,734	244,183	-
2023						
Lease liabilities						
Fixed rate	2.65	737,543	118,487	246,594	260,000	112,462

- (g) Sensitivity analysis for lease liabilities as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

5. LEASES *cont'd*

The Group and the Company as lessee *cont'd*

(h) The table below summarises the maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	On demand or	Within 1 to	Over 5	Total
30 June 2024	within 1 year	5 years	years	RM
	RM	RM	RM	RM
Lease liabilities	216,000	585,895	-	801,895
30 June 2023				
Lease liabilities	136,298	545,194	113,582	795,074
Company				
30 June 2024	On demand or	Within 1 to	Over 5	Total
	within 1 year	5 years	years	RM
	RM	RM	RM	RM
Lease liabilities	180,000	558,895	-	738,895
30 June 2023				
Lease liabilities	136,298	545,194	113,582	795,074

The Group as lessor

The Group has entered into non-cancellable lease agreements on certain properties for terms of between one (1) to six (6) years and renewable at the end of the lease period. The monthly rental consists of a fixed base rent.

The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group	
	2024	2023
	RM	RM
Less than one (1) year	703,943	662,135
Within one (1) to two (2) years	236,469	271,226
Within two (2) to three (3) years	49,080	158,169
Within three (3) to four (4) years	34,500	-
Within four (4) to five (5) years	34,500	-
More than five (5) years	25,875	-
	1,084,367	1,091,530

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

6. INVESTMENT PROPERTIES

Group	Balance as at 1.7.2023 RM	Transferred from inventories (Note 9) RM	Fair value adjustment RM	Balance as at 30.6.2024 RM
2024				
Lands and buildings	10,450,000	1,099,868	(750,000)	10,799,868

2023	Balance as at 1.7.2022 RM	Additions RM	Fair value adjustment RM	Balance as at 30.6.2023 RM
Land and buildings	11,000,000	327,600	(877,600)	10,450,000

- (a) Investment properties principally comprise properties held for rental yields or capital appreciation or both and are not occupied by the Group.
- (b) Investment properties are initially measured at cost, being the fair value of consideration paid, including related transactions costs and subsequently carried at fair value.
- (c) During the financial year ended 30 June 2024, a freehold vacant land amounting to RM1,099,868 was transferred from land held for property development to investment properties following a change in use by the Group.
- (d) The following are recognised in profit or loss:

	Group	
	2024 RM	2023 RM
Fair value loss on investment property	750,000	877,600
Direct expenses incurred to generate the rental income	736,036	762,579
Rental income generating	(849,613)	(741,408)

- (e) The fair value of investment properties of the Group are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Lands and buildings	-	-	10,799,868	10,799,868
2023				
Land and buildings	-	-	10,450,000	10,450,000

- (i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 30 June 2024 and 30 June 2023.
- (ii) Lands and buildings at Level 3 fair value measurements are based primarily on valuation reports by professional valuers. In relying on the valuation reports, the Directors have exercised its judgement and is satisfied that the valuation methods and estimates reflect the current market conditions.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

6. INVESTMENT PROPERTIES *cont'd*

(e) *cont'd*

Fair value information

The valuation techniques and significant unobservable inputs used in determining Level 3 fair value measurement of investment properties as well as the relationship between its significant unobservable inputs and fair value, is detailed in the table below:

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
<p>In arriving at the fair value, the land and the building of a property are valued separately.</p> <p>The values of the lands are derived based on comparison method where it analyses recent transactions and asking price of similar properties based on location, plot size, accessibility and other relevant factors.</p> <p>The values of the buildings are derived based on the summation of the replacement costs of the buildings. The replacement costs of buildings are determined based on current estimates of reconstruction cost less depreciation or replacement cost less depreciation, obsolescence and existing physical condition of the buildings.</p>	<ul style="list-style-type: none"> • Land value at ranging from RM20.80 to RM25.00 per sq. ft. (2023: RM25 per sq. ft.). • Site improvement at RM1.50 per sq. ft. (2023: RM1.50 per sq. ft.). • Main floor area cost ranging from RM60 per sq. ft. to RM150 per sq. ft. (2023: RM60 per sq. ft. to RM150 per sq. ft.). • Depreciation rates ranging from 43% to 80% (2023: 42% to 78%). 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • Land value per square foot was higher/(lower). • Site improvement per square foot run was higher/(lower). • Main floor area cost per square foot was higher/(lower). • Depreciation rates were lower/(higher).

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

7. OTHER INVESTMENTS

Fair value through other comprehensive income	Group	
	2024 RM	2023 RM
Quoted shares in Malaysia		
At beginning of financial year	175,130	171,965
Fair value change	6,330	3,165
At end of financial year	181,460	175,130

- (a) These quoted shares are not held for trading for which the Group has irrevocably elected at initial recognition to recognise at fair value through other comprehensive income ("FVOCI"). The Group considers this classification to be appropriate and relevant.
- (b) At the end of the year, if the market price had been five percent (5%) higher or lower, higher or lower fair value gains on financial assets will be recognised directly in other comprehensive income and the fair value of equity instruments classified as FVOCI will be higher or lower with all other variables held constant. The following table demonstrates the sensitivity of the FVOCI reserve of the Group:

Fair value reserve	Group	
	2024 RM	2023 RM
- increase by 5% (2023: 5%)	9,073	8,757
- decrease by 5% (2023: 5%)	(9,073)	(8,757)

- (c) Quoted shares of the Group are categorised as Level 1 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

8. INVESTMENTS IN SUBSIDIARIES

At cost	Company	
	2024 RM	2023 RM
Unquoted shares		
As at 30 June	208,533,223	177,549,635

- (a) Investments in subsidiaries which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

All components of non-controlling interests shall be measured at their acquisition date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

- (b) The Company and/or its subsidiaries assessed whether there are any indications of impairment of investments in subsidiaries during the financial year. In doing this, management considered the current environment and performance of the subsidiaries. Management considered losses in a subsidiary with a carrying amount of cost of investment amounted to RM30,983,588 as an impairment indication.

The recoverable amount of the subsidiary is determined based on value-in-use calculation using cash flow projections derived from financial budgets approved by the Board. Value-in-use is the net present value of the projected future cash flows, which involve judgements in estimating the key assumptions, including growth in future revenue and profit margins as well as determining an appropriate pre-tax discount rate used for the subsidiary. Impairment losses are made when the carrying amount of the investments in subsidiaries exceed its recoverable amount.

- (c) The details of the subsidiaries are as follows:-

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiary		
		2024	2023	2024	2023	
		%	%	%	%	
*Matang Holdings Berhad ("MHB")	Malaysia	100	100	-	-	Engaged in investment holding.
*Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. ("MAPYP") (formerly known as Greencode Farm Sdn. Bhd.)	Malaysia	100	-	-	-	Engaged in cultivation of oil palm and durian, sales of fresh fruit bunch and durian.
Subsidiary of Matang Holdings Berhad						
*Matang Agriculture and Plantation (Segamat) Sdn. Bhd. ("MAPSB")	Malaysia	-	-	100	100	Engaged in management of plantation estate, cultivation of oil palm and durian, and sales of fresh fruit bunch and durian.

* All audited by BDO PLT, Malaysia.

- (d) On 2 May 2023, the Company announced that it had on 2 May 2023 entered into a conditional share sales agreement ("SSA") with Tan Chor Wee, Teyu Soo Moi, Lim Pon Chuan, Bu Yau Hoi, Tan Yu Kung, Tan Yue Teck, Tan Yew Hock, Tan Yu Chuan, Tew Han Kiong and Ngah Seng Moe (collectively referred to as the "Sellers") for the proposed acquisition of 2,500,000 Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. ("MAPYP") (formerly known as Greencode Farm Sdn. Bhd.) shares, representing 100% equity interest in MAPYP for a purchase consideration of RM30,566,196.61 ("Purchase Consideration") to be satisfied entirely via cash ("Purchase Acquisition of MAPYP").

On 25 July 2023, the Company announced that all the conditions precedent under the SSA have been fulfilled, and with the full settlement of the Purchase Consideration in accordance with the terms of the SSA, the completion of the Proposed Acquisition of MAPYP has taken place on 25 July 2023. Following the completion, MAPYP is a wholly-owned subsidiary of the Group.

The transaction is recognised as an asset acquisition instead of business combination as substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable assets, namely freehold estate land and bearer plants.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

(d) *cont'd*

For allocating the transaction price for this acquisition, any identifiable asset or liability initially measured at an amount other than cost, the Group initially measures that asset or liability at the amount specified in the applicable MFRSs and IFRS Accounting Standards. The Group deducts from the transaction price the amounts allocated to the assets and liabilities initially measured at an amount other than cost. The residual transaction price is then allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of the acquisition.

9. INVENTORIES

Non-current	Note	Group	
		2024 RM	2023 RM
<u>Land held for property development</u>			
Balance as at 1 July 2023/1 July 2022		1,099,868	1,090,540
Additions		-	9,328
Transferred to investment properties	6	(1,099,868)	-
Balance as at 30 June 2024/30 June 2023		-	1,099,868
Current			
At cost			
Estate consumables		185,760	105,415
Nursery		-	29,213
		185,760	134,628

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

(a) Land held for property development

Land held for property development consists of purchase price of land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

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

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and where development activities can be completed within the Group's and the Company's normal operating cycle.

During the financial year ended 30 June 2024, the Group transferred the land held for property development to investment properties following a change in use by the Group.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

9. INVENTORIES *cont'd*

(b) Inventories

Costs of estate consumables and nursery are determined using the first-in, first out formula. The cost of estate consumables comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition. The cost of nursery includes the cost of raw materials, direct labour and a proportion of production overheads.

During the financial year, inventories of the Group recognised as cost of sales amounted to RM1,740,867 (2023: RM2,131,649).

10. BIOLOGICAL ASSETS

At fair value	Group	
	2024 RM	2023 RM
Balance as at 1 July 2023/2022	462,368	943,486
Fair value gain/(loss)	276,913	(481,118)
Balance as at 30 June 2024/2023	739,281	462,368

- (a) The biological assets of the Group comprise of fresh fruit bunches (“FFB”) and durians prior to harvest.

The valuation model for agriculture produce adopted by the Group considers the cash flows expected to be generated from the sales of such FFB prior to harvest. To arrive at the fair value, the management has considered the oil content of the unripe FFB and assumes that the cash flows to be generated from FFB to be harvested beyond 15 days is negligible, therefore only the expected sales from the quantity of unripe FFB on bearer plant of up to 15 days prior to harvest was used for valuation purpose.

The fair value is represented by the present value of the net cash flows expected to be generated from the sale of durians. To arrive at the fair value, the management has made the assumption that the net cash flows to be generated from durian is based on its estimated 7 days ripening period and therefore the quantity of unripe durians on bearer plants of up to 7 days prior to harvest was used for valuation purposes.

The fair value of the agriculture produce on durian is immaterial as of 30 June 2024.

- (b) The fair value measurement of the biological assets was categorised within Level 3 of the fair value hierarchy.
- (c) The fair values of biological assets are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Biological assets	-	-	739,281	739,281
2023				
Biological assets	-	-	462,368	462,368

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 30 June 2024 and 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

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11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables				
Third parties	933,935	348,512	-	-
Amounts owing by subsidiaries	-	-	1,107,474	40,194
Amount owing by a related party	11,855	-	-	-
	945,790	348,512	1,107,474	40,194
Other receivables and deposits				
Other receivables	213,661	389,073	91,439	281,485
Amount owing by a related party	15,000	-	15,000	-
Deposits	203,752	3,201,399	93,580	3,105,186
	432,413	3,590,472	200,019	3,386,671
Total receivables, net of prepayments	1,378,203	3,938,984	1,307,493	3,426,865
Prepayments	259,657	179,877	79,738	171,323
	1,637,860	4,118,861	1,387,231	3,598,188

- (a) Total receivables (excluding prepayments) are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group was 14 to 30 days (2023: 14 to 30 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) Amounts owing by subsidiaries are unsecured, interest free and repayable in cash and cash equivalents within next twelve (12) months.
- (d) All trade and other receivables are denominated in Ringgit Malaysia ('RM').
- (e) Impairment for trade receivables are recognised based on the simplified approach using the lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk. Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses. The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying amount of the asset would be written off against the associated impairment.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

It requires management to exercise judgement in determining the probability of default by trade receivables and appropriate forward-looking information. No expected credit loss is recognised from trade receivables as it is negligible.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

11. TRADE AND OTHER RECEIVABLES *cont'd*

- (f) Impairment for other receivables, amount owing by a related party and deposits are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

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

The Group and the Company defined significant increase in credit risk based on changes to contractual terms, payment delays and past due information.

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:

- (i) Significant financial difficulties of the debtor;
- (ii) A breach of contract such as a default or being more than 90 days past due; or
- (iii) It is probable that the debtor will enter bankruptcy or other financial reorganisation.

It requires management to exercise its judgement in determining the probabilities of default by other receivables, appropriate forward-looking information (gross domestic product ("GDP")) and significant increase in credit risk.

- (g) The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM	Loss allowance RM	Net balance RM
2024			
Current	945,790	-	945,790
More than 30 days past due	-	-	-
	945,790	-	945,790
2023			
Current	348,512	-	348,512
More than 30 days past due	-	-	-
	348,512	-	348,512

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

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11. TRADE AND OTHER RECEIVABLES *cont'd*

- (g) The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature. *cont'd*

Company	Gross carrying amount RM	Loss allowance RM	Net balance RM
2024			
Current	1,107,474	-	1,107,474
More than 30 days past due	-	-	-
	1,107,474	-	1,107,474
2023			
Current	40,194	-	40,194
More than 30 days past due	-	-	-
	40,194	-	40,194

As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Group and of the Company are summarised in the table below:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Maximum exposure	945,790	348,512	1,107,474	40,194
Collateral obtained	-	-	-	-
	945,790	348,512	1,107,474	40,194

During the financial year, the Group and the Company did not renegotiate the terms of any trade receivables.

- (h) Movements in the impairment allowance for other receivables are as follows:

Group	12-month ECL RM	Lifetime ECL -credit impaired RM	Total RM
At 1 July 2022	-	105,095	105,095
Reversal for the financial year	-	(105,095)	(105,095)
At 30 June 2023	-	-	-

- (i) In the previous financial year, included in deposits was an amount of RM3,056,620 representing deposit paid in relation to the acquisition of MAPYP as disclosed in Note 27(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

12. CASH, BANK BALANCES AND SHORT TERM FUNDS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	2,134,402	29,222,001	738,318	28,437,137
Deposits with licensed banks	45,728,216	47,560,480	33,408,068	34,682,918
Short term funds	24,570,656	23,628,906	4,847,687	4,663,591
	72,433,274	100,411,387	38,994,073	67,783,646

- (a) Deposits with licensed banks of the Group and the Company have a range of maturity period of 1 month to 1 year (2023: 1 month to 1 year); with weighted average effective interest rate of 3.68% (2023: 3.57%) and 3.69% (2023: 3.62%) per annum respectively.
- (b) All cash, bank balances and short term funds are denominated in Ringgit Malaysia ('RM').
- (c) Sensitivity analysis of interest rate at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit after tax				
- if interest rate increases by 1% (2023: 1%)	593,241	597,749	302,378	310,226
- if interest rate decreases by 1% (2023: 1%)	(593,241)	(597,749)	(302,378)	(310,226)

The effect to the equity of the Company is not presented as they are not affected by the changes in the interest rates.

- (d) Short term funds aim to invest in highly liquid instruments which are investing its assets in Ringgit Malaysia deposits with financial institutions in Malaysia and are redeemable with one (1) day notice. These funds are subject to an insignificant risk of changes in value and form part of net cash and cash equivalents. Funds distribution income from those funds is partially tax-exempted, is calculated daily and distributed at every quarter.
- (e) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.
- (f) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash, bank balances and short term funds	72,433,274	100,411,387	38,994,073	67,783,646
Less:				
Deposits placed with licensed banks more than three (3) months	(8,628,118)	(5,868,078)	-	(255,625)
	63,805,156	94,543,309	38,994,073	67,528,021

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

13. SHARE CAPITAL

	Number of shares	Group and Company		2023
		2024	2023	
		RM	Number of shares	RM
Issued and fully paid with no par value:				
At beginning of financial year	2,389,200,276	245,070,549	2,172,000,256	223,980,427
Issuance of ordinary shares	-	-	217,200,020	21,090,122
At end of financial year	2,389,200,276	245,070,549	2,389,200,276	245,070,549

In the previous financial year, the issued and paid-up ordinary share capital of the Company was increased from 2,172,000,256 to 2,389,200,276 by way of issuance of 217,200,020 new ordinary shares of RM0.0971 each for cash. The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meeting of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

14. RESERVES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-distributable:				
Fair value reserve	56,885	50,555	-	-
Merger reserve	(108,000,004)	(108,000,004)	-	-
	(107,943,119)	(107,949,449)	-	-
Distributable:				
Retained earnings	109,068,403	109,681,367	3,439,440	3,399,797
	1,125,284	1,731,918	3,439,440	3,399,797

(a) Fair value reserve

Fair value reserve represents the cumulative fair value changes of financial assets at fair value through other comprehensive income until they are disposed or impaired.

(b) Merger reserve

The merger reserve arose from the pooling of interest method of accounting used on consolidation of MHB Group. The merger reserve represents the difference between the amount recorded as the cost of investment, which comprised the share capital issued by the Company and the nominal value of share capital of the subsidiary, MHB.

	RM
Cost of investment	168,000,006
Less: Nominal value of shares in Matang Holdings Berhad ("MHB")	(60,000,002)
Merger reserve	108,000,004

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

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15. DEFERRED TAX ASSETS/(LIABILITIES)

(a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Balance as at 1 July	(1,529,777)	(2,027,697)	151,003	(3,108)
Recognised in profit or loss (Note 19)				
- current year	(111,140)	(178,094)	25,266	32,473
- prior years	(36,928)	676,014	(117,175)	121,638
	(148,068)	497,920	(91,909)	154,111
Balance as at 30 June	(1,677,845)	(1,529,777)	59,094	151,003
Presented after appropriate offsetting:				
Deferred tax assets, net*	59,094	151,003	59,094	151,003
Deferred tax liabilities, net*	(1,736,939)	(1,680,780)	-	-
	(1,677,845)	(1,529,777)	59,094	151,003

The amounts of set-off between deferred tax assets and deferred tax liabilities of the Group and of the Company were RM 64,496 (2023: RM44,470) and RM 25,374 (2023: RM16,556) respectively.

(b) The components and movements of deferred tax assets and liabilities during the financial year are as follows:

Deferred tax liabilities of the Group

Deferred tax liabilities	Property, plant and equipment RM	Other temporary differences RM	Total RM
At 1 July 2022	(1,947,914)	(79,783)	(2,027,697)
Recognised in profit or loss	206,108	140,809	346,917
At 30 June 2023/ 1 July 2023	(1,741,806)	61,026	(1,680,780)
Recognised in profit or loss	(85,003)	28,844	(56,159)
At 30 June 2024	(1,826,809)	89,870	(1,736,939)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

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15. DEFERRED TAX ASSETS/(LIABILITIES) *cont'd*

- (b) The components and movements of deferred tax assets and liabilities during the financial year are as follows:
cont'd

Deferred tax assets of the Group

	Property, plant and equipment RM	Other temporary differences RM	Total RM
At 1 July 2022	-	-	-
Recognised in profit or loss	(16,556)	167,559	151,003
At 30 June 2023/ 1 July 2023	(16,556)	167,559	151,003
Recognised in profit or loss	(8,818)	(83,091)	(91,909)
At 30 June 2024	(25,374)	84,468	59,094

Deferred tax (liabilities)/assets of the Company

	Property, plant and equipment RM	Other temporary differences RM	Total RM
At 1 July 2022	(7,985)	4,877	(3,108)
Recognised in profit or loss	(8,571)	162,682	154,111
At 30 June 2023/ 1 July 2023	(16,556)	167,559	151,003
Recognised in profit or loss	(8,818)	(83,091)	(91,909)
At 30 June 2024	(25,374)	84,468	59,094

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties	248,267	521,357	-	-
Other payables				
Other payables and accruals	2,564,049	1,850,764	1,308,021	903,916
Amount owing to a subsidiary	-	-	17,850	2,023
Amount owing to a related party	47,938	-	-	-
Deposits received	245,765	227,092	-	-
	2,857,752	2,077,856	1,325,871	905,939
	3,106,019	2,599,213	1,325,871	905,939

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

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16. TRADE AND OTHER PAYABLES *cont'd*

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company ranges from 30 to 90 days (2023: 30 to 90 days).
- (b) All trade and other payables are denominated in Ringgit Malaysia ('RM').
- (c) Amounts owing to a subsidiary and a related party represent advances and payments made on behalf, which are unsecured, interest free and repayable within the next twelve months.
- (d) Maturity profile of the trade and other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.
- (e) Included in other payables of the Group and of the Company amounting to RM327,823 representing other payable to the vendor for the acquisition of Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. during the financial year as disclosed in Note 8(d) to the financial statement.

17. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers				
Sale of palm products	16,437,918	14,327,110	-	-
Sale of durians	440,954	-	-	-
Other revenue:				
- Dividend income	-	-	3,834,669	7,772,978
- Management service and support charges	-	-	2,031,928	1,321,824
	16,878,872	14,327,110	5,866,597	9,094,802

- (a) Revenue from the sale of palm products and durian are recognised at a point in time when the products have been transferred to the customer and coincide with the delivery of products and acceptance by customers.

There is no significant financing component in the revenue arising from the sale of palm products as the sales are made on the normal credit terms not exceeding twelve months.

- (b) Dividend income

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

- (c) Management service and support charges

Management service and support charges are recognised when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

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18. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the profit before tax is arrived at:

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
After charging:					
Auditors' remuneration					
- statutory audit		101,000	66,700	35,000	28,900
- other audit related services		5,000	5,000	5,000	5,000
Rental of photocopiers		6,895	7,268	4,290	4,748
And crediting:					
Gain on disposal of property, plant and equipment		-	36,377	-	36,289
Interest income	(a)	2,343,163	2,795,062	1,399,476	1,950,451
Rental income	(b)	850,523	741,408	-	-

(a) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(b) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

(c) Directors' remuneration

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fees	263,667	180,000	191,667	180,000
Other emoluments	615,467	624,459	445,634	363,209
	879,134	804,459	637,301	543,209

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

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19. TAX EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Income tax				
- current year	1,619,185	1,265,757	298,500	440,800
- over provision in prior years	(31,487)	(38,608)	(11,509)	(1,852)
	1,587,698	1,227,149	286,991	438,948
Deferred tax (Note 15)				
- relating to origination and reversal of temporary differences	111,140	178,094	(25,266)	(32,473)
- under/(over) provision in prior years	36,928	(676,014)	117,175	(121,638)
	148,068	(497,920)	91,909	(154,111)
	1,735,766	729,229	378,900	284,837

- (a) The Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2023: 24%) of the estimated taxable profits for the fiscal years.
- (b) The numerical reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	4,945,331	3,356,075	4,241,072	7,875,406
Tax expense at applicable tax of 24% (2023: 24%)	1,186,879	805,458	1,017,857	1,890,097
Non-allowable expenses	914,947	1,241,219	219,880	425,175
Allowable expenses capitalised in bearer plants	(364,341)	(367,726)	-	-
Non-taxable income	(77,475)	(235,100)	(964,503)	(1,906,945)
Deferred tax assets not recognised	70,315	-	-	-
	1,730,325	1,443,851	273,234	408,327
(Over)/Under provision in prior years				
- income tax	(31,487)	(38,608)	(11,509)	(1,852)
- deferred tax	36,928	(676,014)	117,175	(121,638)
	1,735,766	729,229	378,900	284,837

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

19. TAX EXPENSE *cont'd*

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	2024 RM	Group	2023 RM
Unutilised tax losses			
- Expires by 30 June 2034	292,495		-
Other temporary difference	483		-
	292,978		-

Deferred tax assets of a subsidiary have not been recognised in respect of these items as it is not probable that taxable profits of this subsidiary would be available against which the deductible temporary differences could be utilised.

The availability of unutilised tax losses for offsetting against future taxable profits is subject to guidelines issued by tax authority. Unutilised tax losses of the subsidiary can be carried forward up to 10 consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

- (d) Tax on each component of other comprehensive income is as follows:

2024	Before tax RM	Group Tax effect RM	After tax RM
Item that will not be reclassified subsequently to profit or loss			
Fair value gain on equity investments at fair value through other comprehensive income	6,330	-	6,330
2023			
Item that will not be reclassified subsequently to profit or loss			
Fair value gain on equity investments at fair value through other comprehensive income	3,165	-	3,165

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

20. CAPITAL COMMITMENTS

	2024 RM	Group 2023 RM
Authorised capital expenditure not provided for in the financial statements - contracted	706,877	1,946,300
Analysed as follows: - Property, plant and equipment	706,877	1,946,300

21. EMPLOYEE BENEFITS

The total employee benefits recognised in profit or loss are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, allowances and overtime	2,421,807	2,397,622	1,422,090	1,452,678
Contributions to defined contribution plan	399,140	403,699	207,888	216,886
Other employee benefits	594,010	449,909	58,002	42,784
	3,414,957	3,251,230	1,687,980	1,712,348

22. EARNINGS PER SHARE ("EPS")

- (a) Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the Company by the number of ordinary shares in issue during the financial year.

	2024	Group 2023
Profit attributable to owners of the parent (RM)	3,209,565	2,626,846
Weighted average number of ordinary shares in issue (unit)	2,389,200,276	2,385,629,865
Basic EPS (sen)	0.13	0.11

- (b) Diluted EPS of the Group for the financial years ended 30 June 2024 and 30 June 2023 is equivalent to the basic EPS as there are no potential ordinary shares outstanding as at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

23. DIVIDENDS

	Group and Company		2023	
	Gross dividend per share sen	2024 Amount of dividend net of tax RM	Gross dividend per share sen	Amount of dividend net of tax RM
In respect of financial year ended 30 June 2023				
- Final single tier cash dividend	0.16	3,822,529	-	-
In respect of financial year ended 30 June 2022				
- Final single tier cash dividend	-	-	0.22	5,256,240
	0.16	3,822,529	0.22	5,256,240

As approved by shareholders at an Annual General Meeting held on 23 November 2022, a first and final single tier dividend of 0.22 sen per share, amounting to RM5,256,240 in respect of financial year ended 30 June 2022 was paid on 9 January 2023.

As approved by shareholders at an Annual General Meeting held on 22 November 2023, a first and final single tier dividend of 0.16 sen per share, amounting to RM3,822,529 in respect of financial year ended 30 June 2023 was paid on 8 January 2024.

At the forthcoming Annual General Meeting, a first and final single tier dividend of 0.16 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2025.

24. SEGMENT REPORTING

The Group is predominantly involved in management of plantation estate, cultivation of oil palm and durian and sale of fresh fruit bunch and durian which is the only reportable segment. Other non-reportable segment is investment holding and investment property. These segments do not meet the quantitative threshold for reporting segments in 2024 and 2023. All the Group's operations are carried out in Malaysia.

The Group evaluates performance on the basis of profit or loss from operations before tax.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

25. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and 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.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

The Group also has related party relationship with the following parties:

Related parties	Relationship
Huaren Resources Sdn. Bhd. ("Huaren")	Related party
Hua Kee Local Food Sdn. Bhd. ("Hua Kee")	Related party
Malaysian Chinese Association Johor State Liaison Committee . ("MCA Johor")	Related party
CH Excavator Work Sdn. Bhd. ("CH Excavator")	Related party

(b) Significant related party transactions and balances

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Related parties:</u>				
Rental of office charged by Huaren	143,582	136,298	143,582	136,298
Rental of office charged by MCA Johor	9,000	-	-	-
Sundry expenses charged by Hua Kee	20,352	-	20,352	-
Sale of durian to Hua Kee	(102,476)	-	-	-
Cost of sales for durian charged by Hua Kee	117,378	-	-	-
Vehicle rental expenses charged by CH Excavator	75,525	-	-	-
Maintenance fees charged by Hua Kee	-	25,636	-	25,636
<u>Subsidiaries:</u>				
Dividend income	-	-	(3,834,669)	(7,772,978)
Management services and support income	-	-	(2,031,928)	(1,321,824)

The related party transactions described above were carried out in the ordinary course of business and established under negotiated and mutually agreed terms.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

25. RELATED PARTY DISCLOSURES *cont'd*

(c) Compensation of key management personnel

Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

Key management personnel comprise all the Directors of the Company.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fees	263,667	180,000	191,667	180,000
Other emoluments	615,467	624,459	445,634	363,209
Total key management compensation	879,134	804,459	637,301	543,209

26. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) 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 a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from financial year ended 30 June 2023.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. 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 years ended 30 June 2024 and 30 June 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt represents lease liabilities, trade and other payables, less cash and bank balances and short-term funds. Total capital represents equity attributable to the owners of the parent.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Lease liabilities	754,329	737,543	694,693	737,543
Trade and other payables	3,106,019	2,599,213	1,325,871	905,939
Total liabilities	3,860,348	3,336,756	2,020,564	1,643,482
Less: Cash and bank balances and short term funds (Note 12)	(72,433,274)	(100,411,387)	(38,994,073)	(67,783,646)
Net cash	(68,572,926)	(97,074,631)	(36,973,509)	(66,140,164)
Total capital	246,195,833	246,802,467	248,509,989	248,470,346

Gearing ratio _* _* _* _*

* The gearing ratios for the Group and for the Company are not presented as the Group and the Company are in net cash position

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

26. CAPITAL AND FINANCIAL RISK MANAGEMENT *cont'd*

(a) Capital management *cont'd*

Pursuant to the requirements of Guidance Note No. 3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital. The Group has complied with this requirement for the financial year ended 30 June 2024.

The Group is not subject to any externally imposed capital requirements.

(b) Financial risk management

The Group's financial risk management objective is to optimise value creation for its shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates. It is, and has been throughout the period under review, the Group's policy that no trading and speculation in derivative financial instruments shall be undertaken.

The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk, market risk as well as price fluctuation risk.

Information on the management of the related exposures is detailed below:

(i) Credit risk

Cash deposits and trade receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group seeks to control credit risk by setting counterparty credit limits and ensuring that sales of products are made to customers with appropriate credit history. Trade receivables are monitored by management on an ongoing basis.

The Group's primary exposure to credit risk arises through its trade receivables.

The credit risk profile analysis has been disclosed in Note 11 to the financial statements.

(ii) Liquidity and cash flow risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations when due. The Group actively manages its operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and bank balances deemed adequate to finance the Group's activities.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 5 and 16 to the financial statements respectively.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposures to market risk of changes in interest rates relate primarily to the Group's interest-earning deposits and lease liabilities. There is no formal hedging policy with respect to interest rate exposure.

The interest rate profile and sensitivity analysis for interest rate risk have been disclosed in Notes 5 and 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

26. CAPITAL AND FINANCIAL RISK MANAGEMENT *cont'd*

(b) Financial risk management *cont'd*

Information on the management of the related exposures is detailed below: *cont'd*

(iv) Market risk

Market risk is the risk that the fair value of future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risks arising from quoted investments held by the Group. Quoted equity instruments in Malaysia are listed on the Bursa Malaysia Securities Berhad and are held for strategic rather than trading purposes. These instruments are classified as financial assets designated at fair value through other comprehensive income.

The Group diversifies its portfolio in accordance with the limits set by the Board of Directors to manage its price risk arising from investments in equity securities.

There has been no change to the exposure of the Group to market risks or the manner in which these risks are managed and measured.

The sensitivity analysis of market rate risk has been disclosed in Note 7 to the financial statements.

(v) Price fluctuation risk

Sensitivity analysis for price fluctuation risk

The Group's exposure to price volatility was mainly derived from palm products. If the price of palm products change by 10%, profit for the Group would have equally increased or decreased by approximately RM1,310,080 (2023: RM1,124,000).

27. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 10 February 2023, the Company announced that it entered into a conditional sales and purchase agreement ("SPA") with Star Media Group Berhad ("Star Media") and SMG Land Sdn. Bhd. ("SMG Land") for the Proposed Acquisition of Property, i.e., two (2) units of double-storey semi-detached factory and warehouse annexed with a one-and-a-half (1½) storey office building and other ancillary buildings to be erected upon part of the land held under Geran 204624, Lot 78658, Mukim Damansara, Daerah Petaling, Negeri Selangor ("Property") for a total purchase consideration of RM33,000,000.00 to be satisfied via the allotment and issuance of 357,000,000 new ordinary shares in the Company to SMG production & Distribution Sdn. Bhd., a wholly-owned subsidiary of the SMG Land at an issue price of RM0.0809 each and cash payment amounting to approximately RM4,118,700.00. On even date, the Company also announced the proposed diversification of the existing principal activities of the Group to include property investment ("Proposed Diversification"). The Proposed Acquisition of Property and the Proposed Diversification shall be herein referred to as "Proposal".

On 31 May 2023, the Company announced that it has secured the approvals of its shareholders for the Proposal. However, the Company received a request from Star Media on 14 July 2023 to mutually terminate the SPA as Star Media was not able to secure its shareholders' approval at its Extraordinary General Meeting on 31 May 2023 for the proposed disposal of the Property to the Company and they do not foresee their ability to have the same resolution passed. On 17 July 2023, the Company had written to Star Media to state its agreement to mutually terminate the SPA with effect from 17 July 2023, the announcement of which has been made on even date.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

cont'd

27. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR *cont'd*

- (b) On 2 May 2023, the Company announced that it had on 2 May 2023 entered into a conditional share sales agreement (“SSA”) with Tan Chor Wee, Teyu Soo Moi, Lim Pon Chuan, Bu Yau Hoi, Tan Yu Kung, Tan Yue Teck, Tan Yew Hock, Tan Yu Chuan, Tew Han Kiong and Ngah Seng Moe (collectively referred to as the “Sellers”) for the proposed acquisition of 2,500,000 Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. (“MAPYP”) (formerly known as Greencode Farm Sdn. Bhd.) (“GFSB”) Shares, representing 100% equity interest in MAPYP for a purchase consideration of RM30,566,196.61 (“Purchase Consideration”) to be satisfied entirely via cash (“Purchase Acquisition of MAPYP”).

On 25 July 2023, the Company announced that all the conditions precedent under the SSA have been fulfilled, and with the full settlement of the Purchase Consideration in accordance with the terms of the SSA, the completion of the Proposed Acquisition of MAPYP has taken place on 25 July 2023.

28. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

28.1 New MFRSs adopted during the current financial year

The Group and the Company adopted the following Standard and Amendments to the MFRS Framework that were issued by the Malaysian Accounting Standards Board (“MASB”) during the financial year:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112

The adoption of the Standard and Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

28.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments to MFRSs since the effects would only be observable in future financial years.

ANALYSIS OF SHAREHOLDINGS

AS AT 12 SEPTEMBER 2024

SHARE CAPITAL

Total Number of Issued Shares	:	2,389,200,276
Total Issued Share Capital	:	RM245,070,549
Class of shares	:	Ordinary shares
Voting rights	:	1 vote for each ordinary share held on a poll
Number of shareholders	:	12,133

DISTRIBUTION OF SHAREHOLDINGS AT 12 SEPTEMBER 2024

(as per the Record of Depositors)

Size of holdings	No. of holders	% of holders	No. of shares held	% of Issued shares
Less than 100	43	0.35	1,197	*
100 to 1,000	262	2.16	117,965	*
1,001 to 10,000	685	5.65	4,977,078	0.21
10,001 to 100,000	8,312	68.51	349,154,271	14.61
100,001 to less than 5% of issued shares	2,828	23.31	1,247,008,037	52.19
5% and above of issued shares	3	0.02	787,941,728	32.98
Total	12,133	100.00	2,389,200,276	100.00

Note:

* Less than 0.01%

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS AS OF 12 SEPTEMBER 2024

(as per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct interest		Indirect interest	
	No. of shares held	% of issued shares	No. of shares held	% of issued shares
Huaren Holdings Sdn. Bhd.	408,608,000	17.10	-	-
Ang Kian You	208,560,300	8.73	-	-
Malaysian Chinese Association	-	-	430,426,100 [^]	18.02 [^]

Note:

[^] Deemed interest by virtue of its shareholdings in Huaren Holdings Sdn. Bhd. and Rohua Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

SHAREHOLDINGS OF DIRECTORS AS AT 12 SEPTEMBER 2024

(as per the Register of Directors' Shareholdings)

Name of Directors	Direct interest		Indirect interest	
	No. of shares held	% of issued shares	No. of shares held	% of issued shares
Dato' Foong Chee Meng	-	-	-	-
Dato' Ng Keng Heng	9,000	*	-	-
Sophia Lim Chia Hui	-	-	-	-
Datuk Tew Boon Chin	-	-	-	-
Datuk Teoh Sew Hock	10,028,000	0.42	-	-
Tan Tuan Peng	-	-	-	-

Note:

* Less than 0.01%

ANALYSIS OF SHAREHOLDINGS

AS AT 12 SEPTEMBER 2024

cont'd

LIST OF TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS

(as per the Record of Depositors as of 12 September 2024 without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of shares	% of Shares
1	Huaren Holdings Sdn. Bhd.	408,608,000	17.10
2	Ang Kian You	208,560,300	8.73
3	Malaysian Trustees Berhad <i>Matang Berhad</i>	170,773,428	7.15
4	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Kuan Peng Ching @ Kuan Peng Soon (7000855)</i>	87,023,300	3.64
5	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Han Weng</i>	70,000,000	2.93
6	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Ong Yoong Nyock (PB)</i>	55,940,005	2.34
7	Kong Tiam Ming	38,170,003	1.60
8	Koperasi Jayadiri Malaysia Berhad	23,892,000	1.00
9	Able Perfect Sdn. Bhd.	20,994,903	0.88
10	Rohua Sdn. Bhd.	19,768,000	0.83
11	Koon Poh Tat	18,100,000	0.76
12	Loke Soon Fei	18,100,000	0.76
13	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Sak Kuan</i>	17,889,000	0.75
14	Lim Han Weng	15,940,005	0.67
15	Ng Kang Wee	14,480,002	0.61
16	Ho Koon Loong	14,480,001	0.61
17	Toh Kie Ho	14,480,001	0.61
18	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Unique Bay Sdn. Bhd. (PB)</i>	10,900,000	0.46
19	Hon Yong Lian	10,650,000	0.45
20	CGS International Nominees Malaysia (Asing) Sdn. Bhd. <i>Exempt an for CGS International Securities Singapore Pte. Ltd. (Retail Clients)</i>	10,448,500	0.44
21	Mercsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa</i>	10,001,000	0.42
22	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Sing Hua</i>	10,000,000	0.42
23	Teoh Sew Hock	10,000,000	0.42
24	Yong Chai Ing	9,221,400	0.39
25	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Perumal A/L Manimaran</i>	9,000,000	0.38
26	Mercsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa</i>	8,000,000	0.33
27	Kuan Peng Ching @ Kuan Peng Soon	6,041,200	0.25
28	Kwang Yeow Heng Realty Development (Malaysia) Sdn. Bhd.	6,006,000	0.25
29	Er Soon Puay	6,003,600	0.25
30	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Modern Discovery Sdn. Bhd. (PB)</i>	5,600,000	0.23
Total		1,329,070,648	55.63

PROPERTIES HELD BY THE GROUP

AS AT 30 JUNE 2024

Properties / location	Registered Proprietor	Description / Existing Use	Tenure	Land Area	Year of Acquisition / (Revaluation)	Net Book Value
<u>Mukim Tangkak, Daerah Tangkak, State of Johor</u> Lot 984, Geran 2752 Lot 1543, Geran 215103 Lot 4073, Geran 215598 Lot 672, Geran 214838 Lot 4615, Geran 215709 Lot 6711, Geran 218156	Matang Agriculture and Plantation (Segamat) Sdn. Bhd.	Oil palm and durian plantation	Freehold	Total: 1,094.15 hectares	Acquired: 1983 / Revalued: 2016	RM131,627,286 (out of which RM23,840,069 is the net book value for bearer plants)
<u>Mukim Bukit Serampang, Daerah Tangkak, State of Johor</u> Lot 95, GM 764 Lot 96, GM 765 Lot 97, GM 766 Lot 104, GM 768 Lot 105, GM 1604 Lot 1540, GM 1606 Lot 1541, GM 1607 Lot 98, GM 1816 Lot 1224, Geran 214295 Lot 2788, Geran 214550 Lot 2785, Geran 214548 Lot 2796, Geran 214583 Lot 2784, Geran 214545 Lot 2795, Geran 437195						
<u>Mukim Jementah, Daerah Segamat, State Johor</u> Lot 2497, Geran 24447 Lot 2498, Geran 24448 Lot 2499, Geran 24449 Lot 2500, Geran 24450 Lot 2501, Geran 24451 Lot 2502, Geran 24452 Lot 2506, Geran 24456 Lot 2507, Geran 24457 Lot 2509, Geran 24458 Lot 2508, Geran 24459 Lot 2496, Geran 24460 Lot 2495, Geran 24461 Lot 2494, Geran 24462 Lot 2493, Geran 24463 Lot 2492, Geran 24464 Lot 2491, Geran 24465 Lot 2490, Geran 24466 Lot 2489, Geran 24467 Lot 2488, Geran 24468 Lot 2487, Geran 24469 Lot 6184, Geran 37582 Lot 6185, Geran 37583 Lot 6186, Geran 37584 Lot 6187, Geran 37585 Lot 6188, Geran 37586						

PROPERTIES HELD BY THE GROUP

AS AT 30 JUNE 2024
cont'd

Properties / location	Registered Proprietor	Description / Existing Use	Tenure	Land Area	Year of Acquisition / (Revaluation)	Net Book Value
Lot PTD 10109 H.S.(D) 4636 Mukim Tangkak Daerah Tangkak, State of Johor	Matang Agriculture and Plantation (Segamat) Sdn. Bhd.	Vacant land	Freehold	0.50 hectares	Acquired: 2001	RM1,099,868
No. Hakmilik 95001, Lot 7415, Mukim Tanjung Sembrong, Daerah Batu Pahat, State of Johor	Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd.	Oil Palm and Durian plantation	Freehold	Total: 56.226 hectares	Acquired: 2023	RM29,716,249 (out of which RM12,359,577 is the net book value for bearer plants)
Lot TLO 703 H.S.(D) 8796 Bandar Johor Bahru Johor Bahru State of Johor	Matang Holdings Berhad	A 5-storeys factory building, a double storey factory building and a single storey factory building, all together with land	Leasehold of 60 years expiring on 24 September 2031	1.29 hectares	Acquired: 1988 / Revalued: 2024	RM9,700,000

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting ("10th AGM" or "AGM") of the Company will be conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("Broadcast Venue") using the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("TIIH") via TIIH Online website at <https://tiih.online> on **Tuesday, 19 November 2024 at 10.00 a.m.** for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 and the Reports of the Directors and the Auditors thereon.
2. To approve the payment of Directors' Fees of RM191,667.00 in respect of the financial year ended 30 June 2024. **Resolution 1**
3. To approve the payment of Directors' benefits (excluding Directors' Fees) of up to RM138,600.00 for the financial period from 1 January 2025 to 31 December 2025. **Resolution 2**
4. To re-elect Datuk Tew Boon Chin, a Director retiring in accordance with Clause 125 of the Constitution of the Company. **Resolution 3**
5. To re-elect Tan Tuan Peng, a Director retiring in accordance with Clause 130 of the Constitution of the Company. **Resolution 4**
6. To re-appoint BDO PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

As Special Business

To consider and if thought fit, to pass the following as Ordinary Resolutions:

7. To approve the payment of the first and final single-tier dividend of 0.16 sen per ordinary share for the financial year ended 30 June 2024. **Resolution 6**
8. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 **Resolution 7**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act"), ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

cont'd

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the ACE Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

9. **Proposed Renewal of Authority for the Company to Purchase Its Own Shares Up to Ten Per Cent (10%) of the Total Number of Issued Shares (“Proposed Renewal of Share Buy-Back”)**

“THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the ACE Market Listing Requirements (“the Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities pursuant to the Listing Requirements upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

Resolution 8

- a. the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- b. the maximum fund to be utilised by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

(“Proposed Share Buy-Back”).

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company following the general meeting at which such resolution was passed, at which it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- c. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

cont'd

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister with responsibility for companies may by order prescribe; and/or
- viii. To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient, including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all agreements, arrangements and guarantee with any party or parties, to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

10. Retention of Independent Director in accordance with the Malaysian Code on Corporate Governance

"THAT Dato' Foong Chee Meng, an Independent Director who has served in the Company for more than nine (9) years, be hereby retained as an Independent Director and to hold office until the next Annual General Meeting." **Resolution 9**

11. To transact any other business of the Company of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders at the Tenth Annual General Meeting of the Company, the first and final single-tier dividend of 0.16 sen per ordinary share in respect of the financial year ended 30 June 2024 will be paid to shareholders on 8 January 2025. The entitlement date for the said dividend shall be on 13 December 2024.

A depositor shall qualify for entitlement to the dividend only in respect of:

- a. Shares transferred to the depositor's securities account before 4.30 p.m. on 13 December 2024 in respect of transfers.
- b. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

LAU YEN HOON (SSM PC No. 202008002143) (MAICSA 7061368)
LIEW SHU NING (SSM PC No. 202408000033) (MAICSA 7074561)
 Joint Company Secretaries

Kuala Lumpur
 Dated: 21 October 2024

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

cont'd

NOTES:

1. The AGM of the Company will be conducted virtually through live streaming with online remote voting via the RPV facilities provided by TIIH. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Member(s), proxy(ies), attorney(s) or authorised representative(s) **WILL NOT BE ALLOWED** to attend the AGM in person at the Broadcast Venue on the day of the meeting. Members are to attend, speak (including posing questions via real time submission of typed texts) and vote (collectively "participate") remotely at the AGM via the RPV provided by TIIH. A member who has appointed a proxy or attorney or authorised representative to participate in this AGM via the RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via Tricor's TIIH Online website at <https://tiih.online>.

Please refer to the procedures set out in the Administrative Guide for the AGM to register, participate and vote remotely via the RPV.

For the purpose of determining a member who shall be entitled to attend and vote at the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at **11 November 2024** and only a depositor whose name appears in the Record of Depositors shall be entitled to participate at AGM or to appoint proxy(ies) to participate on his/her behalf.

2. Appointment of Proxy

- A member of the Company who is entitled to attend and vote at this meeting shall be entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to participate in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an Exempt Authorised Nominee which 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 SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise the appointment shall not be valid.
- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof:

In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of Proxy Form via TIIH Online.

- Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar's office at the above address not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

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- For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL/DULY CERTIFIED** certificate of appointment of authorised representative with the Share Registrar of the Company at the above address. The certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two (2) authorised officers, of whom one shall be a director; or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Explanatory Notes on Ordinary Businesses

1. Agenda Item No. 1

This item of the Agenda is meant for discussion only. The provisions of Section 340(1) of the Companies Act 2016 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

2. Agenda Item No. 2 & No. 3

Resolutions No. 1 & No. 2 – Approval of Directors' Fees and Directors' Benefits

The approval for the proposed Resolutions No. 1 and No. 2 in relation to the payment of Directors' fees and benefits are sought pursuant to Section 230(1) of the Companies Act 2016. The proposed Resolutions are to facilitate payment of Directors' fees for the financial year ended 30 June 2024 and Directors' benefits on a current financial year basis until the conclusion of the Company's next Annual General Meeting in 2025.

Directors' benefits include allowances and other emoluments payable to Directors and in determining the estimated total the Board had considered various factors including the number of scheduled meetings for the Board, Board Committees, and Board meetings of subsidiaries and covers the period from 1 January 2025 to 31 December 2025 (the due date for which the next Annual General Meeting should be held). In the event the Directors' benefits proposed are insufficient (e.g., due to more meetings or enlarged Board size etc.), approval will be sought at the next Annual General Meeting for the additional amount to meet the shortfall.

3. Agenda Item No. 4 & No. 5

Resolutions No. 3 & No. 4 – Re-election of Directors

Mr. Tan Tuan Peng, an additional Director during the financial year ended 30 June 2024, is subject for re-election as a Director of the Company in accordance with Clause 130 of the Company's Constitution. Datuk Tew Boon Chin is standing for re-election as Director of the Company in accordance with Clause 125 of the Constitution of the Company. The retiring Directors, being eligible, have offered themselves for re-election at the 10th AGM. The details of the retiring Directors are set out under their respective profiles in the Annual Report 2024.

Effective 9 October 2024, the Nomination Committee and the Remuneration Committee were combined into a single committee, known as the Nomination and Remuneration Committee ("NRC"). The Board had, through the NRC, assessed the performance and contribution of the retiring Directors based on the annual Board and Directors' assessment for 2024 and taken into consideration the fit and proper criteria under the Directors' Fit and Proper Policy of the Company.

Based on the outcome of the above assessments, the NRC and the Board were satisfied that the retiring Directors met the criteria as prescribed under Rule 2.20A of the Listing Requirements of Bursa Securities on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. Accordingly, the Board (save for the retiring Directors who had abstained from deliberations on their own re-election) is supportive of the re-election of the retiring Directors.

Datuk Teoh Sew Hock, who is retiring by rotation pursuant to the Clause 125 of the Constitution of the Company, has indicated that he does not wish to seek re-election as a Director of the Company. Hence, he shall hold office until the conclusion of this 10th AGM.

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

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4. **Agenda Item No. 6**

Resolution No. 5 – Re-appointment of External Auditors

The Board had, through the Audit and Risk Management Committee (“ARMC”), assessed the suitability, objectivity and independence of the External Auditors, BDO PLT. The ARMC and the Board were satisfied that BDO PLT met the relevant criteria prescribed under Rule 15.21 of the Listing Requirements of Bursa Securities. The Board approved the ARMC’s recommendation to seek shareholders’ approval for the re-appointment of BDO PLT as the External Auditors of the Company.

Explanatory Notes on Special Businesses

5. **Agenda Item No. 7**

Resolution No. 6 – First and Final Single-Tier Dividend for the Financial Year Ended 30 June 2024

The Board of Directors, having satisfied that the distribution of first and final single-tier dividend is made out of profits of the Company and that the Company will be solvent and will be able to pay its debts as and when the debts become due within 12 months immediately after the distribution is made in accordance with the requirements under the Companies Act 2016, is recommending the first and final single-tier dividend of 0.16 sen per ordinary share for the financial year ended 30 June 2024 for shareholders’ approval.

6. **Agenda Item No. 8**

Resolution No. 7 – Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed the prescribed limit under the Listing Requirements of Bursa Securities.

The Board of Directors of the Company is of the view that the general mandate is in the best interest of the Company and its shareholders as it will provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional costs and time. It will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

The proposed Resolution No. 7 is a renewal of the previous year’s mandate. As at the date of this Notice, the Company has not issued any new shares under the general mandate granted at the previous Annual General Meeting of the Company.

7. **Agenda Item No. 9**

Resolution No. 8 – Proposed Renewal of Share Buy-Back

The proposed Resolution No. 8, if passed, will empower the Directors of the Company to purchase up to 10% of the total number of issued shares of the Company by utilising the funds available which shall not exceed the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

For further information, please refer to the Statement to Shareholders dated 21 October 2024 accompanying the Company’s Annual Report for the financial year ended 30 June 2024.

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

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8. **Agenda Item No. 10**

Resolution No. 9 – Retention of Independent Director pursuant to the Malaysian Code on Corporate Governance

Dato' Foong Chee Meng ("Dato' Foong") was appointed as Independent Director of the Company on 1 September 2015 and has served the Board for a cumulative term of more than nine (9) years. In line with the Malaysian Code on Corporate Governance 2021, upon assessment and recommendation of the NRC, the rest of the Board members were of the unanimous opinion that Dato' Foong should be retained as an Independent Non-Executive Director of the Company based on the following justification:

- a) *Dato' Foong fulfills the criteria of an Independent Director as stated in the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad, and therefore is able to bring independent and objective judgement to the Board;*
- b) *Dato' Foong experience in legal, corporate & commercial, and foreign Investment enables him to provide the Board with a diverse set of experiences, expertise, skills and competent;*
- c) *Dato' Foong has been with the Company for more than nine (9) years and therefore understands the Company's business operations which enables him to participate actively and contribute during deliberations and discussions, including at the Audit and Risk Management Committee (as a member), NRC (as the Chair of the Committee) and as the Chair at Board Meetings;*
- d) *Dato' Foong has devoted sufficient time and effort to participating in the Audit and Risk Management Committee, NRC, and Board Meetings and contributing to informed and balanced decision-making;*
- e) *Dato' Foong has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company; and*
- f) *Dato' Foong has no potential conflict of interest, whether business or non-business related with the Company.*

The Ordinary Resolution 9, if passed, will enable Dato' Foong who has served more than nine (9) years to be retained and continue to act as Independent-Non-Executive Chairman of the Company to be in line with the Board Charter of the Company, and the Malaysian Code on Corporate Governance. However, if this Ordinary Resolution 9 is not carried, Dato' Foong will remain on the Board as a Non-Independent Non-Executive Chairman of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1 There is no person seeking election as Director of Matang Berhad at this Annual General Meeting.

2. **General mandate for issuance of securities**

Kindly refer to Note 6 of the Explanatory Notes on Special Businesses - Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 under the Notes to the Notice of the Tenth Annual General Meeting for details of this proposed resolution.

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PROXY FORM

MATANG BERHAD
201501017043 (1142377-X)
(Incorporated in Malaysia)

CDS Account No. (for Nominees Account only)	
No. of shares held	

I/We, _____ NRIC/Passport No. _____ of
(FULL NAME IN BLOCK LETTERS)

_____ (FULL ADDRESS)

contact no. _____ email address _____ being a member/members of **Matang Berhad** ("**Company**") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Tenth Annual General Meeting ("**AGM**") of the Company which will be conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("**Broadcast Venue**") using the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("**TIIH**") via TIIH Online website at <https://tiih.online> on **Tuesday, 19 November 2024 at 10.00 a.m.**, or at any adjournment thereof:

PROXY 1	
Full Name (in capital letters):	NRIC/Passport No.:
Full Address:	Contact No.: Email Address:

*and/or

PROXY 2	
Full Name (in capital letters):	NRIC/Passport No.:
Full Address:	Contact No.: Email Address:

or failing him/her, the *CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Tenth AGM of the Company.

**Strike out whichever is not applicable*

My/Our proxy is to vote as indicated below:

Resolutions	Descriptions	FOR	AGAINST
	Ordinary Business		
No. 1	Approval of Directors' Fees of RM191,667.00 in respect of the financial year ended 30 June 2024		
No. 2	Approval of Directors' benefits (excluding Directors' fees) of up to RM138,600.00 for the financial period from 1 January 2025 to 31 December 2025		
No. 3	Re-election of Datuk Tew Boon Chin as Director		
No. 4	Re-election of Mr Tan Tuan Peng as Director		
No. 5	Re-appointment of BDO PLT as Auditors and to authorise the Directors to fix their remuneration		
	Special Business		
No. 6	Approval of first and final single-tier dividend of 0.16 sen per ordinary share for the financial year ended 30 June 2024		
No. 7	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		
No. 8	Proposed Renewal of Share Buy-Back		
No. 9	Retention of Dato' Foong Chee Meng as Independent Director		

Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this day of2024

For the appointment of two (2) proxies, the percentage of shareholdings to be represented by the proxies:

	No of shares	Percentage
.....	Proxy 1 _____	%
Signature/Common Seal of Member(s)	Proxy 2 _____	%
	Total	100%



NOTES:

1. The AGM of the Company will be conducted virtually through live streaming with online remote voting via the RPV facilities provided by TIIH. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Member(s), proxy(ies), attorney(s) or authorised representative(s) **WILL NOT BE ALLOWED** to attend the AGM in person at the Broadcast Venue on the day of the meeting. Members are to attend, speak (including posing questions via real time submission of typed texts) and vote (collectively "participate") remotely at the AGM via the RPV provided by TIIH. A member who has appointed a proxy or attorney or authorised representative to participate in this AGM via the RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via Tricor's TIIH Online website at <https://tjih.online>.

Please refer to the procedures set out in the Administrative Guide for the AGM to register, participate and vote remotely via the RPV.

For the purpose of determining a member who shall be entitled to attend and vote at the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 11 November 2024 and only a depositor whose name appears in the Record of Depositors shall be entitled to participate at AGM or to appoint proxy(ies) to participate on his/her behalf.

2. **Appointment of Proxy**

- A member of the Company who is entitled to attend and vote at this meeting shall be entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to participate in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an Exempt Authorised Nominee which 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 SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise the appointment shall not be valid.

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AFFIX
STAMP

The Registrar
MATANG BERHAD
201501017043 (1142377-X)
c/o Tricor Investor & Issuing House Services Sdn Bhd
197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

1st Fold Here

- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof:

In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tjih.online>. Please refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of Proxy Form via TIIH Online.

- Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar's office at the above address not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL/DULY CERTIFIED** certificate of appointment of authorised representative with the Share Registrar of the Company at the above address. The certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two (2) authorised officers, of whom one shall be a director; or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

