SMTRACK Berhad

2024 ANNUAL REPORT

STAYING A STEP AHEAD
FOR A BETTER FUTURE

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ANNUAL GENERAL MEETING

18th

Thursday
26 June 2025
11.00 a.m

Cipta Meeting Room, Level 15, Teedo Hotel, Pudu Sentral, 55100 Kuala Lumpur

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Proxy Form [enclosed]

CORPORATE INFORMATION

BOARD OF DIRECTORS

YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah Binti Almarhum Sultan Iskandar
Independent Non-Executive Chairman
Appointed on 1 November 2023

Dato' Sri Shaharuddin Bin Khalid
Independent Non-Executive Director, President
Re-designated on 1 November 2023

Datuk Seri Tan Choon Hwa
Non-Independent Non-Executive Director, Vice President

Datuk Mohd Idzwan Izuddin Bin Ab Rahman
Independent Non-Executive Director
Appointed on 1 July 2024

Chua Ser Terk
Independent Non-Executive Director

Datuk Azmi Bin Osman
Deputy Executive Chairman

Dato' Zaidi Bin Mat Isa @ Hashim
Non-Independent Non-Executive Director,
Re-designated on 4 January 2024

Chong Kai Wooi
Executive Director
Appointed on 2 January 2024

Mahnorizal Bin Mahat
Senior Independent Non-Executive Director

AUDIT & RISK MANAGEMENT COMMITTEE

Chairman
Mahnorizal Bin Mahat

Member
Chua Ser Terk
Dato' Sri Shaharuddin Bin Khalid

NOMINATION COMMITTEE

Chairman
Chua Ser Terk

Member
Mahnorizal Bin Mahat
Dato' Sri Shaharuddin Bin Khalid

REMUNERATION COMMITTEE

Chairman
Datuk Azmi Bin Osman

Member
Mahnorizal Bin Mahat
Chua Ser Terk

COMPANY SECRETARY

Wong Youn Kim (MAICSA 7018778)
SSM Practising Certificate No. 201908000410

REGISTERED OFFICE

Unit 11.07, Amcorp Tower Amcorp Trade Centre
18, Jalan Persiaran Barat
46050 Petaling Jaya, Selangor
Tel: (6017) 6229303
Fax: -

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd (378993-D)
11th Floor, Menara Symphony No. 5,
Jalan Professor Khoo Kay Kim,
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel: (603) 7890 4700
Fax: (603) 7890 4670
Email:
BSR.Helpdesk@boardroomlimited.com

AUDITORS

ChengCo PLT (AF 0886)
Wisma Cheng & Co
No. 8-1, 10-1 & 10-2, Jalan 2/114
Kuchai Business Centre
Off Jalan Klang Lama
58200 Kuala Lumpur, Malaysia
T: 603 7984 8988
F: 603 7984 4402

PRINCIPLE BANKERS

CIMB Bank Berhad (13491-P)

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: SMTRACK
Stock Code: 0169
Sector: Technology

CORPORATE PROFILE

SMTrack Berhad ("SMTrack") is a dynamic and innovative company that has been publicly listed on the ACE Market of Bursa Malaysia Securities Berhad since 2011. The company's Initial Public Offering ("IPO") saw on overwhelming response, with shares being over-subscription rates on the Malaysia Stock Exchange.

SMTrack's core business is rooted in the Information Technology ("IT") sector, where the company specializes in providing cutting-edge online tracking and trace solutions. By leveraging state-of-the-art Radio Frequency Identification ("RFID") technology, coupled with an advanced tracking engine known as SMTrack, the company has carved out a niche for itself in the realm of asset and logistics management. This platform has become synonymous with precision, efficiency, and reliability, helping businesses across various industries track and trace goods and assets with ease and accuracy.

In 2019, SMTrack made a strategic move to diversify its business portfolio by acquiring Asia Cargo Wings Sdn Bhd (formerly Citilink Aviation (M) Sdn Bhd), a subsidiary focused on airfreight services. The acquisition was driven by the growing demand for air cargo services, particularly at Kuala Lumpur International Airport ("KLIA"), a key logistics hub in Southeast Asia. SMTrack's fleet, which includes Boeing 737-400 series aircraft, is strategically positioned to minimize operating costs while maximizing revenue through efficient and reliable air cargo services. The company has also entered into a business collaboration with Cainiao, enhancing its capability to cater to the increasing demand for air cargo services, particularly for e-commerce transactions and the transportation of high-value goods.

Looking to the future, SMTrack anticipates stable growth in the air cargo sector, underpinned by the continued expansion of international trade and e-commerce, along with the increasing use of air cargo for shipping high-value, low-weight goods.

In 2022, SMTrack, a company primarily known for its operations in the tracking and technology sectors, expanded its business portfolio by entering the beauty and wellness industry. This strategic move was made through a partnership with Gan and GWT Wellness Sdn Bhd. As part of this agreement, SMTrack acquired a 30% equity stake in V Ultimate Sdn Bhd, a company involved in the beauty and wellness market. The value of this stake was RM18 million.

CORPORATE PROFILE
(Cont'd)

Furthermore, SMTrack is currently in the process of further consolidating its position in the wellness sector. The company is actively working toward taking full control of V Ultimate Sdn Bhd by acquiring the remaining 70% of the company's shares, ultimately bringing its total stake in V Ultimate to 100%. This acquisition would mark a significant step in SMTrack's expansion strategy and solidify its presence in the beauty and wellness market.

In 2023, SMTrack broadened its portfolio again by venturing into property development, oil and gas ("O&G"), and food and beverage ("F&B") businesses. This diversification is aligned with the company's strategic goal of expanding its revenue streams and creating a more resilient and diversified business model.

1. **Property Development**: SMTrack's entry into property development is driven by the optimistic outlook for the sector, which is recovering post-pandemic. The company sees significant potential for generating new income streams and building a stable income base through this sector, which is experiencing a rebound due to the reopening of the economy and national borders.

2. **Oil & Gas ("O&G")**: In the O&G industry, SMTrack aims to improve its financial performance and reduce its reliance on its existing businesses by tapping into the lucrative support services segment. The company's expansion into O&G is expected to help broaden its service offerings and enhance long-term growth prospects.

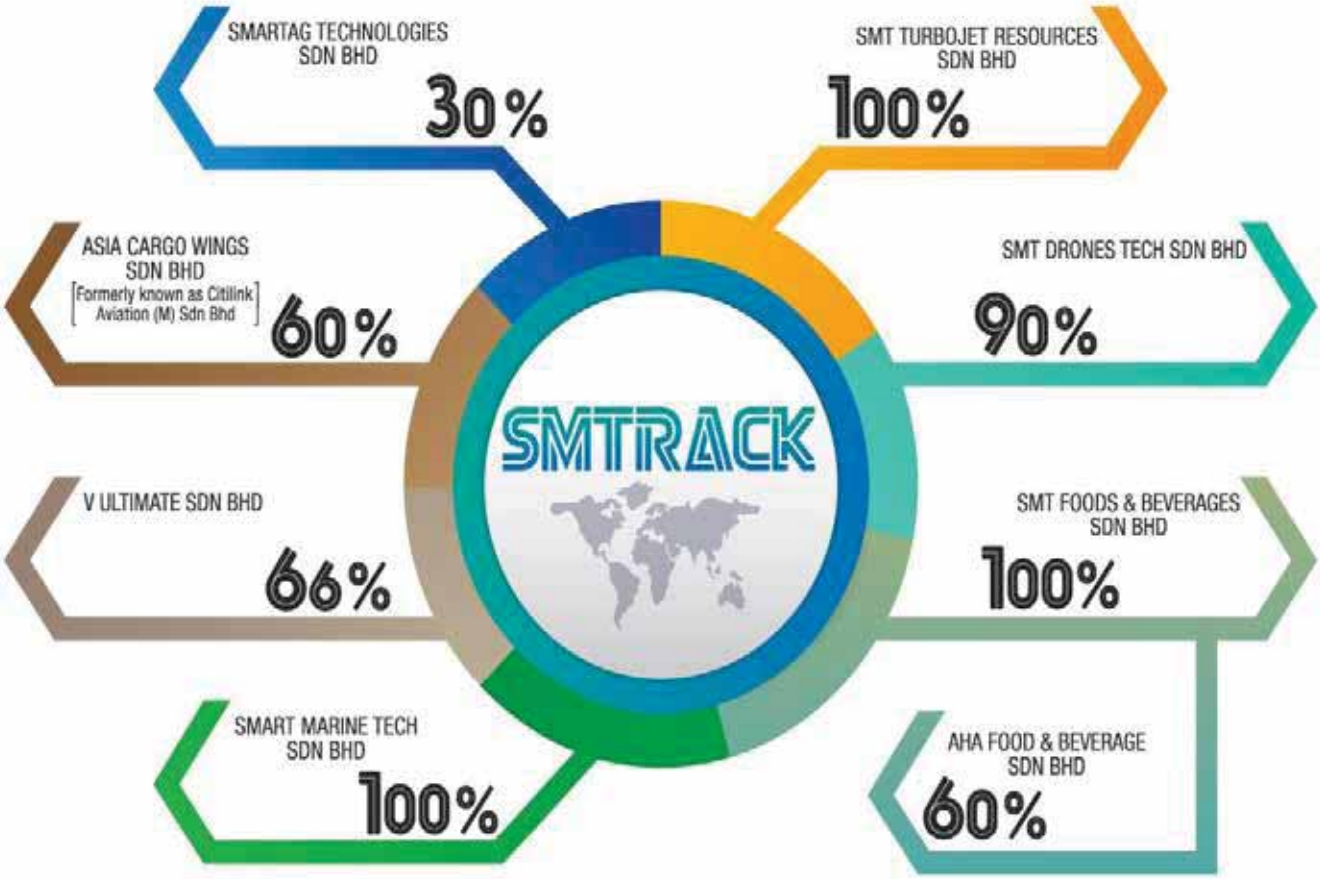
3. **Food & Beverage ("F&B")**: The F&B business is anticipated to be one of SMTrack's more stable ventures. Given the growing consumer demand for food services and the company's strategic approach, SMTrack believes that its F&B segment will contribute positively to its earnings. Furthermore, the company benefits from a profit guarantee stipulated under a Share Sale and Purchase Agreement (SSPA), ensuring a stable income flow from this new business division.

Conclusion:

SMTrack Berhad's journey from a technology-based tracking solutions provider to a diversified conglomerate in various industries such as airfreight, beauty and wellness, property development, O&G, and F&B exemplifies its adaptability and foresight in identifying and capitalizing on emerging business opportunities. By continuously exploring new sectors with high growth potential, SMTrack is positioning itself for sustainable long-term success while ensuring that it remains competitive in an ever-changing market landscape.

GROUP STRUCTURE

The corporate structure of SMTrack and its subsidiaries and jointly controlled entity ("Group") it as follows:



LETTER TO SHAREHOLDERS

"The Group recorded a revenue of RM23.131 million for the financial period ended 31 December 2024, as compared to RM15.988 million registered in the financial period ended 30 June 2023. This represents an increase of RM7.143 million or approximately 44.7%."

Dear Shareholders,

On behalf of the Board of Directors, I would like to take this opportunity to express our heartfelt gratitude for your continued support and confidence in SMTrack Berhad. As we reflect on the year that has passed, we acknowledge the challenges we have encountered, as well as the significant progress we have made in strengthening our position across various industries.

Our commitment to creating long-term value for all stakeholders remains steadfast. Through strategic diversification, operational efficiency enhancements, and sustainable business practices, we have made notable strides in advancing our core operations and identifying new growth opportunities.

SMTrack Berhad, a company specializing in radio frequency identification ("RFID") solutions and airfreight services, has been actively pursuing strategies aimed at enhancing operational efficiency, financial stability, and stakeholder value.

Operational Efficiency and Financial Strategies

In line with our commitment to improving financial performance, SMTrack has implemented various measures to reduce costs and boost operational efficiency. These efforts are part of a broader strategy to strengthen the company's financial position and achieve sustainable profitability. Regular evaluations of these strategies are conducted to ensure they are effective in delivering value to all stakeholders.

Recent Developments

- **Acquisition of V Ultimate Sdn. Bhd.:** On October 31, 2023, SMTrack entered into a Heads of Agreement to acquire the remaining 70% equity in V Ultimate Sdn. Bhd. for RM55 million. This acquisition aims to make V Ultimate a wholly-owned subsidiary of SMTrack, further expanding our presence in the growing beauty and wellness industry.
- **Debt Settlement and Share Issuance:** In June 2024, SMTrack agreed to issue 218 million new shares at 3.5 sen per share to settle a debt of RM7.63 million owed by its subsidiary, SMT Turbojet Resources Sdn. Bhd., to Southborn Capital Sdn. Bhd., a subsidiary of CN Asia. This strategic move has resulted in CN Asia becoming the largest shareholder in SMTrack, with a 14.2% stake.

Financial Performance

For the financial period ended 31 December 2024, SMTrack Berhad reported a revenue of RM23.131 million, marking a 44.7% increase compared to RM15.988 million recorded in the previous financial period ended 30 June 2023. Despite the improved top-line performance, the Group registered a net loss of RM39.051 million, reflecting ongoing challenges in managing operational costs and achieving profitability. The loss was primarily attributed to higher administrative expenses and finance costs during the period.

Strategic Focus

Looking ahead, SMTrack Berhad remains committed to strengthening its core business pillars, with a continued focus on RFID-based technologies, logistics, airfreight services, and expansion into the beauty and wellness sector. The Group aims to capitalise on growth opportunities in high-potential industries such as food and beverage ("F&B") and beauty and wellness, leveraging market trends and rising consumer demand to diversify its revenue streams. Strategic initiatives include exploring new markets, forging key partnerships, and enhancing operational efficiency through digitalisation and resource optimisation. These efforts are aligned with the Group's broader objective of achieving sustainable profitability and delivering long-term value to shareholders.

Acknowledgments

The Board of Directors would like to extend our sincere gratitude to fellow board members for their valuable advice and contributions, as well as to our staff and management for their unwavering dedication. We also wish to express our appreciation to our customers, shareholders, and financial institutions for their continued support and confidence in SMTrack.

Thank you for your ongoing commitment to the growth and success of SMTrack Berhad.

Further information of SMTrack's performance in the financial year is detailed in the Management Discussion and Analysis on page 8.

YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

On behalf of the Board of Directors of SMTrack Berhad, it is with great pleasure that I present to you the Management Discussion and Analysis ("MDA") for the Group. The aim of this MDA is to provide our shareholders with a comprehensive overview of the Group's business, operations, financial performance for the year 2024, and insights into the outlook for the year 2025.

OVERVIEW

SMTrack Berhad is a company listed on the ACE Market of Bursa Malaysia Securities Berhad, operating within the technology equipment subsector. As at 31 December 2024, the Company had an issued share capital of RM119,856,139.85, comprising 1,321,471,800 ordinary shares. It is important to note that, following recent corporate regulatory amendments, the concepts of "authorised share capital" and "par value" have been abolished in accordance with the latest provisions under the Companies Act 2016.

As we move forward, the Group remains committed to delivering value to our shareholders and stakeholders by leveraging innovative solutions within the technology sector, aiming to enhance both operational efficiencies and overall market competitiveness.

FINANCIAL RESULTS REVIEW

The financial performance of SMTrack Berhad for the fiscal year 2024 reflects the Group's strategic initiatives, operational improvements, and market conditions. We have remained resilient amidst challenges and have made significant strides towards achieving our growth objectives. Below is a detailed review of the Group's key financial metrics:

Revenue

SMTrack Berhad achieved a revenue of RM23,131,248 for the financial period ended 31 December 2024, representing a 44.7% increase compared to RM15,987,743 recorded in the previous financial period ended 30 June 2023. The growth in revenue was driven by the robust expansion of the food and beverage ("F&B") and beauty and wellness sectors, which experienced higher consumer demand and increased commercial activity during the period. This sectoral growth positively impacted the Company's revenue performance, supported by strategic positioning and strengthened engagement with key clients in these industries.

The Group's other payables increased by RM5.25 million to RM11.33 million as at 31 December 2024, compared to RM6.08 million as at 30 June 2023. As at 31 December 2024, the Group recorded short-term borrowings of RM7.00 million and long-term borrowings of RM2.05 million. Despite these obligations, the Group maintains sufficient funds to meet its working capital requirements.

BUSINESS OVERVIEW, GROWTH & STRATEGY

The Group is principally involved in RFID solutions products. The products are highly in demand due to its uniqueness in design and not much competitive products in the market. The Company aim to diversify into other market segment in order to increase the Group revenue. Initiatives are being planned to increase the staffs in sales and marketing department. Though it is in a planning stage, the Group is optimistic that by increasing staff, more sales will be registered and is a boost to Company's aspiration to become regional RFID solution providers.

FUTURE PROSPECTS

The Management will continue its efforts on operational efficiency and effective cost management in order to maintain the Group's competitive edge in the RFID industry. Besides maintaining the RFID businesses, the Group will continue to seek new business opportunities and projects in other sector in order to diversify the revenue base. The Group has acquired majority stake in an entity that is involved in the aviation. The Group is positive that with the acquisition, its revenue will be enhanced in future.

It is expected that this year is a tough year for most companies in Malaysia after change of new government. But the Group is very optimistic towards the Malaysia economic outlook for the ensuring year. Moving forward, we expect the financial performance of the Group will be improved by gradual executing the Group's strategic businesses.

DIRECTORS' PROFILE

YAM TUNKU DR. KAMARIAH MAIMUNAH BINTI ALMARHUM SULTAN ISKANDAR

Independent Non-Executive Chairman

AGE 69 **FEMALE** **MALAYSIAN**

YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah Binti Almarhum Sultan Iskandar was appointed to the Board on 1 November 2023.

YAM Her Highness Tunku Dr. Kamariah Aminah Maimunah Iskandariah, Tunku Puteri Johor, is the eldest daughter of the late Sultan Iskandar Ibni Almarhum Sultan Ismail and the late Enche' Besar Hajah Khalsom binti Abdullah of Torquay, England.

Her Highness received her early education at Convent of the Holy Infant Jesus, Johor Bahru. She later continued her secondary education at Abbotsleigh, Wahroonga, New South Wales, Australia, before returning home to complete her secondary schooling at Sekolah Tun Fatimah, Johor Bahru.

Her Highness holds an Interior Design Certificate from Sydney, Australia, and a Bachelor of Interior Architecture degree with 1st Class Honours from the University of Limkokwing, Kuala Lumpur. In 2018, Her Highness was awarded an Honorary Doctorate in Creative Leadership from the University of Limkokwing, her alma mater.

In her philanthropic efforts, Her Highness has dedicated much of her life to supporting those in need. She is a trustee of the Iskandar Foundation, which supports underprivileged postgraduate scholars, and serves as the patron of the Protect and Save the Children Association of Selangor and Kuala Lumpur, an organization focused on supporting sexually abused children. Furthermore, Her Highness is an ambassador for the Asian Liver Center at Stanford University in the United States.

Her Highness is also a prominent figure in Malaysia's corporate world, particularly in the fields of construction, development, and agriculture. One of her significant achievements is the Iskandar Putri Commercial Centre in Johor.

She does not have any family relationship with any Director and / or major shareholder of the Company. She has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

DIRECTORS' PROFILE
(Cont'd)

DATUK AZMI BIN OSMAN

Deputy Executive Chairman

AGE 49 **MALE** **MALAYSIAN**

Datuk Azmi Bin Osman was appointed to the Board on 9th November 2017, he redesignated as Executive Chairman on 22nd November 2018 and subsequently re-designated as Deputy Executive Chairman on 8th October 2020. He is currently the Chairman of the Remuneration Committee.

Datuk Azmi holds a Bachelor of Arts in Accountancy from the University of Humberside, Hull, United Kingdom. He is Fellow of Chartered & Certified Accountant, Member of the Malaysian Institute of Accountants ("MIA") and a member of the Association of Chartered Certified Accountants ("ACCA") and Mongolian Institute of Certified Public Accountants.

His career began in 2000 as a Team Leader and Country Director with KPMG Kuala Lumpur. From 2006 to 2009, he was the Audit Partner at Tentsver Orgil Audit LLC. He then became the Managing Partner and Shareholder of CNM Audit LLC, serving from 2010 to 2014.

In 2014, he left CNM Audit LLC to join Asian Metal Exploration Consultancy Sdn Bhd as the Chief Financial Officer until 2016. From 2016 to 2017, he served as the Financial Adviser for Malaysia Smelting Corporation Berhad.

Currently, Datuk Azmi is the Managing Partner of ABO Consultancy Sdn Bhd, Advisor at Crowe Horwath Mongolia TMZ LLC, and Managing Partner of Wall Bridge Consulting LLC.

He also sits on the Board of Jiankun International Berhad.

He does not have any family relationship with any Director and / or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

DIRECTORS' PROFILE
(Cont'd)

DATO' SRI SHAHARUDDIN BIN KHALID

Independent Non-Executive Director, President

AGE 65 **MALE** **MALAYSIAN**

Dato' Sri Shaharuddin Bin Khalid was appointed to the Board on 8th October 2020 and subsequently redesignated as Chairman on 19th October 2020. He holds a Master in Criminal Justice from the University of New Haven, Connecticut, USA, and a Bachelor degree in Literature from the University of Malaya.

With over 40 years of experience in the road transport industry and anti-corruption efforts, Dato' Sri Shaharuddin's most recent role was as the Director General of the Road Transport Department of Malaysia, where he led the department's integrity, financial management, administration, and operations.

Dato' Sri Shaharuddin's career began in 1984 as an Investigation Officer with the Malaysian Anti-Corruption Commission ("MACC"). In 2004, he was promoted to the Director of MACC, serving in this capacity until 2006. From 2010 to October 2016, Dato' Sri served as the Acting Chief Compliance Officer at the Integrity Management and Compliance Office of Felda Global Ventures Berhad.

Later, from November 2016 to September 2017, he served as the Chief Executive Adviser at the Legal Advisor's Office, the Office of the Chief Commissioner of the Malaysian Anti-Corruption Commission ("SPRM"), before being appointed Director General of the Road Transport Department Malaysia.the Director of MACC in 2004 and held the position until 2006. Dato' Sri was appointed as the Acting Chief Compliance Officer at Integrity Management and Compliance Office, Felda Global Ventures Berhad from 2010 to October 2016. From November 2016 to September 2017, Dato' Sri was the Chief Executive Adviser at Pejabat Penasihat Undang-Undang, Pejabat Ketua Pesuruhanjaya SPRM and Pejabat Ketua Pesuruhanjaya, SPRM Head Quarter which was later on promoted as the Director General of Road Transport Department Malaysia.

Throughout his tenure with both the MACC and the Road Transport Department, Dato' Sri was pivotal in enforcing and administering traffic laws, developing and managing an effective, safe registration and licensing system, ensuring the integrity of the department, and ensuring the efficient and prompt collection of fines.

He does not have any family relationship with any Director and / or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

DIRECTORS' PROFILE
(Cont'd)

CHONG KAI WOOI
Executive Director,

AGE 54 MALE MALAYSIAN

Chong Kai Wooi, was appointed as an Executive Director on 2nd January 2024. He holds a Bachelor of Computer Science from the University of Humberside, Hull, United Kingdom.

With 30 years of experience in global multinational corporations, Chong Kai Wooi has held leadership roles encompassing business leadership, sales leadership, people leadership, and technology leadership across various industries, particularly in telecommunications, government institutions, and high-technology enterprises.

Chong Kai Wooi was formerly the Managing Director of NEC Corporation Malaysia, where he managed an annual turnover of 100 Oku Yen and a workforce of over 300 employees nationwide. Prior to this, he played a key role in planning and executing strategy for Hewlett Packard Enterprise ("HPE") in the telecommunications segment, covering consulting practices across 13 countries in the ASEAN, Taiwan, and Hong Kong regions.

Known for his objective-oriented approach, principled leadership, and strong focus on profitable growth, Kai Wooi has built businesses and teams across numerous organizations, both in Malaysia and throughout the Asian region.

At NEC Malaysia, he led the company to unprecedented growth by transforming it from a product-centric to a services-led organization. His efforts in employee engagement resulted in steady year-on-year improvement, with the company achieving an engagement score of 79% in 2022, well above the industry norm.

He does not have any family relationship with any Director and / or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

DIRECTORS' PROFILE
(Cont'd)

DATUK MOHD IDZWAN IZUDDIN BIN AB RAHMAN

Independent Non-Executive Director, Vice President

AGE 44 **MALE** **MALAYSIAN**

Datuk Mohd Idzwan Izuddin Bin Datuk Ab Rahman, a Malaysian national, was appointed to the Board as an Independent Non-Executive Director on 1st July 2024.

Datuk Mohd Idzwan brings over 15 years of experience in the financial and investment industry, with a proven track record in leadership and strategic management. He holds a Bachelor Degree in Information Systems from Universiti Teknologi MARA (2001) and a Master Degree in Computer Science/Information Technology from the University of Salford, United Kingdom (2002).

Datuk Mohd Idzwan began his professional career in the financial sector with CIMB Bank Berhad, where he served as Regional Vice President in 2009. During his tenure, he was actively involved in a range of regional projects and was entrusted with the role of Regional Consumer Exposure for the CIMB Group in Malaysia.

In 2012, he was appointed as Chief Marketing Officer of Malaysia Building Society Bank ("MBSB"). He later joined McKinsey & Co. in 2014 as a Business Consultant and subsequently served as Head of Product & Business Development. His consulting portfolio includes contributions to the largest Islamic merger in Southeast Asia, the CIMB E-Commerce and Fintech project with Hong Leong Bank Berhad. In 2015, he was appointed Director of Strategy at Hong Leong Bank Group.

Presently, Datuk Mohd Idzwan held several senior executive positions, including Executive Director at Bintai Kinden Corporation Berhad and Invesco Capital Management Berhad, Director of CDMH Capital Sdn Bhd. He holds two Capital Market Services Licenses under the Securities Commission Malaysia—Module 9 and Module 10.

Beyond his corporate endeavors, Datuk Mohd Idzwan has demonstrated a strong commitment to national service. On 30th September 2024, Datuk Mohd Idzwan was appointed as the Chairman of PMB Investment Berhad, a leading Islamic fund management company under Pelaburan MARA.

Most recently, on 15 January 2025, he was appointed Executive Vice Chairman of Handal Energy Berhad, where he also holds a significant equity stake in Handal Energy Berhad.

He does not have any family relationship with any Director and / or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

DIRECTORS' PROFILE
(Cont'd)

MAHNORIZAL BIN MAHAT

Senior Independent Non-Executive Director

AGE 49 MALE MALAYSIAN

Mahnorizal Bin Mahat was appointed to the Board on 8th November 2019. He is currently the Chairman of the Audit and Risk Management Committee and the Nomination Committee, and a Member of the Remuneration Committee.

Mahnorizal holds a Bachelor's Degree in Accounting from the University Tenaga Nasional. He began his career in 2002 as an Executive in the Sales and Marketing Department at RHB Bank Berhad, before moving on to become a Manager in the Corporate Finance Department with MCCM Management Sdn. Bhd., where he was involved in financial restructuring with 23 financial institutions, a role he held until 2009.

From May 2009 to October 2011, Mahnorizal worked in various departments at a premier logistics company and DRB-Hicom Berhad, focusing on strategy, business development, and operational restructuring. In November 2011, he joined Kontena Nasional Global Transport Sdn Bhd as the Chief Operating Officer. He later joined Malaco Mining Sdn Bhd as the Financial Controller until 2020. He then serves as a General Manager for Citaglobal Sdn. Bhd and subsequently joined Aramco Overseas company, a Joint Venture company between Aramco and Petronas Berhad, as a Business Manager.

Additionally, Mahnorizal serves as the Subject Matter Expert for Front and Sullivan Malaysia Sdn. Bhd., a role he continues to hold. His areas of expertise include advisory and consultancy services, finance related matters, operational efficiency, business development and business realignment. Furthermore, he is a Certified Defensive Driving Trainer and Transport Safety Management professional for a major oil and gas company.

He does not have any family relationship with any Director and / or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

DIRECTORS' PROFILE
(Cont'd)

DATO' ZAIDI BIN MAT ISA @ HASHIM

Non-Independent Non-Executive Director

AGE 56 **MALE** **MALAYSIAN**

Dato' Zaidi was appointed to the Board on 30th September 2020, Dato' Zaidi was redesignated as Executive Director on 15th July 2021. He is currently a Member of the Remuneration Committee.

Dato' Zaidi obtained his early education at the prestigious Sultan Abdul Hamid College, Alor Setar, before continuing his tertiary education at Universiti Malaysia Pahang, where he achieved a Master of Business Administration ("MBA").

As an experienced entrepreneur and dynamic corporate figure, Dato' Zaidi has amassed over twenty years of experience in senior roles across both private and public listed entities. He has been significantly involved in the local corporate scene and has built a distinguished career in various industries.

In recent years, Dato' Zaidi has been appointed as Chairman of the Board of Directors for Metronic Global Berhad, and also serves as a Chairman for Key Alliance Group Berhad and Board Members for APFT Berhad, all of which are listed on the Main Board of Bursa Malaysia. Additionally, he holds private interests as Chairman of MBB Global Berhad. Dato' Zaidi also serves as Director of NWP Holdings Berhad.

One of Dato' Zaidi's most recent corporate milestones came in 2020, when he joined SMTrack Berhad as a Director, overseeing governmental relations as well as public and private sector markets.

In addition to his role at SMTrack, Dato' Zaidi also sits on the Board of Zen Tech International Berhad.

He does not have any family relationship with any Director and / or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

DIRECTORS' PROFILE
(Cont'd)

CHUA SER TERK

Independent Non-Executive Director

AGE 44 MALE MALAYSIAN

Chua Ser Terk was appointed to the Board as an Independent Non-Executive Director on 25th November 2022. He is currently the Chairman of the Nomination Committee and a member of both the Audit and Risk Management Committee and the Remuneration Committee.

Chua Ser Terk is a practicing chartered accountant and holds licenses as a GST Tax Agent, Income Tax Agent, and Company Auditor, all issued by the Ministry of Finance.

With over 20 years of experience working in multinational corporations and public practices, Chua has developed a diverse set of expertise in areas such as income tax and goods and services tax ("GST") advisory, tax compliance, auditing, corporate secretarial consultancy, and business advisory services.

He is an active member of several prestigious accounting and tax organizations, including the Malaysian Institute of Accountants ("MIA"), ASEAN Chartered Professional Accountants ("ACPA"), Chartered Tax Institute of Malaysia ("CTIM"), The Malaysian Institute of Certified Public Accountants ("MICPA"), and Association of Chartered Certified Accountants ("ACCA"). He is also a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

In 2010, Chua obtained the Teach ACCA Qualification and a Train the Trainer ("TTT") exemption from Perbadanan Sumber Manusia Berhad ("PSMB") with Certificate No.: EMP / 1965.

Chua has contributed to the development of numerous professionals through in-house and public training sessions on topics such as tax compliance, GST, corporate secretarial subjects, accounting, and accounting software. As a professional trainer, he ensures that his training aligns with real-world experiences, tailoring programs to meet the specific needs of organizations and delivering them effectively.

Since 2014, Chua has successfully trained over 15,000 professionals across various industries, including agriculture, franchising, licensing, investment holdings, manufacturing, education, and services and retail.

In addition to his corporate and training achievements, he was a finalist in the 2017 National Investment Banking Competition ("NIBC") in Canada. NIBC is the first and largest investment banking competition in the world.

He does not have any family relationship with any Director and / or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

DIRECTORS' PROFILE
(Cont'd)

DATUK SERI TAN CHOON HWA

Non-Independent Non-Executive Director, Vice President

AGE 68 **MALE** **MALAYSIAN**

Datuk Seri Tan Choon Hwa was appointed as Non-Independent Non-Executive Director and Vice President on 7th January 2022. Datuk Seri Tan is an experienced businessman with over twenty (20) years of expertise across various industries, including timber, mining, hotel resorts, housing, land development, and finance investment holding.

He is the Executive Chairman of TCH Resources Group and holds directorship positions in Wazlian Group. Additionally, he is the Vice President of TA Group and IBG Group. Datuk Seri Tan also holds several prominent chairmanships in various associations, including serving as the President of the Malaysia-China Chamber of Commerce (Kelantan), Vice President of the Malaysia-Guangzhou Investment Association, and Advisor to both the Hong Kong Chamber of Commerce and the ASEAN Chamber of Commerce (Thailand).

Currently, Datuk Seri Tan sits on the boards of Metronic Global Berhad, CN Asia Corporation Berhad. He also serves as the Advisor to Gunung Capital Berhad and the Vice Chairman of Gunung Resources Sdn Bhd, a wholly-owned subsidiary of Gunung Capital Berhad.

He does not have any family relationship with any Director and / or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries

Notes to Directors' Profile:

1. Family Relationship
   None of the Directors have family relationship with any Director and/or major shareholders of the Company.
2. Conflict of Interest
   None of the Directors have any conflict of interest with the Company.
3. Conviction of Offences
   None of the Directors have any conviction for offences other than traffic offences within the past 5 years.
4. Attendance at Board Meetings
   The details of the Directors' Attendance at Board Meetings are set out on page 31 of this Annual Report.
5. Shareholdings
   The details of the Directors' interest in the securities of the Company is set out on page 114 of this Annual Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ABOUT THIS REPORT

SMTrack Berhad ("SMTrack") is proud to present our Annual Sustainability Statement ("SS2024") for the financial period ended 31 December 2024. This SS2024 details our organisation's commitment to sustainability, addressing our responsibilities across environmental, social and governance factors. It includes an overview of the management of material sustainability topics for the Group and other key sustainability initiatives undertaken during the reporting period.

OUR SUSTAINABILITY JOURNEY

As sustainability continues to be a critical aspect for businesses across all industries, we at SMTrack have also recognized the growing importance of identifying the sustainability risks relevant to our businesses. As a responsible corporate citizen, we are committed to aligning our sustainable practices with the United Nations' Sustainability Development Goals ("UNSDG"), demonstrating our dedication to contributing to a more sustainable and equitable future.

Looking ahead, our company's future trajectory hinges on embedding sustainability as a core strategic pillar. As a listed corporation, we are committed to enhancing our narrative on material economic, environmental, and social risks and opportunities, ensuring it remains balanced, comparable, and meaningful for all stakeholders.

To achieve this, we will prioritize building a robust governance mechanism that facilitates the proactive identification of sustainability risks and opportunities, the determination of material sustainability matters, and the implementation of effective policies and procedures. We will further refine our sustainability performance measurement by establishing clear, relevant indicators and ensuring strict alignment with evolving regulatory reporting requirements. This proactive approach will not only strengthen our resilience but also solidify our position as a leader in sustainable business practices, driving long-term value creation.

In line with the latest announcement of National Sustainability Reporting Framework ("NSRF"), we at SMTrack is committed to achieving the following in the coming years as portrayed in the timeline below:

2025-2026
Adoption of sustainability reporting in accordance to Bursa Malaysia's Ace Market Listing Requirements ("AMLR") as per Guidance Note 11A.

2027-2029
Partial adoption of IFRS S1 & S2 for sustainability reporting, in line with timeline as stipulated under both NSRF and AMLR.

2030
Full adoption of IFRS S1 & S2, which includes a full disclosure on the Group's Scope 3 GHG emissions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE
(Cont'd)

MANAGEMENT OF SUSTAINABILITY MATTERS
SUSTAINABILITY GOVERNANCE

Effective sustainability governance is paramount for managing associated risks and opportunities. The Board of Directors holds ultimate accountability for driving the sustainability agenda, overseeing all related initiatives, and ensuring alignment with the Group's strategic direction.

Recognizing that sustained growth and improvement in sustainability performance require active participation, we are committed to fostering a culture of engagement across all levels of the organization. Moving forward, we plan to establish a dedicated Sustainability Working Group ("SWG"), comprising Heads of Departments and business unit representatives, to implement sustainability initiatives, collect data for monitoring and continuous improvement, and report directly to the Board. This formalized structure will strengthen our governance framework and ensure the consistent and effective execution of our sustainability strategy.

For the current year, our focus areas, identified as material sustainability matters are the following:

ENVIRONMENTAL	SOCIAL	GOVERNANCE
• Resource Management	• Employee Well-being • Contributions to Local Communities	• Anti-Bribery & Corruption

ENVIRONMENTAL

RESOURCE MANAGEMENT

Recognizing the environmental impact of our operations, particularly in natural resource consumption such as electricity and water, we are committed to responsible stewardship. Aligning with UNSDG 12 "Responsible Consumption and Production" and UNSDG 13 "Climate Action," we strive to manage our consumption levels effectively and eliminate unnecessary usage.

We continuously monitor electricity usage across our premises and offices, prioritizing energy-saving LED lighting installations wherever feasible. Water, a critical resource, is managed with diligence to ensure business continuity amidst sustainability risks like water contamination and tariff increases.

To further enhance our sustainability practices, we are developing robust data collection methodologies for these key resources, enabling us to track and improve our performance.

SOCIAL

EMPLOYEE WELL-BEING

Our employees are the foundation of our success, and their well-being is paramount. We are dedicated to providing a safe and healthy working environment, aligning with UNSDG 3 "Good Health and Well-being." Recognizing the direct correlation between employee satisfaction and productivity, we foster a positive workplace that encourages growth and open communication. Regular forums and meetings facilitate feedback and idea exchange, contributing to a collaborative and responsive culture. To strengthen team cohesion and show appreciation, we organize employee engagement activities, such as annual dinners. Looking forward, we plan to implement more comprehensive wellness programs and explore flexible work arrangements to further enhance employee well-being.

We uphold a non-discriminatory hiring and promotion policy, aligning with UNSDG 5 "Gender Equality" and UNSDG 8 "Decent Work and Economic Growth," ensuring equal opportunities for all, including women in management and persons with disabilities. In the future, we aim to establish measurable targets for diversity and inclusion, and implement mentorship programs to support career advancement for underrepresented groups. We are committed to a workplace where everyone is treated with dignity and respect, enforcing our Sexual Harassment at the Workplace Policy to prevent intimidation, oppression, and exploitation. We will continue to review and enhance our policies to ensure they remain effective and relevant.

Furthermore, we invest in our employees' development, providing training aligned with UNSDG 4 "Quality Education" to enhance their skills and knowledge. We are also planning to incorporate ESG training into our programs, promoting awareness and understanding of sustainability principles throughout the organization. Moving forward, we will develop personalized learning paths and utilize technology to provide accessible and engaging training opportunities, including expanded ESG curricula.

CONTRIBUTION TO LOCAL COMMUNITIES

At SMTrack, we believe in building trust and fostering strong relationships with local communities, creating mutually beneficial partnerships. We are committed to making a positive impact by supporting initiatives that foster community development, well-being, and sustainability, striving to make a meaningful difference in the people's lives.

Over the years, we have actively supported various Parent-Teacher Associations ("PIBG") of schools, contributing to diverse programs. Our support has included providing aid to flood victims, assisting With food costs, and participating in programs like "Mesra Insan" demonstrating our dedication to addressing immediate needs and promoting long-term community well-being.

Contribution to Maahad Tahfiz Riyadhul Jannah for the purchasing of food supplies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE
(Cont'd)

GOVERNANCE

ANTI-BRIBERY AND CORRUPTION

Ethical business practices are a cornerstone of the Group's working culture and operations as it builds trust between us and our customers, business partners and also employees. In line with UNSDG 16 "Peace, Justice and Strong Institutions", we are committed to ensuring that the values of transparency and accountability is upheld in all of our business dealings.

All of our directors are bound by our Code of Conduct and Ethics, which establishes a standard of behaviour for all directors in relation to duty of care, integrity, responsibility and corporate social responsibility. The Group is also committed to the requirements of corporate liability established through Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

Furthermore, we have an established Whistleblowing Policy applicable to all employees that offers a confidential and responsible method for reporting concerns without fear of reprisals. Whistleblowers are encouraged to communicate their concerns to the Investigative Officer as outlined in the policy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Malaysian Code of Corporate Governance defines corporate governance as "the process and structure used to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interests of the other stakeholders."

The Board of Directors remains committed to subscribe to the principles of good corporate governance that is central to the effective operation of the Company and to ensure the highest standards of accountability and transparency. The Board supports the Corporate Governance Framework and continues to improve existing practices and achieve the objectives of the Company.

The Board is pleased to set out below the manner in which the Group has applied the three main principles in the Malaysian Code on Corporate Governance ("MCCG") during the financial period ended 31 December 2024. This statement is prepared in compliance with Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("AMLR") and it is to be read together with the CG Report 2024 of the Company which is available on SMTrack's website at www.smtrackberhad.my

CLEAR ROLES AND RESPONSIBILITIES

Board of Directors

The Board's pivotal role is to lead and establish the Group's vision, provision of strategic direction, formulation of policies and enhancement of resources for the Group. The Board takes into consideration the interests of all stakeholders in the decision-making process so as to ensure the Group's objectives of creating long term shareholder value are met. An effective Board is the one that made up of a combination of Executive Directors with intimate knowledge of the business and non-executive directors from diversified industry/business background to bring broad business and commercial experience to the Group. The Group is led by a strong and experienced Board under the Chairman. The Board placed great importance on the balance of its Independent Directors where they serve as an essential source of impartial and professional guidance to protect the interest of the shareholders.

The Independent Non-Executive Directors are professionals of high caliber and credibility who play pivotal role in corporate accountability by contributing their knowledge, advice and experience towards making independent judgment on issues of strategies, performance, resources and standards of conducts. None of the Directors of the Company hold more than five (5) directorships of listed companies as provided under Rule15.06 of the AMLR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

Board Role and Responsibilities

The Board consists of nine (9) members comprising one (1) Independent Non Executive Chairman, one (1) Deputy Executive Chairman, one (1) Executive Director, two (2) Non-Independent Non-Executive Director and five (4) Independent Non-Executive Directors. This is in compliance with the AMLR which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. The Chairman of the Board is not a member of any Board Committees which applied to the new Practice of MCCG 2021.

The Board is primarily responsible for charting and reviewing the strategic direction of the Group. The Board delegates and monitors the implementation of these directions to the management.

The responsibilities of the Board are inclusive of but not limited to:

- Reviews and adopts a strategic and business plan for the Group;
- Oversees the conduct of the Group's business and evaluates whether the business is being properly managed;
- Identifies principal risks and ensure the implementation of appropriate systems to manage these risks in order to achieve a proper balance between risk incurred and potential returns to shareholders;
- Reviews the adequacy and the integrity of the Group's internal control systems for compliance with the applicable laws, regulations, rules, directive and guidelines. The Board ensures that there is a satisfactory reporting framework on internal financial controls and regulatory compliance;
- Examines its own size and composition to determine the impact on the Board's effectiveness. The Board ensures it has enough Directors to discharge its responsibilities and perform its functions;
- Receives and seeks relevant information for the assessment of the performance of the Group;
- Establishes the Group's authority limits which outline the materiality of any transaction entered into by the Group and determine its approving authorities; and
- Ensures that the Group's financial statements are true and fair, and comply with all applicable laws and governmental regulations applicable to the Group's business and its conduct.

The Board retains full and effective control of the Group and has developed corporate objectives and position descriptions including the limits to Management's responsibilities, which the Executive Director is aware and is responsible for meeting. The Board had an understanding of matters reserved to itself for decision, which includes investment policy, approval for major capital expenditures, strategic planning, overseeing financial and operational performance, monitoring risk management processes, merger and acquisition activities and reviewing the adequacy of internal control systems.

The presence of Independent Non-Executive Directors provides a good complementing role to ensure a balance of power and authority. The role of Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and examined as they provide unbiased and independent views, advice and judgment to take account of interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the many communities in which the Group conducts business

Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subject to approval by the Board. None of the members of the Board has unfettered powers of decision.

The Board is confident that its current size and composition is sufficient and effective in discharging the Board's responsibilities and in meeting the Group's current needs and requirements.

All the Directors have given their undertaking to comply with the Listing Requirements and the Independent Directors are independent of management and have no family or business relationships with the Executive Directors and major shareholders which would interfere with the exercise of their independent judgment.

Role and Responsibilities of the Company Secretary

The Company Secretary is a qualified Chartered Secretary ("ICSA") and Fellow Member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

The Company Secretary plays an advisory role to the Board in relation to the Company's Constitution, the Board's policies and procedures, and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary is suitably qualified, competent and capable of carrying out the duties required and has attended training and seminars conducted by relevant regulatory to keep abreast with the relevant updates on statutory and regulatory requirements and updates on the AMLR of Bursa Securities.

The Company Secretary advises the Board on corporate disclosures and compliance with the relevant changes to the laws, rules and regulations, which include Malaysian Code on Corporate Governance and AMLR.

The Company Secretary also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares, in accordance with Rule 14 of the AMLR of Bursa Securities. Deliberations during the Board and Board Committees' meetings were properly minute and documented by the Company Secretary.

Board Committees

The Board has established three (3) principal Board Committees, to which it has delegated certain responsibilities, namely the Nominating Committee, Remuneration Committee and Audit & Risk Management Committee. The membership responsibilities, roles and activities of these Committees are described in greater detail in this statement.

Nomination Committee

The Nominating Committee comprises solely Non-Executive Directors as follows:-

	Directors	**Number of Meetings Attended**	**Percentage of Attendance (%)**
Chairman:	Chua Ser Terk (Independent Non-Executive Director)	1/1	100
Members:	Mahnorizal Bin Mahat (Senior Independent Non-Executive Director)	1/1	100
	Dato' Sri Shahruddin bin Khalid (Redesignated on 1 November 2023) (Independent Non-Executive Director)	1/1	100
	Mr. Cheah Ben Lee (Resigned on 2 January 2024) (Independent Non-Executive Director)	-	-

The Nomination Committee is empowered to bring to the Board, recommendations as to the appointment of any new Executive or Non-Executive Director, provided that the Chairman of the Nomination Committee, in developing such recommendations, consults all directors and reflects that consultation in any recommendation of the Nomination Committee brought forward to the Board. In making its recommendation, the Nomination Committee will consider the required mix of skills, knowledge, expertise, experience and other qualities, including core competencies which Directors of the Company should bring to the Board.

The Nomination Committee meets at least once a year and is directly accountable to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

During the financial period ended 31 December 2024, the Nominating Committee undertook the following:

(i) Reviewed the composition of the Board and Board Committees and mix of diversity (including gender, ethnicity and age);
(ii) Assessed the performance of individual Directors and the Board as a whole as part of the Annual Assessment, which covered performance of the Board, Board Committee and individual Directors;
(iii) Assessed the fitness and propriety of the Directors;
(iv) Assessed the independence of the Independent Directors;
(v) Determined and assessed the performance of those Directors who would retire at the forthcoming Annual General Meeting ("AGM") and make recommendation to the Board for their re-election; and
(vi) Reviewed the training needs of the Directors.

Remuneration Committee

The objectives of the Remuneration Committee are to provide a formal and transparent procedure for developing remuneration policy for Directors and Senior Management.

The Remuneration Committee meets at least once a year and is directly accountable to the Board.

The Remuneration Committee comprises one (1) Deputy Executive Chairman and two (2) Independent Non-Executive Directors as follows:

	Directors	**Number of Meetings Attended**	**Percentage of Attendance (%)**
Chairman:	Datuk Azmi bin Osman (Deputy Executive Chairman)	1/1	100
Members:	Mahnorizal Bin Mahat (Senior Independent Non-Executive Director)	1/1	100
	Chua Ser Terk (Independent Non-Executive Director)	1/1	100

The Remuneration Committee is responsible for evaluating, deliberating and recommending to the Board the compensation and benefits that are fairly guided by market norms and industry practices for the business the company is in. The Remuneration Committee is also responsible for evaluating the Executive Directors' remuneration which is linked to the performance of the Executive Directors and performance of the Group. Individual Director do not participate in the discussion and decision making of his own remuneration to avoid conflict of interest.

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors and Senior Management needed to run the Company successfully, taking into consideration all relevant factors including the skill function, workload and responsibilities involved, and after giving due consideration to the Group's performance.

Pursuant to Section 230(1) of the Companies Act, 2016, fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

Audit & Risk Management Committee

The Audit & Risk Management Committee ("ARMC") comprises three (3) Independent Non-Executive Directors. During the financial period ended 31 December 2024, the ARMC held a total of seven (7) meetings.

The ARMC's Terms of Reference include the review of and deliberation on the Group's financial statements, the audit findings of the external auditors arising from their audit of the Group's financial statements and the audit findings and issues raised by internal audit together with the Management's responses thereon.

The Company's Internal Auditors, External Auditors and members of Senior Management attend the meetings at the invitation of the ARMC.

Supply of Information

The Board has timely access to information pertaining to the Group. Quarterly Board meetings are prescheduled with additional meetings convened as and when urgent issues and/or important decisions are required to be addressed between the scheduled meetings. Board meetings are structured with a pre-set agenda which encompasses all aspects of matters under discussion. The Board papers are circulated to directors at least seven (7) days in advance prior to each Board meeting. Board papers consisted of Notice and Agenda of the Meetings supported by working papers and reports would be sent to the Directors. This will enable the Directors to have sufficient time to obtain further explanations, where necessary, in order to be briefed properly before the meeting.

In addition, there are matters reserved specifically for the Board's decision, including the approval of corporate plans and budgets, acquisitions and disposals of assets that are material to the Group, major investments and control structure of the Group including key policies, procedures and authority limits.

In furtherance of their duties, the Board has unrestricted access to any information pertaining to the Group as well as to the advice and services of the Company Secretary and independent professional adviser, whenever appropriate, at the Group's expense.

Directors' Code of Ethics

The Company has established a code of conduct and ethics that provides an overview of the various policies, procedures and guidelines that have been adopted by the Company to steer acceptable employment practices, ethical values and conduct for behavior of employees, which is available on the Company's website.

Whistle-blowing Policy

The Board had adopted the Whistle-blowing Policy that provides a channel to enable employees and other stakeholders to report any suspected breaches of law, regulations or any illegal acts observed in the Group but not limited to financial malpractice or fraud, non-compliance, criminal activity and corruption. The Whistle-blowing Policy is reviewed annually and is available on the Company's website. There were no reported incidents pertaining to whistleblowing during the financial period.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

Gender Diversity

The Board is committed to maintain an appropriate balance in terms of diversity in experience, skills, competence, calibre and gender in order to have balanced, comprehensive and thorough decision makings. The Board consists of members with a broad range of skills, well-rounded experience and knowledge in different fields relevant to oversee the business. The Board ensures that each member has a proper understanding of the Group's business and competence to deal with current and emerging issues of the Group.

As the date of this Annual Report, the Board comprised of nine (9) Directors, of whom one (1) is female, providing a representation rate of 11% which complies with the new requirement of ACE Market Listing Requirements of Bursa Securities to have at least one (1) woman Director on the board.

The Board is mindful that any gender representation should be in best interest of the Company. Although the Company has not reached the 30% woman representation target at the Board level as required, the Board is channeling its effort in getting other suitable women who could meet the objective criteria, merit and with due regard for diversity in skills, experience and age to join the Board.

The Board currently does not have a formal policy on its boardroom or gender diversity. The evaluation and selection criteria of a director are very much dependent on the effective blend of knowledge, skills, competencies, experiences and time commitment of the new Board member. Nonetheless, the Board is supportive of gender diversity in the Boardroom composition as recommended by the MCCG and will endeavour to consider suitable and qualified female candidates for appointment to the Board.

Appointments to the Board and Re-election

In accordance with Clause 97 of the Company's Constitution, all Directors of the Company shall retire from office at the first Annual General meeting ("AGM") and at the AGM in every subsequent year, one-third (1/3) of the Directors for the time being, or if their number is not three or a multiple of three (3), then the number nearest one-third (1/3) shall retire from office.

In accordance with Clause 104 of the Company's Constitution, all newly appointed Director of the Company during the financial period shall retire at the forthcoming AGM.

Based on the results of the assessment undertaken for the financial period ended 31 December 2024, the Nomination Committee resolved to recommend to the Board that:

- Datuk Azmi Bin Osman, Encik Mahnorizal Bin Mahat and Datuk Seri Tan Choon Hwa who are due to retire pursuant to Clause 97 of the Company's Constitution stands for re-election at the forthcoming AGM.

- Mr. Chong Kai Wooi and Datuk Mohd Idzwan Izuddin Bin Ab Rahman who are due to retire pursuant to Clause 104 of the Company's Constitution stand for re-election at the forthcoming AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

STRENGTHEN COMPOSITION

The Group take serious effort to ensure the Board comprises members with suitable academic and professional qualifications, skills, expertise and wide exposure.

The Nomination Committee assesses the strength, effectiveness and the level of diversity of the Board in determining the need for proposing new appointment of Director. As and when necessary, recommendation will be made to the Board for consideration.

In evaluating the suitability of the candidates, the Nomination Committee consider the following factors:

- Qualification, skills, knowledge, expertise and experience;
- Competencies and capabilities;
- Character, personal integrity and reputation;
- Willingness to devote time to effectively discharge his/her duties as Director;
- In the case of candidates for the position of Independent Non-Executive Director, the independence of the candidates and the candidate's ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

Appropriate measures shall also be taken in its selection and recruitment exercise to achieve boardroom diversity, in particular to identify woman candidates with sufficient caliber to be part of the Board.

The Nomination Committee also applies the Directors evaluation criteria and assessment forms as recommended in the Corporate Governance Guide for evaluating and selecting candidates for new directorships.

Directors' Remuneration

- **Remuneration procedure**

The Remuneration Committee reviews the remuneration policy each year with a view to ensure that the policy is fair and able to attract and maintain talent. The Non-Executive Directors' fees are tabled at the Company's AGM.

The Company has adopted the objective as recommended by the Code to determine the remuneration for Directors so as to ensure that the Company attracts and retains suitable Directors needed to run the Group successfully. The component parts of remuneration are structured so as to link rewards to corporate and individual performance. In the case of Executive Directors, the level of remuneration reflects the experience and level of corporate and fiduciary responsibilities borne by the Directors concerned.

The determination of the remuneration of the Executive Directors is a matter for consideration and decision of the Board.

The remuneration of the Directors for the financial period ended 31 December 2024 is as follows:

	Salaries RM	Allowances RM	Fee RM	Others RM	Total RM
Executive Directors Datuk Azmi Bin Osman	-	90,000.00	270,000.00	-	360,000.00
Chong Kai Wooi (Appointed on 2 January 2024)	-	-	130,000.00	-	130,000.00
Dato' Saiful Nizam Bin Mohd Yusoff (Resigned on 4 January 2024)	-	-	60,000.00	-	60,000.00
Dato' Zaidi Bin Mat Isa @ Hashim (Re-designated to Non-Independent Non-Executive Director on 4 January 2024)	-	-	80,000.00	-	80,000.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

Directors' Remuneration (Cont'd)

- **Remuneration procedure (Cont'd)**

	Salaries RM	Allowances RM	Fee RM	Others RM	Total RM
Non- Executive Directors Mahnorizal Bin Mahat	-	-	54,000.00	-	54,000.00
Dato' Sri Shaharuddin Bin Khalid	-	-	90,000.00	-	90,000.00
Datuk Seri Tan Choon Hwa	-	-	60,000.00	-	60,000.00
Cheah Ben Lee (Resigned on 2 January 2024)	-	-	12,000.00	-	12,000.00
Chua Ser Terk	-	-	54,000.00	-	54,000.00
Lam Hwan Chui (Resigned on 2 January 2024)	-	-	12,000.00	-	12,000.00
Datuk Wira Justin Lim Hwa Tat (Resigned on 15 August 2023)	-	-	-	-	-
Dato' Zaidi bin Mat Isa @ Hashim (Re-designated on 4 January 2024)	-	-	60,000.00	-	60,000.00
YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah (Appointed on 1 November 2023)	-	-	210,000.00	-	210,000.00
Datuk Mohd Idzwan Izuddin Bin Ab. Rahman (Appointed on 1 July 2024)	-	-	-	-	-

REINFORCE INDEPENDENCE

The Board perform an assessment of its Independent Directors, with a view to ensure the Independent Directors bring independent and objective judgement to the Board and this mitigates arising from conflict of interest or undue influence from interested parties. Where there is a likely conflict of interest position, the Board would take appropriate action to rectify the situation.

In accordance to the Board Charter, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years from the date of first appointment as Director. In the event the Board wishes to retain the independence status of an Independent Director who has served for more than nine (9) years, Board justification and shareholders' approval are required. Two tier voting process will be applied in the AGM for retaining any Independent Director serving beyond nine (9) years.

As at the date of this statement, the term of service of the Independent Directors is less than nine (9) years.

There is clear separation of powers between the Chairman, and the Executive Director, and this further enhances the independence of the Board. Should any Director have an interest in any matter under deliberation, he is required to disclose his interest and abstain from participating in the discussions on the matter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

FOSTER COMMITMENT

Time Commitment

Seven (7) Board meetings were held during the financial period ended 31 December 2024.

Details of attendance of Directors holding office during the financial period are as follows:-

Directors	Number of Board Meetings Attended	Percentage of Attendance (%)
Yam Tunku Kamariah Aminah Maimunah Iskandariah Binti Almarhum Sultan Iskandar (Appointed on 1 November 2023) (Independent Non-Executive Chairman)	6/6	100
Datuk Azmi Bin Osman (Executive Deputy Chairman)	7/7	100
Mr. Chong Kai Wooi (Appointed on 2 January 2024) (Executive Director)	4/4	100
Mahnorizal Bin Mahat (Senior Independent Non-Executive Director)	6/7	86
Datuk Seri Tan Choon Hwa (Non-Independent Non-Executive Director)	7/7	100
Dato' Sri Shaharuddin Bin Khalid (Re-designated on 1 November 2023) (Independent Non-Executive Director)	7/7	100
Mr. Chua Ser Terk (Independent Non-Executive Director)	7/7	100
Dato' Zaidi Bin Mat Isa @ Hashim (Redesignated on 4 January 2024) (Non-Independent Non-Executive Director)	6/7	86
Datuk Mohd Idzwan Izuddin Bin Ab Rahman (Appointed on 1 July 2024) (Independent Non-Executive Director)	2/2	100
Dato' Saiful Nizam Bin Mohd Yusoff (Resigned on 4 January 2024) (Executive Director)	6/7	86
Mr. Cheah Ben Lee (Appointed on 25 November 2022) (Resigned on 2 January 2024) (Independent Non-Executive Director)	4/4	100
Ms. Lam Hwan Chui (Appointed on 27 December 2022) (Resigned on 2 January 2024) (Independent Non-Executive Director)	4/4	100
Datuk Wira Justin Lim Hwa Tat (Redesignated on 24 July 2023) (Resigned on 15 August 2023) (Non-Independent Non-Executive Director)	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

Directors' Continuous Professional Development

As an integral element of the process of appointing new Directors, the Nomination Committee ensures that there is an orientation and education programme for new Board members. Directors also receive further training from time to time, particularly on relevant new laws and regulations and changing commercial risks.

During the financial period, all the Directors had participated in various training programs. Particulars of the seminars and courses attended are as follows:

Name of Directors	Date	Programmes/Seminar
Datuk Azmi Bin Osman	16 – 17 July 2014	A Business Solutions For SME Owners Winning HR & People Practices
	24 – 25 February 2025	Mandatory Accreditation Programme Part II
Dato' Zaidi Bin Mat Isa @ Hashim	6 – 7 August 2024	Leading For Impact (LIP)
Dato' Sri Shaharuddin Bin Khalid	4 – 5 December 2024	Mandatory Accreditation Programme Part II
Encik Mahnorizal Bin Mahat	4 – 5 December 2024	Leading For Impact (LIP)
YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah	6 – 7 August 2024	Mandatory Accreditation Programme Part II
Datuk Seri Tan Choon Hwa	4 – 5 December 2024	Leading For Impact (LIP)
Chong Kai Wooi	4 – 5 December 2024	Mandatory Accreditation Programme Part II
Chua Ser Terk	4 – 5 December 2024	Leading For Impact (LIP)
Datuk Mohd Idzwan Izuddin Bin Ab. Rahman	26 – 27 February 2024	Mandatory Accreditation Programme Part II

All Directors had attended the Mandatory Accreditation Programme as required by Bursa Securities on all Directors of listed companies.

The External Auditors briefed the Board members on any changes to the Malaysian Financial Reporting Standard that affect the Group's financial statements during the year. In addition, the Board is briefed by the Company Secretary on changes in laws and regulation and MCCG 2021. The Directors will continue to undergo other relevant training programmes to keep themselves abreast with the relevant changes in laws, regulations and business development.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

The Board has always endeavour to provide true, fair and comprehensive financial reporting of the Group's performance in the audited financial statements and quarterly financial reports together with material disclosures in the notes to accounts, in accordance with the Malaysian Financial Reporting Standards and Listing Requirements. Thus, a balanced and meaningful assessment of the Group's financial performance and prospects are presented primarily through the financial statements in the Annual Report.

In presenting the annual financial statements and quarterly announcement to shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. This also applies to other price-sensitive public reports and reports to regulators.

The Group's quarterly and annual results announcements were within the stipulated time frame, reinforcing the Board's commitment to provide a true and fair view of the Group's operations.

The Board stance on presenting true, fair and comprehensive financial reporting with a balanced and meaningful assessment of the Group's financial performance is reinforced by both the Internal and External Audit functions.

- **Internal Audit**

  The Board acknowledges the importance of the internal audit function and has outsourced its internal audit function to a professional service firm, as part of its efforts in ensuring that the Group's System of internal control are adequate and effective. Details of the internal audit function and a summary of its activities, together with the state of the Group's internal control, are given in the Statement on Risk Management & Internal Control as set out on pages 39 to 40 of the Annual Report.

- **External Audit**

  The Group's independent external auditors fill an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of the reliability to users of these financial statements. Where deemed appropriate, the Board may discuss audit findings in the absence of the Management.

  The External Auditors will report on any weaknesses in the internal control systems and any non-compliance of the accounting standards that come to their attention during the course of their audit work to the Management and the ARMC.

RECOGNISE AND MANAGE RISKS

The Group has an embedded process for the identification, evaluation, reporting, treatment, monitoring and review of major strategic, business and operation risks within the Group. Risk management principles, policies, procedures and practices are updated regularly to ensure relevance and compliance with current/applicable laws and regulations.

The Board has also established an Internal Audit Function which has an independent reporting channel to the ARMC and is authorised to conduct independent audits on all the departments and offices within the Group and reports the findings to the ARMC quarterly.

The ARMC review, deliberate and decide on the next course of actions and evaluates the effectiveness and efficiency of the internal control systems.

ENSURE TIMELY AND HIGH-QUALITY DISCLOSURE

The Board has set up appropriate corporate disclosure policies and exercises close monitoring of all price sensitive information required to be released to Bursa Securities and makes material announcements to Bursa Securities in a timely manner. In accordance with best practices, the Board would strive to disclose price sensitive information to the public as soon as practicable through Bursa Securities, the media and the Company's website. Price sensitive information refers to any information that, on becoming generally available, would tend to have a material effect on the market price of the Company's listed shares.

Members of the Board and Senior Management with privy to price sensitive information are prohibited from dealing in the shares of the Company until such information is publicly available. This is in addition to the provisions relating to the "closed period" for dealing in the Company's shares.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Company refers to AMLR as a fundamental basis for the ongoing disclosure and announcement to Bursa Securities. The Board is advised by Management, Company Secretary, the External Auditors and Advisors on the contents and timing of disclosure of the financial results and various announcements in accordance with the Listing Requirements.

The Board is committed in providing accurate, useful and timely information about the Company, its business and its activities. Realising the importance of timely and thorough dissemination of material information to the shareholders, investors and the public at large, the Company maintains an open communication policy with its shareholders, investors and public at large and welcome feedback from them.

The Group's information is disseminated through various disclosures and announcements made to Bursa Securities.

Integrated Reporting

The nature and pace of change in businesses today have evolved over time and stakeholders are now placing greater emphasis on the future performance and non-financial information of a company. In tandem with the growing demand, the Company would consider adopting integrated reporting in the near future.

Conduct of General Meetings

(i) Notice of general meeting

The Board recognises the rights of shareholders. In order to continue encouraging shareholders participation in the general meetings, the Board would ensure that the Notice of AGM is sent to shareholders at least twenty-eight (28) days ahead of the date of general meeting and to provide sufficient time and opportunities for shareholders to seek clarifications during general meetings on any matters pertaining to the issues in the Annual Report, corporate developments in the Group, the resolutions being proposed and the operational and financial performance of the Company.

(ii) Attendance of Directors at general meetings

The AGM represents the principal forum for dialogue and interaction with shareholders. During the AGM, shareholders are encouraged to ask questions about the resolutions being proposed, the Company's operations in general or the annual reports of the Company and of the Group. All the Directors, Senior Management and External Auditors are available in the AGM to provide responses to questions from the shareholders.

The Chairman plays a vital role in fostering constructive dialogue between the Board and the shareholders. All the members of the Board and the respective Chairmen of the Board's Committees are present at the meetings to address queries raised by the shareholders which are relevant to their areas of responsibility.

(iii) Voting

In the event that shareholders are unable to participate the AGM, they are encouraged to appoint one (1) or up to two (2) proxies to participate and vote in his/her stead. The outcome of the meeting is announced to Bursa Securities on the same day, which is also accessible on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

The Seventeenth AGM of the Company held on 27 December 2023 was conducted fully virtual and online poll voting whereby shareholders and proxies can access and participate remotely.

Prior to the AGM, the shareholders are allowed to submit any questions online by scanning the QR Code or clicking on the link provided in the Administrative Guide. During the AGM, the shareholders are encouraged to submit typed questions in real time within the Questions & Answers Box at the bottom of the messaging screen. Any questions can be submitted at any time until the announcement of the closure of Questions & Answers session. All the Directors are available to provide responses to questions raised by the shareholders during the AGM.

The Eighteenth AGM of the Company will be held physically on 26 June 2025 at the Cipta Meeting Room, Level 15, Teedo Hotel, Pudu Sentral, 55100 Kuala Lumpur, starting at 11:00 a.m.

In addition, the Audited Financial Statements, Annual Report, Interim Financial Statements together with the Company's announcements and other information about the Group are available on the Company's website www.smtrackberhad.my.

Investors and the public who wish to contact the Group on any enquiry, comment or proposal can channel them through e-mail or contact our Investor Relation at admin@smtrackberhad.my or phone at 03-2201 3211.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Audit & Risk Management Committee ("ARMC") was established with the objective of assisting the Board of Directors ("Board") in the areas of corporate governance, risk management and financial reporting.

COMPOSITION

The ARMC is chaired by a Senior Independent Director. The current composition meets the requirement of Rule 15.09 and 15.10 of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The ARMC comprises the following three (3) members of the Board, all the members of the Committee are Independent Non-Executive Directors:-

Chairman: Encik Mahnorizal Bin Mahat
(Senior Independent Non-Executive Director)

Members: Dato' Sri Shaharuddin Bin Khalid
(Independent Non-Executive Director)

Chua Ser Terk
(Independent Non-Executive Director)

Cheah Ben Lee (Appointed on 25 November 2022) (Resigned on 2 January 2024)
(Independent Non-Executive Director)

SECRETARY

The Company Secretary of SMTrack acts as the Secretary to the ARMC.

MEETINGS

During the financial period ended 31 December 2024, the ARMC held a total of seven (7) meetings. The details of attendance of the ARMC members are as follows:

	Directors	**Number of Meetings attended**	**Percentage of Attendance (%)**
Chairman:	Encik Mahnorizal Bin Mahat (Senior Independent Non-Executive Director)	7/7	100
Members:	Dato' Sri Shaharuddin Bin Khalid (Independent Non-Executive Director)	6/6	100
	Chua Ser Terk (Independent Non-Executive Director)	7/7	100
	Cheah Ben Lee (Appointed on 25 November 2022) (Resigned on 2 January 2024) (Independent Non-Executive Director)	4/4	100

All meetings to review the quarterly results and annual financial statements are held prior to such quarterly results and annual financial statements being presented to the Board for approval.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT
(Cont'd)

After each ARMC meeting, the ARMC reported to, and updated the Board on significant issues and concerns discussed during the ARMC meetings and where appropriate, made the necessary recommendations to the Board.

Representatives from the External Auditors and Internal Auditors, as the case may be, and the Account Manager were in attendance to present the relevant reports and proposals to the ARMC at the meetings which included inter alia, the Auditors' audit plans and audit reports, the quarterly results of the Company and the audited financial statements for the financial period ended 31 December 2024.

In the ARMC meetings, the External Auditors were given opportunities to raise any matters and gave unrestricted access to the External Auditors to contact them at any time should they become aware of incidents or matters during the course of their audits or reviews. Minutes of the ARMC meetings were tabled for confirmation at the following ARMC meeting and subsequently presented to the Board for notation.

SUMMARY ACTIVITIES

The ARMC activities during the financial period under review comprised the following:-

Quarterly Financial Statements and Audited Financial Statements

- reviewed the audited financial statements of the Company prior to submission to the Directors for their perusal and approval. This was to ensure compliance of the financial statements with the provisions of the Companies Act, 2016 and the applicable approved accounting standards as per Malaysian Accounting Standards Board; and

- reviewed the unaudited financial results before recommending them for Board's approval, focusing particularly on:-
    - Any change in accounting policies;
    - Significant adjustments arising from audit; and
    - Compliance with accounting standards and other legal requirements.

External Auditors

- reviewed of external audit plan, outlining the audit scope, audit process and areas of emphasis based on the External Auditors' presentation of audit plan;
- reviewed of external audit review memorandum and the response from the Management;
- reviewed with the External Auditors, their evaluation of the system of internal controls and audit findings;
- consideration and recommendation to the Board for approval of the audit fees payable to the External Auditors;
- reviewed the External Auditor's Management Letter and Management's response;
- reviewed of the performance and effectiveness of the External Auditors in the provision of statutory audit services and recommend to the Board for approval on the re-appointment of External Auditors; and
- reviewed and evaluation of factors relating to the independence of the External Auditors.

Internal Auditors

The Group outsources its Internal Audit Function to a professional services firm. The Internal Auditors were engaged to conduct regular review and appraisals of the effectiveness of the governance, risk management and internal control process within the Company and the Group. The Internal Audit function shall be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control, and governance processes within the Company.

The Internal Audit Report directly to the ARMC, the appointed Internal Auditors are given full access to all the documents relating to the Company and Group's governance, financial statements and operational assessments.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT
(Cont'd)

The ARMC had reviewed: -

- internal audit's resource requirements, scope, adequacy and function;
- suggestion on improvement opportunities in the areas of internal controls, systems and efficiency improvements; and
- appointment of Internal Auditors who will report functionally directly to the ARMC and review their performance on an annual basis.

Internal Control and Risk Management

- reviewed the internal audit plan for adequacy of scope and coverage and risk areas;
- reviewed risk management report and internal audit reports;
- reviewed the effectiveness sand adequacy of risk management operational and compliance processes; and
- Reviewed the adequacy and effectiveness of corrective actions taken by the Management on all significant matters raised.

Internal Audit Function

The Company has outsourced the internal audit function to Vaersa Advisory Sdn. Bhd. The outsourced internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care. Reporting directly to the ARMC, it provides the Board with a reasonable assurance of the effectiveness of the system of internal control in the Group and that the internal control system is operating satisfactorily.

The Internal Auditors adopts risk-based approach auditing approach towards the planning and conduct of audits. During the financial period, the Internal Auditors carried out its activities and performed assignments based on the annual Audit Plan approved by the ARMC.

The findings of the Internal Auditors are communicated to the Management for the necessary corrective actions. These are being followed-up by the Internal Auditors and reported accordingly to the ARMC.

The total cost incurred by the Internal Audit function of the Group for the financial period ended 31 December 2024 amounted to RM 8,000.00.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysia Code on Corporate Governance requires listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investment, the Group's assets and the interest of other stakeholders.

The Board of Directors of SMTrack Berhad is pleased to present its Statement on Risk Management and Internal Control which outlines the Group's internal control framework and risk management systems for the financial period ended 31 December 2024 as required by Bursa Malaysia Securities Berhad ("Bursa Securities"). This Statement has been prepared pursuant to Rule 15.26(b) of ACE Market Listing Requirements, and in accordance with the Statement on Risk Management & Internal Control - Guideline for Directors of Listed Issuers (the Guidelines").

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility towards maintaining a sound system of risk management and internal control and reviewing its adequacy and effectiveness to ensure shareholders' interest and the Group's assets are safeguarded.

Given the inherent limitations in the risk management and internal control system, such a system put into effect by the Management is designed to identify, evaluate, manage and monitor risks rather than eliminate risks that may impede the Group's achievement of the corporate objectives. Therefore, such a system can only provide reasonable and not absolute assurance against any material misstatement or loss, contingencies, fraud or irregularities.

RISK MANAGEMENT FRAMEWORK

The Board recognises the importance of the risk management framework to manage the risk within the Group and regards as an integral part of business operations. and to identify, evaluate and manage significant risks of the Group which will be an on-going process of identifying, assessing and managing risks faced.

The functional management is given a clear line of accountability and delegated authorities were established as part of the internal control efforts through the standard operating practices. The internal audit function supports the review and assists the Audit and Risk Management Committee ("ARMC") in conducting their review more effectively and not to engage in speculative transactions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

INTERNAL CONTROL SYSTEM

The Board maintains an organisational structure with clearly defined levels of responsibility and authority and appropriate reporting procedures. The Board meets regularly and has a schedule of matters that are brought to it for decision making process in order to ensure effective control over strategic, financial, operation and compliance issues can be maintained.

The following outlines the main elements of the Group's internal control system:

(i) Having an organisational structure that ensures segregation of duties among employees so that there is an appropriate level of checks and balances on the activities of individual employee.

(ii) Supplying comprehensive financial and management reports to the ARMC and the Board on a quarterly basis for review, monitoring, decision making and facilitate effective discussion at Board meeting.

(iii) Stringent recruitment policy is set to ensure that only capable and competent staffs are employed which in turn ensures each operating unit is functioning effectively.

(iv) The Group's performance is monitored through management meeting attended by Head of Department ("HOD"). Head of Department within the group exercise a hand-on approach.

(v) On the operational and financial affairs of the Group. The Executive Chairman are involved and oversee in the day-to-day operations of the Group.

(vi) Internal policies and procedures are updated regularly to reflect changing risk or to resolve operational deficiencies.

The Group's internal control systems are continuously being reviewed and enhanced to ensure that changes in the Group's business and operating environment are adequately managed.

The Board has also received assurance from the Executive Chairman that the risk management and internal control system of the Company and its subsidiaries are operating adequately and effectively, in all material aspects, based on the risk management and internal control system adopted.

INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to an independent professional firm Vaersa Advisory Sdn. Bhd. to carry out reviews and assess the adequacy and integrity of the system of internal control of the Group. The Internal Auditors report directly to the ARMC, who receives reports of issues and recommendations arising from each review. The Internal Auditors have also carried out follow-up reviews to ensure that recommendations for improving the internal control systems were being implemented satisfactorily. The cost incurred for internal audit for the financial period ended 31 December 2024 was RM 8,000.00.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement has been reviewed by the External Auditors as required under Rule 15.23 of ACE Market Listing Requirements for inclusion in the annual report. Their review was performed in accordance with Recommended Practice Guide 5 (Revised) ("RPG5"): 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. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

RPG 5 does not require the External Auditors to consider whether the Statement on Risk Management and Internal Control covers all risk and control, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems including the assessment and opinion by the Board and management thereon. The report from the External Auditors was made solely to the Board of Directors in connection with their compliance with the ACE Market Listing Requirements of Bursa Securities and for no other purpose or parties. The External Auditors do not assume responsibility to any person other than the Board in respect of any aspect of this statement.

CONCLUSION BY THE BOARD

The Board has reviewed the adequacy and effectiveness of the risk management and internal control systems based on the information provided by the key management in the Company and assurances provided by External Auditors.

No material losses were incurred during the financial period under review as a result of weaknesses in risk management and internal control systems. The Board and management will continue to take adequate measures to strengthen the control environment in which the Group operates.

The Board is satisfied that the risk management and internal control systems in place for the financial period ended 31 December 2024 are adequate and effective to safeguard shareholders' investments, the Group's assets and interest of other stakeholders.

This statement was made in accordance with a Board of Directors' Resolution dated 29 April 2025.

DIRECTORS' RESPONSIBILITY STATEMENTS

The Board of Directors confirms its responsibility for preparation of the Annual Audited Financial Statements to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and of the operations results and cash flows for the financial period then ended. In preparing the financial statements, the Directors have ensured that the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016 have been applied. In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates.

The Directors are responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016. The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

CORPORATE SOCIAL RESPONSIBILITY

The Group recognizes that its business operations have direct and indirect impact on the communities. The Group upholds its responsibility to oblige the statutory compliance of Corporate Social Responsibility ("CSR") and extend it further by implementing various measures to play its part for the society.

The Group believes that a highly conducive working environment will help enhance the efficiency and productivity of employees as well as the quality of life. In this respect, the Group also embarks on structured training and development programmes for its employees to enhance their skills and abilities as springboard for their career development.

The Group also appreciates and understands that its business operations would have an impact and implications on the environment. Accordingly, the Group has taken steps to preserve and minimise the impact on the environment through:

(i) Paperless environment

Staffs are encouraged to fully maximize the benefits of Information Technology for communication and record keeping. Hard copies of documents are generated on a need basis only.

(ii) Recycling

To minimise the environmental impact, the Group adopts a "Go Green" policy, to complement the above initiative. Where possible, paper stationery and materials are to be recycled and reused. Unwanted paper materials are collected for recycling purposes.

ADDITIONAL COMPLIANCE INFORMATION

The following disclosures are made in accordance with Part A of Appendix 9C of the Listing Requirements of Bursa Securities:-

1.0 Statement of Directors' Responsibility in respect of the Financial Statements

The Directors are required by the Companies Act, 2016 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group at the end of financial period and of the results and cash flows of the Company and of the Group for the financial period then ended.

The Directors are satisfied that in preparing the financial statements of the Company and of the Group for the financial period ended 31 December 2024. The Company and the Group have used the appropriate accounting policies and applied them consistently and prudently. The Directors also consider that all relevant approved accounting standards have been followed in the preparation of these financial statements.

2.0 Material Contracts Involving Directors and/or Major Shareholders

There were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries involving Director's and major shareholder's interest which were still subsisting at the end of the financial period ended 31 December 2024 or entered into since the end of the previous financial year.

3.0 Corporate Responsibility ("CR")

The Group is mindful of the need to be corporately responsible and recognise that for long term sustainability, its strategic orientation will need to look beyond financial parameters. Hence, the Group supports important causes such as employees' welfare, community and environment protection. However, the Group endeavours to broaden its scope of CR initiatives over time and will plan accordingly.

4.0 Utilisation of Proceeds Raised from Corporate Proposals

During the financial period, there were no proceeds raised by the Company and its subsidiary from any corporate proposals.

5.0 Contracts Relate to a Loan

There were no contracts which relate to a loan entered into by the Company and its subsidiaries during the financial period ended 31 December 2024.

6.0 Employees Share Issuance Scheme

During the financial period ended 31 December 2024, a total of 389,621,056 options over the ordinary shares were exercised pursuant to the Company's Employees' Share Issuance Scheme.

The total number of options granted, exercised and outstanding under the ESOS as at 31 December 2024 are set out in the table below:-

Description	Number of Options as at 31 December 2024	
	Total	Employees + Directors
Granted	389,621,056	389,621,056
Exercised	389,621,056	389,621,056
Outstanding	-	-

ADDITIONAL COMPLIANCE INFORMATION
(Cont'd)

Percentage of options applicable to Directors and Senior Management under the ESOS:-

Directors and Senior Management	During the financial period ended 31 December 2024	Since commencement up to 31 December 2024
Aggregate maximum allocation	80%	80%
Actual granted	80%	80%

7.0 Recurrent Related Party Transactions of Revenue or Trading Nature ("RRPT")

There were no RRPT conducted during the financial period ended 31 December 2024.

8.0 Non-Audit Fees

There was no non-audit fees were paid and payable to External Auditors by the Group for the financial period ended 31 December 2024.

9.0 Variation in Results

There was no material variance between the financial results and the profit forecast or unaudited results previously made for the financial period ended 31 December 2024.

10.0 Profit Guarantee

There was no profit guarantee given by the Company during the financial period ended 31 December 2024.

11.0 Profit Forecast Variance

There was no profit forecast issued during the financial period ended 31 December 2024.

12.0 Revaluation Policy on Landed Properties

The Company does not have a revaluation policy in respect of its landed properties.

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DIRECTORS' REPORT

The directors submit their report and the audited financial statements of the Group and the Company for the financial period 1 July 2023 to 31 December 2024.

Change of financial year end

The Company changed its financial year end from 30 June to 31 December. Accordingly, the financial statements for the current financial period are drawn up for the period 1 July 2023 to 31 December 2024 or a period of eighteen months.

Principal activities

The Company is principally engaged in the design, deployment and distribution of radio frequency identity tags and other tagging solutions using information technology broadband networks and the provision of training, maintenance and related consultancy services. The details of the subsidiaries, including their principal activities, are disclosed in Note 11 to the financial statements.

Financial results

	Group RM	Company RM
Net loss for the financial period	(39,050,779)	(24,890,480)
Attributable to:		
Owners of the Company	(30,950,779)	(24,890,480)
Non-controlling interests	(8,100,000)	-
	(39,050,779)	(24,890,480)

In the opinion of the directors, the results of the operations of the Group and the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

Dividend

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

Reserves and provisions

There were no material transfers to and from reserves and provisions during the financial period other than those disclosed in the financial statements.

Issue of shares and debentures

During the reporting period, the Company issued the following shares by way of:

(i) Issuance of 129,689,796 new ordinary shares pursuant to the exercise of SIS options at the exercise price ranging from RM0.272 to RM0.452.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The movement of the Company's share capital account is disclosed in Note 19 to the financial statements.

The Company has not issued any debentures during the financial period.

Share Issuance Scheme options

The Company implemented an Employees' Share Issuance Scheme ("SIS") which is governed by the SIS By-Laws approved by its shareholders at the Extraordinary General Meeting held on 17 May 2017. The effective date for the implementation of the SIS is 26 October 2017.

The salient features of the SIS are as follows:

(a) The SIS is administered by the Option Committee of the Company;

(b) Employees (including directors) of the Company or its subsidiaries shall be eligible to participate in the SIS, if as at the date of offer, the employee:

   (i) has attained the age of eighteen (18) years;
   (ii) is employed by a company in the Group, which is not dormant;

   The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the Option Committee. The participation of an Executive Director of the Company in the SIS shall be approved by the shareholders of the Company in the general meeting;

(c) The total number of new shares to be offered pursuant to the SIS shall not be more than 30% of the Company's issued and paid up share capital of the Company;

(d) The SIS shall be in force for a period of five (5) years with an extension period of another five (5) years from the first grant date;

(e) The option price shall be fixed at the higher of the five (5) days weigted average market price of the shares of the Company preceeding the date of offer with a discount of not more than 10%;

(f) The number of shares so offered shall not be less than one hundred (100) shares nor more than the maximum number of allocations granted by the Option Committee in multiples of one hundred (100) shares; and

DIRECTORS' REPORT
(Cont'd)

Share Issuance Scheme options (continued)

(g) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotment and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the options under the SIS.

The movements in the Company's SIS options are as follows:

Offer Date	**27-Jun-24**	**02-Feb 24**	**19-Jun-23**	**29-Aug-22**
At 1 July 2023	-	-	31,671,969	2,682,927
Granted	22,734,900	72,600,000	-	-
Exercised	(22,734,900)	(72,600,000)	(31,671,969)	(2,682,927)
Surrendered	-	-		-
At 31 December 2024	-	-	-	-
Exercise price (RM)	0.0360	0.0452	0.0272	0.0410

The name of the Director who has been granted options to subscript during the financial period is as follows:

Name	Number of Option
Datuk Azmi Bin Osman	41,361,007

DIRECTORS' REPORT
(Cont'd)

Directors

The directors of the Company in office since the end of the previous financial period to the date of this report are:

Datuk Azmi Bin Osman	
Mahnorizal Bin Mahat	
Dato' Zaidi Bin Mat Isa @ Hashim	
Dato' Sri Shaharuddin Bin Khalid	
Dato' Saiful Nizam Bin Mohd Yusoff	Resigned on 4 January 2024
Datuk Seri Tan Choon Hwa	
Cheah Ben Lee	Resigned on 4 January 2024
Chua Ser Terk	
Lam Hwan Chui	Resigned on 2 January 2024
Chong Kai Wooi	Appointed on 2 January 2024
YAM Tunku Kamariah Bin Sultan Iskandar	Appointed on 3 November 2023
Dato Mohd Idzuan Izuddin Bin Ab Rahman	Appointed on 1 July 2024

Directors' interests

The shareholdings in the Company and its related companies of those who were directors at the end of the financial period, as recorded in the Register of Directors' Shareholdings kept under Section 59 of the Companies Act 2016, are as follows:

	Number of ordinary shares			
	Balance as at 1.7.2023/ Date of appointment	Bought	Sold	Balance as at 31.12.2024
Shareholdings registered in the name of directors:				
Datuk Azmi Bin Osman	41,361,007	72,282,931	26,000,000	87,643,938
Datuk Seri Tan Choon Hwa	20,000,000	-	10,000,000	10,000,000

Directors' benefits

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The details of the directors' remuneration are disclosed in Note 6 to the financial statements. There were no arrangements during or at the end of the financial period, which had the object of enabling directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Remuneration

	Group RM	Company RM
Directors' emoluments	336,796	78,850
Directors' other emoluments	-	-
Directors' fee	1,215,077	1,140,577
Share option expenses	390,337	390,337
	1,942,210	1,609,764

DIRECTORS' REPORT
(Cont'd)

Indemnity and insurance

There was no indemnity given to or insurance effected for any directors, officers and auditors of the Company during the financial period.

Other statutory information

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that no known bad debts need to be written off and that adequate allowance has been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

(a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

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

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

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

(b) any contingent liability of the Group of the Company which has arisen since the end of the financial year.

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is 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.

DIRECTORS' REPORT
(Cont'd)

Auditors' Remuneration

The auditors' remuneration paid to or receivable by the auditors of the Group and the Company during the financial period is:

	Group RM	Company RM
CHENGCO PLT	313,500	110,000

Auditors

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

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

DATUK AZMI BIN OSMAN

CHONG KAI WOOI

Kuala Lumpur

Dated: 29 April 2025

STATEMENT BY DIRECTORS

The directors of SMTRACK BERHAD state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards and International Financial Reporting Standards, so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the period 1 July 2023 to 31 December 2024.

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

DATUK AZMI BIN OSMAN

CHONG KAI WOOI

Kuala Lumpur

Dated: 29 April 2025

STATUTORY DECLARATION

I, DATUK AZMI BIN OSMAN (MIA NO: 37058), being the director primarily responsible for the financial management of SMTRACK BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are 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 above named DATUK AZMI BIN)
OSMAN at Kuala Lumpur in Wilayah)
Persekutuan on 29 April 2025)

DATUK AZMI BIN OSMAN

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SMTRACK BERHAD
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SMTrack Berhad, which comprise the statements of financial position as at 31 December 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 period 1 July 2023 to 31 December 2024, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 58 to 113.

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 of 31 December 2024, and of their financial performance and their cash flows for the financial period 1 July 2023 to 31 December 2024 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SMTRACK BERHAD
(Incorporated in Malaysia)
(Cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report in the financial statements of the Company. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matters	How our audit addressed the key audit matters
Impairment of Property, Plant and Equipment	
The Group has significant balances of property, plant and equipment *RM40,166,219*. There is a risk that the future performance of the assets may not lead to their carrying values being recoverable in full.	Our audit procedures focused on the following: • Discussed with the management on the business plan. • Assessed the appropriateness of the independent professional valuer's scope of work and evaluated whether they possess sufficient expertise, capability and objectivity to competently perform the valuation of the Group's significant component of property, plant and equipment. • Obtained the valuation report and evaluated the valuation methodology and estimates used by the independent professional valuer; and • Conducted site visits on the property, plant and equipment to observe the condition of the property and safeguards put in place by the Group.
Impairment of Intangible Asset and Goodwill	
The Group has significant balances of goodwill of *RM8,740,949* and intangible asset of *RM9,240,000.* There are risk arising from the potential impairment of intangible asset.	Our audit procedures focused on the following: • Discussed with the management on the business plan. • Assessed the appropriateness of the independent professional valuer's scope of work and evaluated whether they possess sufficient expertise, capability and objectivity to competently perform the valuation of the Group's intangible assets; and • Obtained the cash flow projection and valuation report and evaluated the valuation methodology and estimates used by the management and independent professional valuer.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SMTRACK BERHAD
(Incorporated in Malaysia)
(Cont'd)

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SMTRACK BERHAD
(Incorporated in Malaysia)
(Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

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

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

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SMTRACK BERHAD
(Incorporated in Malaysia)
(Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 11 to the financial statements.

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 any responsibility to any other person for the content of this report.

CHENGCO PLT
(LLP0017004-LCA & AF0886)
Chartered Accountants

TAN WAE LENG
02850/05/2026 J
Chartered Accountant

KUALA LUMPUR

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIOD 1 JULY 2023 TO 31 DECEMBER 2024

		Group		Company	
	Note	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM
Revenue	4	23,131,248	15,987,743	4,500	6,000
Cost of sales	5	(5,546,747)	(9,357,091)	-	-
Gross profit		17,584,501	6,630,652	4,500	6,000
Other operating income		11,706,950	112,638	5,005,738	107,154
Administrative expenses		(66,548,254)	(21,505,206)	(29,837,575)	(9,260,759)
Finance costs		(853,314)	(759,595)	(63,143)	(61,674)
Loss before tax	7	(38,110,117)	(15,521,511)	(24,890,480)	(9,209,279)
Income tax expense	8	(940,662)	(417,239)	-	(7,900)
Net loss/Total comprehensive loss for the period		(39,050,779)	(15,938,750)	(24,890,480)	(9,217,179)
Net loss/Total comprehensive loss for the period attributable to:					
Owners of the Company		(30,950,779)	(15,812,783)		
Non-controlling interests		(8,100,000)	(125,967)		
		(39,050,779)	(15,938,750)		
Loss per share (sen):					
- Basic	9	(2.45)	(1.71)		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Group	
		31.12.2024	30.06.2023
	Note	RM	RM
Non-current assets			
Aircraft, plant and equipment	10	40,166,219	66,203,357
Investment in subsidiaries	11	-	-
Intangible asset	12	9,240,000	9,240,000
Right of use assets	13	448,768	1,091,329
Goodwill on consolidation	14	8,740,949	9,029,654
Other receivables, deposits and prepayments	17	4,943,900	-
		63,539,836	85,564,340
Current assets			
Trade receivables	16	-	7,748,968
Other receivables, deposits and prepayments	17	5,067,702	14,035,945
Inventories	18	171,155	4,316,504
Current tax assets		-	-
Cash and bank balances		438,713	384,164
		5,677,570	26,485,581
Total assets		69,217,406	112,049,921
Equity			
Share capital	19	114,862,026	108,354,183
Reserves	20	(69,131,287)	(35,349,553)
		45,730,739	73,004,630
Non-controlling interests	11	848,267	6,482,715
Total equity		46,579,006	79,487,345
Non current liabilities			
Lease liabilities	21	408,507	757,346
Other payables	23	9,700,000	-
Borrowings	24	8,546,229	8,055,173
Deferred tax liabilities	8	-	346,457
		18,654,736	9,158,976
Current liabilities			
Trade payables	22	158,914	3,925,061
Other payables and accruals	23	2,894,673	6,079,907
Tax payable		72,826	3,869,798
Borrowings	24	502,306	9,119,995
Lease liabilities	21	354,945	408,839
		3,983,664	23,403,600
Total liabilities		22,638,400	32,562,576
Total equity and liabilities		69,217,406	112,049,921

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024
(Cont'd)

	Note	Company 31.12.2024 RM	30.06.2023 RM
Non-current assets			
Aircraft, plant and equipment	10	29,928,019	51,345,122
Investment in subsidiaries	11	22,493,258	15,047,449
Intangible asset	12	9,240,000	9,240,000
Right of use assets	13	367,717	533,191
Goodwill on consolidation	14	-	-
Other receivables, deposits and prepayments	17	4,943,900	-
		66,972,894	76,165,762
Current assets			
Trade receivables	16	-	-
Other receivables, deposits and prepayments	17	6,141,083	6,816,258
Inventories	18	-	-
Current tax assets		-	-
Cash and bank balances		132,954	70,104
		6,274,037	6,886,362
Total assets		73,246,931	83,052,124
Equity			
Share capital	19	114,862,026	108,354,183
Reserves	20	(51,982,871)	(26,526,988)
		62,879,155	81,827,195
Non-controlling interests	11	-	-
Total equity		62,879,155	81,827,195
Non current liabilities			
Lease liabilities	21	298,397	461,008
Other payables	23	9,700,000	-
Bank borrowings	24	-	-
Deferred tax liabilities	8	-	-
		9,998,397	461,008
Current liabilities			
Trade payables	22	10,388	2,473
Other payables and accruals	23	240,440	656,251
Tax payable		7,838	7,838
Bank borrowings	24	-	-
Lease liabilities	21	110,713	97,359
	24	369,379	763,921
Total liabilities		10,367,776	1,224,929
Total equity and liabilities		73,246,931	83,052,124

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD 1 JULY 2023 TO 31 DECEMBER 2024

Group	Share capital RM	Non-distributable Employee share options reserve RM	Distributable Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 July 2023	108,354,183	565,403	(35,914,956)	73,004,630	6,482,715	79,487,345
Transactions with owners						
Grant of Share Issuance Scheme ("SIS") options	-	870,986	-	870,986	-	870,986
SIS reserve transfer to share capital	1,436,389	(1,436,389)	-	-	-	-
Conversion of Share Issuance Scheme ("SIS") options	5,071,454	-	-	5,071,454	-	5,071,454
Net change in stake in subsidiaries	-	-	(2,265,552)	(2,255,307)	2,465,552	200,000
Total transactions with owners	6,507,843	(565,403)	(2,265,552)	3,687,133	2,465,552	6,142,440
Net loss/Total comprehensive loss for the period	-	-	(30,497,766)	(30,497,766)	(8,553,013)	(39,050,779)
At 31 December 2024	114,862,026	-	(68,678,274)	46,183,752	395,254	46,579,006

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD 1 JULY 2023 TO 31 DECEMBER 2024
(Cont'd)

Group	Share capital RM	Non-distributable Employee share options reserve RM	Distributable Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 Jan 2022	63,889,978	2,990,315	(23,092,488)	43,787,805	(172,293)	43,615,512
Transactions with owners						
Issuance of shares	30,786,004	-	-	30,786,004	-	30,786,004
Conversion of Share Issuance Scheme ("SIS") options	9,932,869	-	-	9,932,869	-	9,932,869
SIS reserve transfer to share capital	3,745,332	(3,745,332)	-	-	-	-
Grant of SIS options	-	4,310,735	-	4,310,735	-	4,310,735
SIS options surrendered	-	(2,990,315)	2,990,315	-	-	-
Acquisition of subsidiaries	-	-	-	-	6,780,975	6,780,975
Total transactions with owners	44,464,205	(2,424,912)	2,990,315	45,029,608	6,780,975	51,810,583
Net loss/Total comprehensive loss for the period	-	-	(15,812,783)	(15,812,783)	(125,967)	(15,938,750)
At 31 December 2023	108,354,183	565,403	(35,914,956)	73,004,630	6,482,715	79,487,345

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD 1 JULY 2023 TO 31 DECEMBER 2024
(Cont'd)

Company	Share capital RM	distributable Employee share option reserve RM	Distributable Accumulated losses RM	Total RM
At 1 July 2023	108,354,183	565,403	(27,092,391)	81,827,195
Transactions with owners:				
Grant of Share Issuance Scheme ("SIS") options	-	870,986	-	870,986
SIS reserve transfer to share capital	1,436,389	(1,436,389)	-	-
Conversion of Share Issuance Scheme ("SIS") options	5,071,454	-	-	5,071,454
Total transactions with owners	6,507,843	(565,403)	-	5,942,440
Net loss/Total comprehensive loss for the period	-	-	(24,890,480)	(24,890,480)
At 31 December 2024	114,862,026	-	(51,982,871)	62,879,155

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD 1 JULY 2023 TO 31 DECEMBER 2024
(Cont'd)

Company	Share capital RM	Non-distributable Employee share option reserve RM	Distributable Accumulated losses RM	Total RM
At 1 Jan 2022	63,889,978	2,990,315	(20,865,527)	46,014,766
Transactions with owners:				
Issuance of shares	30,786,004	-	-	30,786,004
Conversion of Share Issuance Scheme ("SIS") options	9,932,869	-	-	9,932,869
SIS reserves transfer to share capital	3,745,332	(3,745,332)	-	-
Grant of SIS options	-	4,310,735	-	4,310,735
SIS options surrendered	-	(2,990,315)	2,990,315	-
	44,464,205	(2,424,912)	2,990,315	45,029,608
Net loss/Total comprehensive loss for the period	-	-	(9,217,179)	(9,217,179)
At 30 June 2023	108,354,183	565,403	(27,092,391)	81,827,195

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

STATEMENTS OF CASH FLOWS

FOR THE PERIOD 1 JULY 2023 TO 31 DECEMBER 2024

	Group		Company	
	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM
Cash flows from/(used in) operating activities				
Loss before tax	(38,110,117)	(15,521,511)	(24,890,480)	(9,209,279)
Adjustments for:				
Allowance of expected credit losses	-	10,911,425	-	2,000,000
Allowance of impairment loss on goodwill	-	2,776,548	-	-
Amortization	643,466	563,715	165,474	128,702
Bargain purchase on consolidation	-	(5,484)	-	-
Depreciation	343,996	300,730	96,984	53,443
Finance cost	853,314	759,595	63,143	61,674
Impairment losses on other receivables	264,960	-	-	-
Impairment losses on trade receivables	111,985	-	-	-
Impairment losses on right of asset	732,667	-	-	-
Impairment losses of goodwill	288,705	-	-	-
Loss on disposal property, plant and equipment	24,552,750	-	24,552,750	-
Loss on disposal on subsidiaries	8,684,114	-	-	-
Property, plant and equipment written off	1,698,972	-	-	-
Reversal of allowance of expected credit losses	-	(68,000)	-	(68,000)
Reversal of impairment loss on other receivables	(5,000,468)	-	(4,943,900)	-
Reversal of impairment loss on trade receivables	(3,831,007)	-	-	-
Written off of impairment loss on trade receivables	(15,128)	-	-	-
Share option expense	870,986	4,310,735	870,986	4,310,735
Operating profit/loss) before working capital changes	(7,910,805)	4,027,753	(4,085,043)	(2,722,725)
Decrease/Increase) in inventories	4,145,349	63,589	-	-
Decrease/Increase) in trade and other receivables	20,535,304	(19,555,378)	(6,770,634)	(3,508,588)
Increase/Decrease) in trade and other payables	(1,789,015)	(11,384,939)	9,292,104	(10,316,256)
Cash (used in)/generated from operations	14,980,833	(26,848,975)	(1,563,573)	(16,547,569)
Tax refund	-	100,907	-	469
Income tax paid	-	-	-	-
Net cash (used in)/from operating activities	14,980,833	(26,748,068)	(1,563,573)	(16,547,100)

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

STATEMENTS OF CASH FLOWS

FOR THE PERIOD 1 JULY 2023 TO 31 DECEMBER 2024
(Cont'd)

	Group		Company	
	1.7.2023 to 31.12.2024 RM	**1.1.2022 to 30.6.2023 RM**	**1.7.2023 to 31.12.2024 RM**	**1.1.2022 to 30.6.2023 RM**
Cash flows from/ (used in) investing activities				
Repayments from/ (Advances to) subsidiaries	-	-	-	(2,408,409)
Acquisition of goodwill	-	(288,615)	-	-
Subscription of shares in a subsidiary	-	-	-	(500,100)
Net cash outflow in acquisition of subsidiary	-	263,236	-	-
Purchases of aircraft, plant and equipment	(13,923,094)	(11,455,084)	(7,540,131)	(11,453,685)
Proceed from disposal of property, plant and equipment	4,307,500	-	4,307,500	-
Net cash used in investing activities	(9,615,594)	(11,480,463)	(3,232,631)	(14,362,194)

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

STATEMENTS OF CASH FLOWS

FOR THE PERIOD 1 JULY 2023 TO 31 DECEMBER 2024

(Cont'd)

	Group		Company	
	1.7.2023 to 31.12.2024 RM	**1.1.2022 to 30.6.2023 RM**	**1.7.2023 to 31.12.2024 RM**	**1.1.2022 to 30.6.2023 RM**
Cash flows from/(used in) financing activities				
Proceeds from issuance of shares - net	-	29,071,814	-	-
Proceeds from issuance of redeemable convertible notes – net	-	-	-	19,138,945
Proceeds from exercise of shares issuance scheme	5,071,454	-	5,071,454	9,932,869
Advances from directors	-	2,074,691	-	12,000
Net increase from borrowing	9,700,000	6,220,343	9,700,000	- -
Repayment of lease liabilities	(1,402,197)	(595,932)	(149,257)	(103,526)
Repayment of bank borrowing	(8,614,353)	-	-	-
Interest paid	(223,314)	(759,595)	(63,143)	(61,674)
Net cash from financing activities	(4,531,590)	36,011,321	14,559,053	28,918,614
Net (decrease)/increase in cash and cash equivalents	196,829	(2,217,210)	62,850	(1,990,680)
Cash and cash equivalents at beginning of period	(60,081)	2,157,129	70,104	2,060,784
Cash and cash equivalents at end of period	136,748	(60,081)	132,954	70,104
Cash and cash equivalents are represented by:				
Cash at bank	438,713	384,164	132,954	70,104
Bank overdraft	(301,965)	(444,245)	-	-
	136,748	(60,081)	132,954	70,104

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

NOTES TO THE FINANCIAL STATEMENTS
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1. General information

The Company is principally engaged in the design, deployment and distribution of radio frequency identity tags and other tagging solutions using information technology broadband networks and the provision of training, maintenance and related consultancy services. The details of the subsidiaries, including their principal activities, are disclosed in Note 11 to the financial statements.

The Company changed its financial year end from 30 June to 31 December. Accordingly, the financial statements for the current financial period are drawn up for the period 1 July 2023 to 31 December 2024 or a period of eighteen months.

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

The Company's registered office is located at Unit 11.7, Amcorp Tower Amcorp Trade Centre, 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor.

The Principal place of business is located at Unit 29-7, 7th Floor, The Bouvelard Mid Valley City, 59200 Kuala Lumpur.

The financial statements of the Group and the Company were approved and authorised for issue by the board of directors on 29 April 2025.

2. Material accounting policies

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared and presented in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards.

The financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

2.2 Basis of preparation of the financial statements

2.2.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention and any other bases described in the significant accounting policies as summarised below.

The Group has adopted the new and revised Malaysian Financial Reporting Standards ("MFRSs") and their related IC Interpretations that become mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in accounting policies of the Group.

The Group has not adopted the new standards, amendments to published standards and IC Interpretations that have been issued but not yet effective. These new standards, amendments to published standards and IC Interpretations do not result in significant changes in accounting policies of the Group upon their initial applications.

2.2.2 **Significant accounting policies**

Functional and presentation currency

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

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

For each business combination, non controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured either at fair value or at the present ownership instruments' proportionate share of the recognised amounts of the acquiree's identifiable net assets. All other components of non controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs.

Any excess of the sum of their fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), over the net fair value of the acquiree's net identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the reporting period between non-controlling interests and the owners of the Company. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the parent.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(Cont'd)

2.2.2 **Significant accounting policies** (continued)

Basis of consolidation (continued)

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is loss. Subsequently, it is accounted for as equity accounted investee or as a financial asset depending on the level of influence retained.

Revenue from contract with customers

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the control of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue is recognised only when it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the goods or services sold.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

2.2.2 **Significant accounting policies** (continued)

Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plans

Obligations for contribution to defined contribution plans such as Employees Provident Fund are recognised as an expense in profit or loss as incurred.

(iii) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with the employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimates of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised at the beginning and end of the reporting period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertakings, with a corresponding credit to the share option reserve.

The share option reserve is transferred to share capital when the share options are exercised, or transferred to accumulated losses upon expiry of the share options.

Income tax

Income tax on the profit or loss for the reporting period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the 'liability' method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(Cont'd)

2.2.2 **Significant accounting policies** (continued)

Income tax (continued)

Deferred tax is measured at the tax rates that are expected to apply in the reporting period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Impairment of assets

The carrying amount of assets (other than financial assets) subject to accounting for impairment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment loss is recognised in profit or loss in the reporting period in which it arises.

The recoverable amount is the greater of the asset's fair value less cost of disposal and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in profit or loss.

Aircraft, plant and equipment and depreciation

Aircraft, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of aircraft, plant and equipment comprises its purchase price and any incidental costs directly attributable to bringing the asset to working condition for its intended use. The cost of spare engines acquired on an exchange basis are stated at amount paid and the fair value of the item traded-in. Heavy maintenance expenditure for aircraft and engine overhauls are capitalised at cost. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

2.2.2 **Significant accounting policies** (continued)

Aircraft, plant and equipment and depreciation (continued)

No depreciation is provided on work in progress. Depreciation on other plant and equipment is calculated to write off the cost of the assets to its residual value on a straight line basis at the following annual rates based on their estimated useful lives:

Computer	33%
IT equipment	10%-20%
Office equipment and furniture and fittings	10%
Renovation	10%
Motor vehicles	20%

The residual values, useful lives and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of aircraft, plant and equipment.

Intangible asset

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment loss.

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on straight-line basis over their estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial period end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the differences between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Investment in subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has power over its investee, exposed or has rights to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

The Company's investment in subsidiaries is stated at cost less impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(Cont'd)

2.2.2 **Significant accounting policies** (continued)

Investment in associates

An associate is a company in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

The Group's investment in associates is accounted for under the equity method of accounting based on the audited or management financial statements of the associates made up to the reporting date. Under this method of accounting, the investment in an associate is measured in the consolidated statement of financial position at cost plus the Group's post acquisition share of the associate's profit or loss and other comprehensive income while dividend received is reflected as a reduction of the investment.

Goodwill relating to an associate is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associates' profit or loss in the reporting period in which the investment is acquired.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments have been made to the financial statements of the associates to ensure consistency of accounting policies with the Group.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

Goodwill

Goodwill is measured at cost less any accumulated impairment losses and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Leases

Lease payments under operating leases are recognised in profit or loss on a straight line basis over the terms of the relevant lease.

Segment information

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

2.2.2 **Significant accounting policies** (continued)

Financial instruments

Financial instruments are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instrument.

A financial instrument (unless it is a trade receivable without a significant financing component) is recognised initially at its fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. A trade receivable without significant financing component is initially measured at the transaction price.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income in profit or loss.

Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has legal enforceable right to offset and intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

On initial recognition, financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. Financial liabilities are classified, at initial recognition, as financial liabilities subsequently measured at fair value through profit or loss or at amortised cost, as appropriate.

(i) Financial assets at amortised cost

A financial asset is classified at amortised cost if it meets both of the following conditions:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortised cost are measured using the effective interest method and are subject to impairment. Gains or losses are recognised in profit or loss when the financial assets at amortised cost are derecognised or impaired, and through the amortisation process (finance income).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(Cont'd)

2.2.2 **Significant accounting policies** (continued)

Financial instruments (continued)

(ii) Financial liabilities at amortised cost

Financial liabilities are classified at amortised cost if they are not:

a) contingent consideration of an acquirer in a business combination;
b) financial guarantee contracts;
c) loan commitments;
d) designated at fair value through profit or loss; or
e) liabilities that arise when a transfer of a financial asset that does not qualify for derecognition or when the continuing involvement approach applies.

Subsequent to initial recognition, financial liabilities at amortised cost are measured using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities at amortised cost are derecognised, and through the amortisation process (finance cost).

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of the proceeds received net of direct issue costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the reporting period in which they are approved.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Expected credit losses

The Group recognises an allowance for expected credit losses ("ECL") on financial assets at amortised cost.

ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECL are recognised in profit or loss.

2.2.2 **Significant accounting policies** (continued)

Expected credit losses (continued)

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECL. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. Where appropriate, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Loss allowances for debt instruments measured at amortised cost is deducted from the gross carrying amount of the assets.

Low credit risk

A financial instrument is determined to have low credit risk if:

a) the financial instrument has a low risk of default;
b) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

Significant increase in credit risk

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

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Definition of default

The Group considers a debt instrument to be in default when:

a) The Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group; or
b) The financial asset is more than 90 days past due.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(Cont'd)

2.2.2 **Significant accounting policies** (continued)

Expected credit losses (continued)

Credit impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable events:

a) Significant financial difficulties of the debtor;
b) A breach of contract, such as a default or past due event;
c) The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
d) It becoming probable that the borrower will enter into bankruptcy or other financial reorganisations; or
e) Disappearance of an active market for that financial asset because of financial difficulties.

Write off

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Subsequent recoveries of a financial asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Current versus non-current classification

Assets and liabilities are presented based on a current/non-current classification. An asset is current when it is:

a) Expected to be realised or intended to be sold or consumed in the normal operating cycle;

b) Held primarily for the purpose of trading;

c) Expected to be realised within twelve months after the reporting period; or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in the normal operating cycle;

b) It is held primarily for the purpose of trading;

c) It is due to be settled within twelve months after the reporting period; or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

2.2.2 **Significant accounting policies** (continued)

Statements of cash flows

Statements of cash flows are prepared using the indirect method.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

Inventories

Inventories are measured at the lower of cost and net realisable value (which is the estimated selling price less costs to complete and sell). Cost comprises purchase price and directly attributable costs of bringing the inventories to their present location and condition. Cost of inventories is accounted by first in first out method.

3. **Critical accounting estimates and judgments**

In the preparation of the financial statements, the directors are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgments are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, which are described above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period other than as follows:

(a) Measurement of ECL allowance

The ECL for receivables are estimated based on assumptions about risk of default and expected loss of the probability of non-payment. The assumptions used in estimating future cash flows are determined using historical data and forward-looking information. The Group uses judgement in making these assumptions.

(b) Impairment of goodwill and investment in subsidiaires

The Group and the Company assess impairment of goodwill annually and investment in subsidiaries when events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable. In assessing such impairment, the recoverable amount of the assets is estimated using the latest available fair value (after taking into account the costs to sell) or the value in use of the assets.

Significant variations to these assumptions and estimates could result in changes to the assessment of the recoverability of these non financial assets. To the extent of any future determination that these non financial assets are not recoverable, future financial results in the reporting period in which this determination is made will be affected.

NOTES TO THE FINANCIAL STATEMENTS
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4. Revenue

4.1 Disaggregation of revenue

Set out below is the disaggregation of revenue from contracts with customers:

	Group		Company	
	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM
Type of goods or services				
Air freight and aviation related services	493,704	468,476	-	-
Trading of equipment	-	5,201,500	-	-
Trading of beauty products, beauty consultancy and reflexology services	18,060,645	6,074,644	-	-
Other consultancy services	-	1,742,446	-	-
Restaurant and retail sales	4,572,399	2,494,677	-	-
Others	4,500	6,000	4,500	6,000
	23,131,248	15,987,743	4,500	6,000

	Group		Company	
	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM
Timing of revenue recognition				
At a point in time	23,131,248	15,987,743	4,500	6,000

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(Cont'd)

5. Cost of sales

	Group	
	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM
Air freight and aviation related services	282,839	366,174
Trading of equipment	-	5,000,000
Trading of beauty products, beauty consultancy and reflexology services	1,070,032	188,092
Other consultancy services	-	1,661,905
Restaurant and retail sales	4,193,876	2,140,920
Total	5,546,747	9,357,091

6. Staff costs

	Group		Company	
	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM
Directors' fees				
- Company	1,140,577	824,000	1,140,577	824,000
- subsidiaries	74,500	360,000	-	-
Directors' remuneration other than fees	336,746	290,490	78,850	92,600
Salaries, wages, bonus and allowances	2,112,356	2,438,912	722,141	803,008
Defined contribution plan	109,917	292,874	73,863	94,323
Share option expense	870,986	4,310,735	870,986	4,310,735
Other employee related expenses	15,666	34,912	7,271	10,770
	4,660,748	8,551,923	2,893,688	6,135,436

.

The key management personnel of the Group and Company whose remuneration is analysed as follows:

	Group		Company	
	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM
Executive directors:				
- Fees	663,077	948,000	588,577	588,000
- Salaries	164,847	155,333	-	-
- Allowances	156,450	110,600	78,850	92,600
- Bonus	-	12,000	-	-
- Other employees related expenses	15,499	12,557	-	-
- Share option expenses	390,337	2,150,685	390,337	2,150,685
Non executive directors:				
- Fees	552,000	236,000	552,000	236,000
Total	1,942,210	3,625,175	1,609,764	3,067,285

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7. Loss before tax

	Group		Company	
	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM
Loss before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- current year				
-Statutory	313,500	326,000	110,000	193,000
-Non-statutory	-	45,250	-	45,250
Expenses relating to short term leases on premises	61,217	30,600	21,485	-
Expenses relating to leases of low value assets on equipment	5,269	14,428	4,069	17,541
Expenses relating to leases of low value assets on property, plant and equipment	55,100	-	-	-
Plant and equipment written off	1,698,972	2,890	-	-
Allowance of expected credit losses	-	10,911,425		2,000,000
Allowance of impairment loss on goodwill	288,615	2,776,548	-	-
Ammortization of right of use assets	643,466	563,715	165,474	128,702
Share option expenses	870,986	-	870,986	
Depreciation of property, plant and equipment	343,996	300,730	96,984	53,443
Bargain purchase on consolidation	-	(5,484)	-	-
Loss on disposal of property, plant and equipment	24,552,750	-	24,552,750	-
Impairment loss on deposit	55,860	-	-	-
Impairment loss on other receivable	209,100	-	-	-
Impairment loss on right-of-use assets	732,667	-	-	-

8. Income tax expense

	Group		Company	
	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM
Expected income tax payable				
- current period	983,749	417,239	-	7,900
- under provision in prior years	(43,087)	-	-	-
	940,662	417,239	-	7,900

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8. **Income tax expense** (continued)

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	1.7.2023 to 31.12.2024 RM	**1.1.2022 to 30.6.2023 RM**	**1.7.2023 to 31.12.2024 RM**	**1.1.2022 to 30.6.2023 RM**
Loss before tax	(38,110,117)	(15,521,511)	(24,890,480)	(9,209,279)
Taxation at statutory tax rate of 24% (2023: 24%)	(9,146,428)	(3,706,421)	(5,973,715)	(2,210,227)
Expenses not deductible for tax purposes	10,860,876	3,918,576	5,973,715	2,193,669
Deferred tax assets not recognised	-	195,000	-	43,650
Income not subject to tax	(730,699)	(16,320)	-	(16,320)
Utilisation of previously unrecognised deferred tax assets	-	29,276	-	-
Under provision in prior years	(43,087)	(2,872)	-	(2,872)
Income tax expense for the period	940,662	417,239	-	7,900

Deffered tax liabilities are arised in respect of :

	1.7.2023 to 31.12.2024 RM
At beginning of financial period	346,457
Disposal of subsidiaries	(346,457)
At end of financial period	-

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9. Loss per share

9.1 Basic loss per share

Basic loss per ordinary share is calculated based on the net loss attributable to owners of the Company and weighted average number of ordinary shares in issue as follows:

	Group	
	1.7.2023 to 31.12.2024 RM	**1.1.2022 to 30.6.2023 RM**
Net loss attributable to owners of the Company	(39,050,779)	(15,812,783)

	Group	
	1.7.2023 to 31.12.2024 RM	**1.1.2022 to 30.6.2023 RM**
Weighted average number of ordinary shares in issue	1,264,132,817	926,765,129
Basic loss per share (sen)	(2.45)	(1.71)

Comparative figures for the weighted average number of ordinary shares for basic earnings per share have been restated to amend the error in calculation.

9.2 Diluted loss per share

Diluted loss per share is not presented in the financial statement as there is an anti dilutive effect on loss per share.

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10. Aircraft, plant and equipment

Group	Leasehold land and buildings RM	Equipment RM	Office equipment, computer, IT equipment and furniture fittings RM	Renovation RM	Motor vehicles RM	Work in progress: Aircraft RM	Work in progress: Others RM	Total RM
At 1 January 2022	-	-	-	-	23,008	39,927,752	-	39,950,760
Additions	-	16,467	86,391	397,298	-	16,516,296	-	17,016,452
Arising through business combination	1,050,261	5,520,671	3,191,240	9,190,188	1,670,229	-	-	20,622,589
Fair value adjustment	1,879,122	-		-	-	-	-	1,879,122
At 1 July 2023	2,929,383	5,537,138	3,277,631	9,587,486	1,693,237	56,444,048	-	79,468,923
Additions	-	1,454,193	208,407	1,725,460	46,000	10,489,034	-	13,923,094
Disposal	-	-	-	-	-	(28,860,250)	-	(28,860,250)
Written off	-	(57,174)	-	(1,725,460)	-	-	-	(1,782,634)
Disposal of subsidiaries	(2,929,383)	(3,959,082)	(2,987,649)	(9,190,188)	(1,674,237)	-	-	(20,740,539)
At 31 December 2024	-	2,975,075	498,389	397,298	65,000	38,072,832	-	42,008,594
At 1 January 2022	-	-	-	-	5,880	-	-	5,880
Charge for the period	20,149	232,705	81,805	417,852	39,670	-	-	792,181
Arising through business combination	229,382	3,164,144	2,804,829	5,027,146	1,242,004	-	-	12,467,505
At 30 July 2023	249,531	3,396,849	2,886,634	5,444,998	1,287,554	-	-	13,265,566
Charge for the period	-	161,119	45,323	131,087	6,467	-	-	343,996
Written off	-	(12,171)	-	(71,491)	-	-	-	(83,662)
Disposals of subsidiaries	(249,531)	(2,075,294)	(2,663,813)	(5,417,466)	(1,277,421)	-	-	(11,683,525)
At 31 December 2024	-	1,470,503	268,144	87,128	16,600	-	-	1,842,375
Carrying amount								
At 31 December 2024	-	1,504,572	230,245	310,170	48,400	36,072,832	-	40,166,219
At 30 June 2023	2,679,852	2,140,289	390,997	4,142,488	405,683	56,444,048	-	66,203,357

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10. Aircraft, plant and equipment (continued)

Company	Leasehold land and buildings RM	Equipment RM	Office equipment, computer, IT equipment and furniture fittings RM	Renovation RM	Motor vehicles RM	Work in progress: Aircraft RM	Work in progress: Others RM	Total RM
Cost								
At 1 January 2022	-	-	4,008	-	19,000	39,927,752	-	39,950,760
Additions	-	-	84,991	352,389	-	11,016,296	-	11,453,685
At 1 July 2023	-	-	88,999	352,398	19,000	50,944,048	-	51,404,445
Additions	-	-	5,097	-	46,000	7,489,034	-	7,540,131
Disposal	-	-	-	-	-	(28,860,250)	-	(28,860,250)
At 31 December 2024	-	-	94,096	352,398	65,000	29,572,832	-	30,084,326
Accumulated depreciation								
At 31 December 2021	-	-	1,447	-	4,433	-	-	5,880
Change for the period	-	-	21,313	26,460	5,700	-	-	53,443
At 30 June 2023	-	-	22,760	26,430	10,133	-	-	59,323
Charge for the period	-	-	37,657	52,860	6,467	-	-	96,984
Disposals	-	-	-	-	-	-	-	-
At 31 December 2024	-	-	60,417	79,290	16,600	-	-	156,307
Carrying amount								
At 31 December 2024	-	-	33,679	273,108	48,400	29,572,832	-	29,928,019
At 1 July 2023	-	-	66,239	325,968	8,867	50,944,048	-	51,345,122

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10. **Aircraft, plant and equipment** (continued)

The leasehold land and buildings of the Group, is pledged to the licensed bank for facility granted to the Group as follows:

	As at	
	31.12.2024	**30.6.2023**
	RM	**RM**
Leasehold land and buildings	-	2,679,852

11. **Investment in subsidiaries**

	Company	
	31.12.2024	**30.6.2023**
	RM	**RM**
Unquoted shares at cost		
At beginning of period	15,047,449	3,400,290
Additions	7,445,809	11,647,159
At end of period	22,493,258	15,047,449

The details of the subsidiaries are as follows:

Subsidiaries of the Company	Country of incorporation	Group's effective interest 31.12.2024	30.6.2023	Principal activities
Asia Cargo Wings Sdn Bhd*	Malaysia	60%	60%	Commercial air transport operators
Smart Marine Tech SdnBhd*	Malaysia	100%	100%	Research and development on information communication technology ("ICT") and supply of ICT equipment
SMT Turbojet Resources Sdn Bhd*	Malaysia	100%	100%	Dormant
SMT Drones Tech Sdn Bhd*	Malaysia	90%	90%	Dormant
SMT Food & Beverages Sdn Bhd*	Malaysia	100%	100%	Investment holding
V Ultimate Sdn Bhd*	Malaysia	66%	30%	Investment holding
Held through SMT Food & Beverages Sdn Bhd				
AHA Food & Beverages Sdn Bhd*	Malaysia	60%	99.99%	Restaurant business and retail sales of other products
Held through V Ultimate Sdn Bhd				
Beauty Century Face & Body Design Sdn Bhd	Malaysia	-	30%	Beauty consultancy services, operating hairdressing and other beauty treatments centre
Beauty Century World Sdn Bhd	Malaysia	-	30%	Marketing and distribution of beauty care and slimming products
H2G Expert Sdn Bhd	Malaysia	-	30%	Trading of beauty products
Kiseki Marketing Sdn Bhd	Malaysia	-	30%	Trading of beauty and slimming products

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11. Investment in subsidiaries (continued**)**

Subsidiaries of the Company	Country of incorporation	Group's effective interest 31.12.2024	30.6.2023	Principal activities
Held through V Ultimate Sdn Bhd and AVA Skin Sdn Bhd				
AVA Skin Gold Sdn Bhd	Malaysia	-	30%	Providing management and consultancy services of cosmetic and personal care centre
AVA Skin Sdn Bh	Malaysia	-	30%	Management and consultancy services of cosmetic and personal care centre
My Thai Wellness Sdn Bhd	Malaysia	-	30%	Reflexology centres, marketing and supplying beauty and wellness products

*Audited by Chengco PLT

Incorporation and acquisition of subsidiaries

In the current reporting period:

(a) Acquisition of subsidiaries

In the current reporting period:

(a) Acquisition 33% of V Ultimate Sdn. Bhd.

During the financial year, V Ultimate Sdn. Bhd. issued additional ordinary shares amounting to RM7,445,809 which were fully subscribed by the Company. Following the issuance of share, the Group's effective interest in V Ultimate Sdn. Bhd. increased to 66%.

In the previous reporting period:

(a) On 7 July 2022, the Company incorporated a wholly-owned subsidiary, SMT Food & Beverages Sdn Bhd ("SMTFB"), by subscribing to 100 ordinary shares representing 100% of the issued and paid-up share capital of SMTFB for a cash consideration of RM100.

11. Investment in subsidiaries (continued**)**

Incorporation and acquisition of subsidiaries (continued)

In the previous reporting period: (continued)

(b) On 31 October 2022, SMTFB gained control of AHA Food & Bevarge Sdn Bhd ("AHA") by acquisition of 500,000 units of shares representing 100% of the issued and paid-up capital of AHA for a cash consideration of RM500,000. The Company, as immediate and ultimate holding company of SMTFB, has indirectly gained fully control of AHA on 31 October 2022 as well.

The assets acquired and liabilities recognised as at the date of acquisition were as follows:

Fair value of identified assets and liabilities

	Fair value recognised on acquisition	AHA's carrying amount
Property, Plant and Equipment	224,422	224,422
Net current assets	281,113	281,113
Net identified assets acquired	505,535	505,535

Net cash outflow arising from acquisition of subsidiary

Purchase consideration settled in cash	500,000
Cash and cash equivalents acquired	(1,000)
	499,000

Goodwill

Fair value of consideration transferred	500,000
Fair value of identifiable assets acquired and liabilities assumed	(505,535)
Non controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	51
Bargain purchase on acquisition	(5,484)

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11. **Investment in subsidiaries** (continued)

Incorporation and acquisition of subsidiaries (continued)

In the previous reporting period: (continued)

(c) On 28.12.2022, the Company has complete acquired V Ultimate Sdn Bhd ("VU") by share issuances of 211,764,705 units of shares at RM0.055 per unit, which equivalent to total purchase consideration of RM11,647,059, for 2,024,291 units of shares which representing 30% of the issued and paid-up share capital of VU. The transfers of shares has been completed on 28.2.2023. The directors representing SMTrack Berhad had been appointed on 28.12.2022 and SMTrack Berhad has gained control as a holding company on 1.1.2023.

The assets acquired and liabilities recognised as at the date of acquisition were as follows:

Fair value of identified assets and liabilities

	Fair value recognised on acquisition	V Ultimate's carrying amount
Property, Plant and Equipment	9,857,671	7,978,550
Trade and other receivables	15,693,654	15,693,654
Cash and cash equivalents	1,166,252	1,166,252
Inventories	4,380,093	4,380,093
ROU assets	623,699	623,699
Trade and other payables	(6,723,227)	(6,723,227)
Borrowings	(10,914,596)	(10,914,596)
Lease liabilities	(730,772)	(730,772)
Current tax liabilities	(3,319,283)	(3,319,283)
Deferred tax liabilities	(346,457)	(158,545)
Net identified assets acquired	9,687,034	7,995,825

Net cash outflow arising from acquisition of subsidiary

Purchase consideration settled in cash	-
Cash and cash equivalents acquired	1,166,252
Bank overdraft	(404,016)
	762,236

Goodwill

Fair value of consideration transferred	11,647,059
Fair value of identifiable assets acquired and liabilities assumed	(9,687,034)
Non controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	6,780,924
Goodwill on acquisition	8,740,949

11. **Investment in subsidiaries** (continued)

Disposal of subsidiaries

In the current reporting period:

(a) Disposal of 39.99% of AHA Food & Beverage Sdn. Bhd.

During the financial year, SMT Food & Beverage Sdn. Bhd., a fully-owned subsidiary of the Company, disposed off 200,000 ordiary shares, amounted to RM200,000, representing 39.99% equity interest in AHA Food & Beverage Sdn. Bhd. for a total consideration of RM200,000.

There is no gain or loss arising from this disposal in the Company level.

(b) Disposal of subsidiaries of V Ultimate Sdn. Bhd.

All the subsidiaries of V Ultimate Sdn. BHd. being disposed during the financial year.

Significant non-controlling interest ("NCI") in subsidiary companies

	V Ultimate Sdn Bhd	AHA Food & Beverage Sdn Bhd	Asia Cargo Wings Sdn Bhd
	31.12.2024	31.12.2024	31.12.2024
	RM	RM	RM
Current assets	4,482,372	333,695	261,613
Non-current assets	1,590,435	227,626	1,190
Current liabilities	(608,625)	(894,904)	(1,540,166)
Non-current liabilities	-	(2,048,535)	-
Net assets/(liabilities)	5,464,182	(2,382,118)	(1,277,363)
Carrying amount of NCI as at 31.12.2024	1,857,822	(952,847)	(510,945)
Profit/Total comprehensive (loss)/income for the financial period	(10,594,815)	(2,907,864)	(60,186)
Profit/Total comprehensive income allocated to NCI for the financial period	(7,416,370)	(1,163,146)	(26,281)
Ownership interest and voting rights percentage held by NCI	34%	40%	40%

The remaining non-controlling interest of the Group is individually immaterial.

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12. Intangible asset

Group/Company	Franchise RM	Total RM
Cost		
At 1 January 2022, 30 June 2023, 1 July 2023 and 31 December 2023	9,240,000	9,240,000
Carrying amount		
At 31 December 2024	9,240,000	9,240,000
At 30 June 2023	9,240,000	9,240,000

13. Right of use asset

Group	Outlet RM	Building RM	Office RM	Total RM
Cost				
At 1 July 2023	369,452	6,434,124	661,893	7,465,469
Additions	999,572	-	-	999,572
Expiry	(92,071)	-	-	(92,071)
Disposal of subsidiaries	-	(6,434,124)	-	(6,434,124)
At 31 December 2024	1,276,953	-	661,893	1,938,846
Accumulated depreciation				
At 1 July 2023	77,207	6,168,124	128,701	6,374,140
Charge for the period	477,991	-	165,475	643,466
Expiry	(92,071)	-	-	(92,071)
Disposal of subsidiaries	-	(6,168,124)	-	(6,168,124)
At 31 December 2024	463,127	-	294,176	757,411
Accumulated impairment				
At 1 July 2023	-	-	-	-
Charge for the period	732,667	-	-	732,667
At 31 December 2024	732,667	-	-	732,667
Carrying amount				
At 31 December 2024	81,051	-	367,717	448,768
At 1 July 2023	292,245	265,892	533,192	1,091,329

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13. **Right of use asset** (continued)

Company	Office RM	Total RM
Cost		
At 1 July 2023	661,893	661,893
Additions	-	-
At 31 December 2024	661,893	661,893
Accumulated depreciation		
At 1 July 2023	128,701	128,701
Charge for the period	165,475	165,475
At 31 December 2024	294,176	294,176
Carrying amount		
At 31 December 2024	367,717	367,717
At 1 July 2023	533,192	533,192

14. **Goodwill on consolidation**

	Group	
	31.12.2024 RM	**30.6.2023 RM**
At beginning of period	2,776,548	2,776,548
Arising during the period	8,740,949	8,740,949
	11,517,497	11,517,497
Less : Allowance for impairment losses	(2,776,548)	(2,776,548)
At end of period	8,740,949	8,740,949

14.1 **Impairment testing for goodwill on consolidation**

For the purpose of impairment testing, goodwill is allocated to the Group's commercial air transport operating segments which represent the lowest level cash-generating unit within the Group at which the goodwill is monitored for internal management purposes.

The goodwill impairment test of cash-generating unit is determined based on its value in use. Value in use is determined by discounting the future cash flows expected to be generated from the cash-generating unit and the following are the key assumptions:

- Cash flows were projected based on past experience, actual operating results and the 3 to 5 years business plan including its terminal value.

14.2 **Details of goodwill**

	As at 31.12.2024
Goodwill on acquisition of business by AHA Food and Beverages Sdn Bhd	-
Goodwill on consolidation of V Ultimate Sdn Bhd	8,740,949
	8,740,949

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15. Investment in an associate

	Group and Company	
	31.12.2024 RM	30.6.2023 RM
At cost		
At beginning/end of period	15,029	15,029
Accumulated impairment loss		
At beginning/end of period	(15,029)	(15,029)
Carrying amount	-	-

The details of the associate is as follows:

Name of associate	Country of incorporation	Group's effective interest 31.12.2024	30.6.2023	Principal activities
Smart Tag Technologies Sdn Bhd	Malaysia	30%	30%	Dormant

16. Trade receivables

	Group	
	31.12.2024 RM	30.6.2023 RM
Trade receivables	4,527,528	16,302,980
Less: Allowance for expected credit losses	(4,527,528)	(8,554,012)
	-	7,748,968

The Group normal trade credit terms is 30 days (30.6.2023: 30 days).

The movements in the allowance for expected credit losses of trade receivables during the reporting period are as follows:

	Group	
	31.12.2024 RM	30.6.2023 RM
At beginning of period	8,554,012	526,000
Allowance for expected credit losses	111,985	8,028,012
Disposal of Subsidiaries	(292,335)	-
Writte offs	(15,128)	-
Reversal	(3,831,006)	-
At end of period	4,527,528	8,554,012

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16. **Trade receivables** (continued)

	Company	
	31.12.2024 RM	**30.6.2023 RM**
At beginning of period	-	-
Allowance for expected credit losses	-	-
At end of period	-	-

The following table details the credit risk exposure on the trade receivables.

	Group	
	31.12.2024 RM	**30.6.2023 RM**
Not past due	-	382,802
More than 90 days past due	4,527,528	15,920,178
	4,527,528	16,302,980
Less : Allowance for expected credit losses	(4,527,528)	(8,554,012)
	-	7,748,968

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17. Other receivables, deposits and prepayments

	Group	
	31.12.2024	**30.6.2023**
Non-current	**RM**	**RM**
Advances made to the Joint – Operation Entity (Note 17.3)	4,943,900	4,943,900
Other receivables	2,200,000	2,200,000
	7,143,900	7,143,900
Less: Allowance of impairment loss	(2,200,000)	(7,143,900)
	4,943,900	-

	Group	
	31.12.2024	**30.6.2023**
Current	**RM**	**RM**
Amount due from corporate shareholder	4,182,533	-
Amount due from an associate	380,000	380,000
Amount due from a related parties	-	18,320
Other receivables	782,437	11,750,544
Deposits	6,912,702	8,872,494
Prepayments	3,835	-
	12,261,417	21,021,358
Less: Allowance of impairment loss	(7,193,805)	(6,985,413)
	5,067,612	14,035,945

	Company	
	1.12.2024	**30.6.2023**
Non-current	**RM**	**RM**
Advances made to the Joint Operation Entity (Note 17.3)	4,943,900	4,943,900
Other receivables	2,200,000	2,200,000
	7,143,900	7,143,900
Less: Allowance of impairment loss	(2,200,000)	(7,143,900)
	4,943,900	-

	Company	
	31.12.2024	**30.6.2023**
Current	**RM**	**RM**
Amount due from subsidiaries	5,839,219	4,544,700
Amount due from an associate	380,000	380,000
Amount due from a related party	-	-
Other receivables	223,247	35,631
Deposits	6,627,462	8,784,772
	13,069,928	13,745,103
Less: Allowance of impairment loss	(6,928,845)	(6,928,845)
	6,141,083	6,816,258

17. **Other receivables, deposits and prepayments** (continued)

17.1 **Amount due from subsidiaries, associate and related parties**

The amount due from subsidiairies, associate and related parties represent unsecured interest free advances receivable on demand.

17.2 **Allowance for impairment loss**

The movements in the allowance of impairment losses of other receivables, deposits and prepayments during the reporting period are as follows:

	Group		Company	
	1.7.2023 to 31.12.2024 RM	**1.1.2022 to 30.6.2023 RM**	**1.7.2023 to 31.12.2024 RM**	**1.1.2022 to 30.6.2023 RM**
At beginning of period	14,129,313	11,313,900	14,072,745	12,140,745
Allowance for the period	264,960	2,883,413	-	2,000,000
Write offs	-	(68,000)	-	(68,000)
Reversal for the period	(5,000,468)	-	(4,943,900)	-
At end of period	9,393,805	14,129,313	9,128,845	14,072,745

Advances to the Then Joint Operation Entity

On 10 March 2016, the Company entered into a joint venture agreement ("JVA") with Cherish Words Sdn Bhd ("CWSB") to form an "unincorporated joint operation" to participate in a joint venture for subcontracting works.

Gandingan Mutiara Sdn Bhd ("GMSB") which is the main contractor for the Development Project that was awarded by FELDA to carry out the Development Project for a total sum of RM34,543,850 on 6 January 2014.

Subsequently on 16 March 2016, the parties entered into a supplemental joint venture agreement to amend the terms of the JVA. (the JVA and the supplementary JVA are collectively referred to as "the JVAs")

The salient terms of the JVAs, amongst others, are as follows:

I. The Company agreed to participate in the subcontracting work by way of working capital contribuation of RM3,700,000 in cash for the purposes of carrying out the balances of works for the Development Project awarded by GMSB.
II. Any profits as may be derived from the joint operations shall be first utilised to repay the working capital contribuations to the Company.

The percentage of partipation, execution of works and sharing of the profits arising out of the performance of the Development Project between the parties shall be on 50%:50% basis.

The Joint Venture Agreement were terminated on 28 July 2017 by mutual consent, and the outstanding amount of RM4,943,900 will be settled via contra of properties.

This amount has been fully impaired in the financial reporting year 2021. Nevertheless, the amount has been revered during the current financial period following progress of development by the contractor.

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18. Inventories

	Group	
	31.12.2024 RM	**30.6.2023 RM**
Trading goods, at cost	171,155	4,316,504
Inventories recognised as cost of sale	5,215,382	-

19. Share capital

	Group and Company			
	31.12.2024 No. of ordinary shares	**30.6.2023 No. of ordinary shares**	**31.12.2024 RM**	**30.6.2023 RM**
Issued and fully paid:				
At beginning of period	1,191,782,004	564,189,149	108,354,183	63,889,978
Issuance of shares pursuant to:				
- private placement	-	-	-	-
- special issue	-	211,764,705	-	11,647,059
- conversion of redeemable convertible notes (Note 25)	-	205,000,000	-	19,138,945
- share issuance scheme exercised	129,689,796	210,828,150	5,071,454	9,932,869
- SIS reserves transfer to share capital upon exercised	-	-	1,436,389	3,745,332
At end of period	1,321,471,800	1,191,782,004	114,862,026	108,354,183

In the current reporting period, the Company issued the following shares by way of:

(i) Issuance of 129,689,796 new ordinary shares pursuant to the exercise of SIS options at the exercise price ranging from RM0.0272 to RM0.0452;

In the previous reporting period, the Company issued the following shares by way of:

(ii) Conversion of RM20,500,000 redeemable convertible notes to 205,000,000 new ordinary shares at an issue price of RM0.10 per share. Issuance costs of RM1,361,055 which were directly attributable to the issue of shares have been netted against the cash consideration received;

(iii) Issuance of 210,828,150 new ordinary shares pursuant to the exercise of SIS options at the exercise price ranging from RM0.0272 to RM0.07; and

(iv) Special issue of 211,764,705 new ordinary shares with an issue price of RM0.085 per share. The shares were issued for payment for the purchase consideration for the proposed acquisition of 30% equity interest in V Ultimate Sdn. Bhd. The fair value of the share price on the issuance date is RM0.055.

19. **Share capital** (continued)

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

19.1 **Share issuance scheme options**

The Company implemented an Employees' Share Issuance Scheme ("SIS") which is governed by the SIS By-Laws approved by its shareholders at the Extraordinary General Meeting held on 17 May 2017. The effective date for the implementation of the SIS is 26 October 2017.

The salient features of the SIS are as follows:

(a) The SIS is administered by the Option Committee of the Company;

(b) Employees (including directors) of the Company or its subsidiaries shall be eligible to participate in the SIS, if as at the date of offer, the employee:

(i) has attained the age of eighteen (18) years;
(ii) is employed by a company in the Group, which is not dormant.

The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the Option Committee. The participation of an Executive Director of the Company in the SIS shall be approved by the shareholders of the Company in the general meeting;

(c) The total number of new shares to be offered pursuant to the SIS shall not be more than 30% of the Company's issued and paid up share capital of the Company;

(d) The SIS shall be in force for a period of five (5) years with an extension period of another five (5) years from the first grant date;

(e) The option price shall be fixed at the higher of the five (5) days weigted average market price of the shares of the Company preceeding the date of offer with a discount of not more than 10%;

(f) The number of shares so offered shall not be less than one hundred (100) shares nor more than the maximum number of allocations granted by the Option Committee in multiples of one hundred (100) shares; and

(g) All new ordinary shares issued upon exercise of the options granted under the SIS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotment and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the options under the SIS.

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19.1 **Share issuance scheme options** (continued)

The movements in the Company's SIS options are as follows:

	Number of options over ordinary shares			
Offer Date	**27-Jun-24**	**7-Feb-24**	**19-Jun-23**	**29-Aug-22**
At 1 Jul 2023	-	-	31,671,969	2,682,927
Granted	22,734,899	72,600,000		
Exercised	(22,734,899)	(72,600,000)	(31,671,969)	(2,682,927)
At 31 December 2024	-	-	-	-
Exercise price (RM)	0.0360	0.0452	0.0272	0.0410

The fair value of the share options granted under the SIS is estimated at the grant date using Trinomial option pricing model, taking into account the terms and conditions upon which the instruments were granted. The key assumptions used for estimation of SIS for value were as follows:

	27-Jun-24	**7-Feb-24**	**19-Jun-23**	**29-Aug-22**
Expected volatility	101.84%-130.47%	123.31%-160.11%	51%-74%	42%-75%
Risk free interest rate	3.87%	3.80%	3.29%	3.29%

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

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20. Reserves

	Group	
	31.12.2024 RM	**30.6.2023 RM**
Distributable:		
Accumulated losses	(69,131,287)	(35,914,956)
Non-distributable:		
Employee share option reserve	-	565,403
	(69,131,287)	(35,349,553)

	Company	
	31.12.2024 RM	**30.6.2023 RM**
Distributable:		
Accumulated losses	(51,982,871)	(27,092,391)
Non-distributable:		
Employee share option reserve	-	565,403
	(51,982,871)	(26,526,988)

Employee share option reserve represents the equity settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity settled share options, and is reduced by the expiry or exercise of the share options.

21. Lease liabilities

2024	**Outlet RM**	**Group Office RM**	**Total RM**
Future minimum lease payment:			
- Not later than one year	262,485	141,600	404,085
- Later than one year but not later than five years	117,500	330,400	447,900
	379,985	472,000	851,985
Less : Future finance charge	(25,643)	(62,890)	(88,533)
	354,342	409,110	763,452
Present value of lease liabilities			
- Not later than one year	244,232	110,713	354,945
- Later than one year but not later than five years	110,110	298,397	408,507
	354,342	409,110	763,452

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21. **Lease liabilities** (continued)

	Company	
	Office RM	**Total RM**
Future minimum lease payment		
- Not later than one year	141,600	141,600
- Later than one year but not later than five years	330,400	330,400
	472,000	472,000
Less : Future finance charge	(62,890)	(62,890)
	409,110	409,110
Present value of lease liabilities		
- Not later than one year	110,713	110,713
- Later than one year but not later than five years	298,397	298,397
	409,110	409,110

22. **Trade payables**

The normal trade credits granted to the Group and Company, range from 30 days to 90 days (30.06.2023: 30 days to 120 days).

23. **Other payables and accruals**

Current Liabilities	Group	
	31.12.2024 RM	**30.6.2023 RM**
Amount due to directors	1,337,182	2,074,691
Amount due to a related party	-	278,054
Other payables	396,488	110,431
Accruals	1,161,003	3,616,731
	2,894,673	6,079,907

	Company	
	31.12.2024 RM	**30.6.2023 RM**
Amount due to subsidiaries	-	237,757
Amount due to directors	-	12,000
Other payables	34,561	82,137
Accruals	205,879	324,357
	240,440	656,251

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23. **Other payables and accruals** (continued)

Non-current Liabilities

	Group	
	31.12.2024	**30.6.2023**
	RM	**RM**
Amount due to a related party	-	-
Other payables	9,700,000	-
Accruals	-	-
	9,700,000	-

	Company	
	31.12.2024	**30.6.2023**
	RM	**RM**
Amount due to subsidiaries	-	-
Other payables	9,700,000	-
Accruals	-	-
	9,700,000	-

The amounts due to a subsidiaries/directors/a related party represents unsecured interest free advances repayable on demand.

24. **Borrowings**

	Group	
	31.12.2024	**30.6.2023**
	RM	**RM**
Current liabilities		
Secured :		
Bank borrowings	200,441	2,035,346
Bank overdraft	301,865	-
Borrowings from licensed money lender	-	7,000,000
Hire purchases	-	84,649
	502,306	9,119,995
Non current liabilities		
Secured :		
Bank borrowings	1,546,229	7,285,197
Borrowings from licensed money lender	7,000,000	-
Hire purchases	-	325,731
Overdraft	-	444,245
	8,546,229	8,055,173

These borrowings, term loans, hire purchase and bank overdrafts details are as per below:

i. Hire purchase interest is range from 3.27% to 7.5%.
ii. Term loans and bank overdrafts interest is ranged from 3.5% to 13.69%, and are secured by:
   - Gurantee by Syarikat Jaminan Pembiayaan Periagaan Berhad: and
   - Joint and gurantee by certain of the directors of the Group.
iii. Borrowings are borrowed from licensed money lender, with a 6% interest rate per annum with a 12-months loan term.
iv. Joint and several guarantee by director of subsidiary and holding company.

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25. Redeemable convertible notes

	Group and Company	
	31.12.2024	**30.6.2023**
	RM	**RM**
At beginning of period	-	-
Issuance of redeemable convertible notes ("RCN")	-	19,138,945
Conversion of RCN into ordinary shares (Note 19)	-	(19,138,945)
At end of period	-	-

The Company has entered into a subscription agreement dated 20 October 2020 for the issuance of 1.0% redeemable convertible notes ("RCN") with an aggregrate value of up to RM120,000,000 comprising four (4) tranches of a nominal value of RM25,000,000 first tranche, RM25,000,000 for the second tranche, RM35,000,000 for the third tranch and RM35,000,000 for the fourth tranch.

The salient features of the RCN are as follows:

RCN Maturity Date	:	60 months (5 years) from the closing date of the first sub-tranche of Tranche 1 Notes
Dividend	:	Cumulative preferential dividend at 1% per annum based on the RCN issue price payable semi-annually.
Conversion Right	:	Any RCN may be converted into new ordinary shares of the Company, at the option of the RCN holders, at any time, during before the RCN Maturity Date
RCN Conversion Price	:	The RCN Conversion Price shall be 80% of the average closing price of the Company for any 3 consecutive business days as selected by the RCN holders during the 45 business days immediately preceding the relevant conversion date of the RCN, subject to the RCN Minimum Conversion Price
RCN Conversion Cap	:	The RCN holders, collectively or together with their affiliates, shall not at any time hold more than 10% interest in the enlarged total number of ordinary shares of the Company without the prior approval of the Company
RCN Maximum Conversion Shares	:	450,000,000 ordinary shares
RCN Minimum Conversion Price	:	Minimum conversion price of RM0.10, at which RCN can be converted into ordinary shares
RCN Non-Default Redemption amount	:	110% of the issue price of the RCN
RCN Redemption Period	:	The period from the issue date to the RCN Maturity Date
RCN Conversion Downside Redemption	:	The Company may redeem the RCN presented for conversion in cash at the RCN Conversion Redemption Price if the RCN Conversion Price is less than or equal to 65% of the daily average of the traded volume weighted average prices of the Company's shares for the 45 consecutive business days period prior to issue date in respect of each tranche
Ranking of the Conversion Shares	:	The ordinary shares issued from conversion of RCN shall, upon allotment and issuance, rank equally in all respects with the then existing ordinary shares

26. Significant related party disclosures

26.1 Compensation of key management personnel

The key management personnel comprises mainly executive directors of the Company whose remuneration is disclosed in Note 6.

27. Segment information

Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. Management monitors the operating results of its business segment separately for the purposes of making decision about resource allocation and performance assessment.

(i) Reporting segment

During the reporting period, the Group diversified its business to be involved the carrying out beauty and wellness business. Consequently, the Group has three reportable segments as follows:
- Investment holding and others
- Delivery segment
- Beauty and wellness segment

The above reportable segments are predominantly operating in Malaysia.

1.1.2022 to 30.6.2023	Investment holding and others RM	Delivery RM	Beauty and wellness RM	Consolidated RM
Revenue				
Revenue from external customers	9,444,623	468,476	6,074,644	15,987,743
Results				
Loss before tax	(15,336,908)	(780,902)	596,299	(15,521,511)
Income tax expense	(89,400)	-	(327,839)	(417,239)
Net loss for the period	(15,426,308)	(780,902)	268,460	(15,938,750)
Non-controlling interests	(1,528)	(312,361)	187,922	(125,967)
Loss attributable to owners of the Company	(15,424,780)	(468,541)	80,538	(15,812,783)

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27. **Segment information** (continued)

30.6.2023	**Investment holding and others RM**	**Delivery RM**	**Beauty and wellness RM**	**Consolidated RM**
Segment assets	84,271,429	724,357	27,054,135	112,049,921
Segment liabilities	11,831,191	1,941,534	18,789,851	32,562,576
Other information				
Capital expenditure	17,015,052	1,400	-	17,016,452
Depreciation on - plant and equipment	79,462	-	712,719	792,181
Non cash items other than depreciation and amortisation				
Allowance for expected credit losses	(10,414,593)	(147,929)	(348,903)	(10,911,425)
Share option expenses	3,720,735	-	-	3,720,735

1.7.2023 To 31.12.2024	**Investment holding and others RM**	**Delivery RM**	**Beauty and wellness RM**	**Consolidated RM**
Revenue				
Revenue from external customers	3,826,306	493,704	18,811,238	23,131,248
Results				
Loss before tax	(28,438,870)	(60,186)	(9,611,061)	(38,110,117)
Income tax benefit/(expense)	43,087	-	(983,749)	(940,662)
Net loss for the period	(28,395,783)	(60,186)	(10,594,810)	(39,050,779)
Non-controlling interests	(953,963)	(26,281)	(7,572,769)	(8,553,013)
Loss attributable to owners of the Company	(27,441,820)	(33,905)	(3,022,041)	(30,497,766)

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27. **Segment information** (continued)

31.12.2024	Investment holding and others RM	Delivery RM	Beauty and wellness RM	Consolidated RM
Segment assets	62,881,796	262,803	6,072,807	69,217,406
Segment liabilities	20,959,234	1,540,166	139,000	22,638,400
Other information				
Capital expenditure	12,268,857	-	1,654,237	13,923,094
Depreciation on - plant and equipment	204,585	210	139,201	343,996
Non cash items other than depreciation and amortisation				
Reversal of expected credit	(3,715,037)	(115,970)	-	(3,831,007)
Share option expenses	870,986	-	-	870,986

(i) Major customers

Revenue from transactions with major customers that individually accounted for 10 percent or more of the Group's revenue are summarised below:

	1.7.2023 to 31.12.2024 RM	1.1.2022 to 30.6.2023 RM	Segment
Customer A	-	2,379,950	Investment holding and others

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28. Financial instruments, financial risks and capital risk management

28.1 Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	31.12.2024 RM	30.6.2023 RM	31.12.2024 RM	30.6.2023 RM
Financial assets				
Amortised cost:				
- Trade and other receivables	10,011,602	21,784,913	11,084,983	6,816,258
- Cash and bank balances	438,713	384,164	132,954	70,104
	10,450,315	22,169,077	11,217,937	6,886,362
Financial liabilities				
Amortised cost:				
- Trade and other payables	12,753,587	10,004,968	9,950,828	571,259
- Bank borrowings	9,048,535	17,175,168	-	-
- Lease liabilities	763,452	1,166,185	409,110	558,367
	22,565,574	28,346,321	10,359,938	1,129,626

28.2 Financial risk management policies and objectives

The Group's overall financial risk management programme seeks to minimise potential adverse effects on financial performance of the Group.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change in the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

Credit risk management

The Group's credit risk is primarily attributable to its trade and other receivables and bank balances. The Group minimises credit risk by dealing exclusively with high credit worthy counterparties

The Group's credit risk grading framework for expected credit losses ("ECL") model is as follows:

Category	Definition	Basis for recognition of ECL
Performing	The debtor has a low risk of default and a strong capacity to meet contractual cash flows.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
Default	Amount is > 180 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery or the debtor is two years past due.	Amount is written off

28. **Financial instruments, financial risks and capital risk management** (continued)

28.2 **Financial risk management policies and objectives** (continued)

Credit risk management (continued)

i) Trade receivables

For trade receivables, the Group has applied the simplified approach to measure the loss allowance at lifetime expected credit losses. In determining the ECL of individual trade receivables, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

ii) Other receivables

Other receivables other than the amount due from subsidiaries of RM 5,839,219 (31.12.2023: RM4,544,700) are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. The loss allowance for the amount due from subsidiaries is measured at an amount equal to the lifetime ECL as there has been a significant increase in credit risk since initial recognition. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

iii) Cash and bank balances

The cash and bank balances are held with reputable financial institutions with high credit ratings and no history of default. Impairment on cash and bank balances has been measured on a 12-month ECL and reflects the short term maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the financial institutions.

Liquidity risk management

The objective of liquidity management is to ensure that the Company has sufficient funds to meet its contractual and financial obligations. The Company manages it liquidity risk by maintaining a level of cash and cash equivalents deemed adequate by management for working capital purposes so as to mitigate the effects of fluctuations in cash flow. The Company's objective is to maintain a balance between continuity of funding and flexibility through the support from directors or shareholders.

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28. **Financial risk management policies and objectives** (continued)

Liquidity risk management

The table below summarises the maturity profile of the Company's financial assets and liabilities at the statement of financial position based on contractual undiscounted payments.

2024 Group	**1 year or less RM**	**1 to 5 years RM**	**Over 5 years RM**	**Total RM**
Financial liabilities				
Trade payables	158,914	-	-	158,914
Other payables and accruals	2,894,673	9,700,000	-	12,594,673
Bank borrowings	502,306	8,546,229	-	9,048,535
Lease liabilities	354,945	408,507	-	763,452
Total undiscounted financial liabilities	3,910,838	18,654,736	-	22,565,574

2023 Group	**1 year or less RM**	**1 to 5 years RM**	**Over 5 years RM**	**Total RM**
Financial liabilities				
Trade payables	3,925,061	-	-	3,925,061
Other payables and accruals	6,079,907	-	-	6,079,907
Bank borrowings	10,019,529	7,744,977	1,988,704	19,753,210
Lease liabilities	488,791	862,610	-	1,351,401
Total undiscounted financial liabilities	20,513,288	8,607,587	1,988,704	31,109,579

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28. **Financial instruments, financial risks and capital risk management** (continued)

28.2 **Financial risk management policies and objectives** (continued)

Liquidity risk management

2024 Company	**1 year or less RM**	**1 to 5 years RM**	**Over 5 years RM**	**Total RM**
Financial liabilities				
Trade payables	10,388	-	-	10,388
Other payables and accruals	240,440	9,700,000	-	9,940,440
Lease liabilities	110,713	298,397	-	409,110
Total undiscounted financial liabilities	361,541	9,998,397	-	10,359,938

2023 Company	**1 year or less RM**	**1 to 5 years RM**	**Over 5 years RM**	**Total RM**
Financial liabilities				
Trade payables	2,473	-	-	2,473
Other payables and accruals	656,251	-	-	656,251
Lease liabilities	141,600	542,800	-	684,400
Total undiscounted financial liabilities	800,324	542,800	-	1,343,124

Market risk

(a) Interest rate risk

The Group's lease liabilities and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borowwings are exposed to a risk of change in cash flows due to changes in interest rates.

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28. **Financial instruments, financial risks and capital risk management** (continued)

28.2 **Financial risk management policies and objectives** (continued)

Market risk (continued)

(a) Interest rate risk (continued)

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourables rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

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

	Group 31.12.2024 RM
Fixed rate instruments	
Borrowings	7,000,000
Floating rate instruments	
Bank borrowings	2,048,535
	2,048,535

29. **Fair value of assets and liabilities**

(a) *Fair Value Hierarchy*

The fair values of the assets and liabilities are analysed into level 1 to 3 as follows:

Level 1: Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

29. **Fair value of assets and liabilities** (continued)

(b) *Fair Value of Financial Instruments by Classes that are not Carried at Fair Value and Whose Carrying Amounts are not Reasonable Approximation of Fair Value.*

The Group and the company does not have any assets and liabilities that are not carried at fair value.

(c) *Trade and Other Receivables, Cash and Cash Equivalents, Bank Borrowings, Trade and Other Payables.*

The carrying amount of these financial assets and liabilities are reasonable approximation of fair value, either due to their short-term nature of that they are floating rate instruments that are re-priced at market interest rates on or near the reporting date.

30. **Capital structure and capital risk management**

The Group manages its capital to ensure that the Group will be able to continue as a going concern while providing an adequate return to stakeholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares, or sell assets to reduce debt.

As at the reporting date, the Group's strategy was unchanged from 31.12 2024 which is to finance majority by equity.

ANALYSIS OF SHAREHOLDINGS
AS AT 18 APRIL 2025

TOTAL NUMBER OF ISSUED SHARES	:	1,321,471,800
CLASSES OF SHARES	:	Ordinary Shares
VOTING RIGHTS	:	One vote per ordinary share (on poll)

ANALYSIS OF SHAREHOLDINGS

Size of Shareholding	No of Holders	%	No. of Shares	%
1 - 99	266	3.647	10,285	0,001
100 – 1,000	833	11.422	338,248	0.025
1,001 - 10,000	1,727	23.680	10,234,135	0.775
10,001 – 100,000	2,835	38.873	129,106,286	9.770
100,001 – 66,073,589*	1,632	22.378	1,181,782.846	89.429
66,073,590 AND ABOVE**	0	0.000	0	0.000
TOTAL	**7,293**	**100.00**	**1,321,471,800**	**100.00**

Remark:

** Less than 5% of issued shares*
*** 5% and above issued shares*

SUBSTANTIAL SHAREHOLDER
As per the Register of Substantial Shareholders

Name	Direct Interest	% of Issued Capital	Indirect Interest	% of Issued Capital
-	-	-	-	-
TOTAL	-	-	-	-

DIRECTORS' INTERESTS IN SHARES
As per the Register of Directors' Shareholdings

Name	Direct Interest	% of Issued Capital	Indirect Interest	% of Issued Capital
Datuk Azmi Bin Osman	64,827,638	4.906	-	-
Dato' Sri Shaharuddin Bin Khalid	-	-	-	-
Dato' Zaidi Bin Mat Isa @ Hashim	-	-	-	-
Chong Kai Wooi	-	-	-	-
Datuk Seri Tan Choon Hwa	10,000,000	0.757	-	-
Mahnorizal Bin Mahat	-	-	-	-
YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah	-	-	-	-
Chua Ser Terk	-	-	-	-
Datuk Mohd Idzwan Izuddin Bin Ab. Rahman	-	-	-	-

ANALYSIS OF SHAREHOLDINGS

AS AT 18 APRIL 2025

(Cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	% of Shares
1.	AZMI BIN OSMAN	62,282,987	4.713
2.	SAZINI BINTI ABDULLAH	31,884,407	2.413
3.	SEOW GIM SHEN	22,000,000	1.665
4.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAI TEAN SENG	21,297,274	1.612
5.	YONG YOOK SENG	13,772,600	1.042
6.	JACQUELINE LEE FEI FEI	12,052,500	0.912
7.	AMIRUL RAHMAN BIN ABDUL RAHIM	11,400,000	0.863
8.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TE SIOW CHENG	11,000,000	0.832
9.	YAW CHIH JIA	10,231,700	0.774
10.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHOON HWA (7007201)	10,000,000	0.757
11.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIANG KAI LOON (010)	10,000,000	0.757
12.	LOW TAI HWEE	10,000,000	0.757
13.	ONG NGOH ING @ ONG CHONG OON	10,000,000	0.757
14.	JAMES LEE	9,155,000	0.693
15.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG YEE HUI (E-JAH)	8,900,000	0.673
16.	ABDUL HAMED BIN SEPAWI	8,550,000	0.647
17.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM PANG KIAM	8,500,000	0.643
18.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR TAN BOON KEE	7,947,000	0.601
19.	SUBRAYAN A/L SELLAPPAN (DATUK)	7,700,000	0.583
20.	SUCHDAV A/L JOTISROOP	7,290,000	0.552
21.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY HOCK TIAM	7,000,000	0.530
22.	LIEW CHA WEE	7,000,000	0.530
23.	FOO FOOK MIN	6,800,000	0.515
24.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TIN @ TAN PEK-HAN	6,500,000	0.492
25.	LOW CHIN FUI	6,050,000	0.458
26.	LIM POH FONG	5,980,100	0.453
27.	LIM KOK PENG	5,300,000	0.401
28.	CHONG KIT SING	5,200,000	0.394
29.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMED FAROZ BIN MOHAMED JAKEL	5,000,000	0.378
30.	WAN KAMAAZMI BIN WAN HASAN	5,000,000	0.378
		353,793,568	**26.773**

SMTRACK

SMTRACK BERHAD
Registration No.: 200401000918 (639421-X)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth ("18th") Annual General Meeting of SMTrack Berhad ("the Company") will be held at Cipta Meeting Room, Level 15, Teedo Hotel, Pudu Sentral, 55100 Kuala Lumpur on Thursday, 26 June 2025 at 11.00 a.m. to transact the following businesses:-

A G E N D A

1. To receive the Audited Financial Statements for the financial period ended 31 December 2024 together with Reports of the Directors' and the Auditors' thereon.

   Please refer to Note 7

2. To approve the Directors' fees and benefits of payable up to an amount of RM900,000.00 for the period from 27 June 2025 until the next Annual General Meeting of the Company to be held in 2026.

   Ordinary Resolution 1

3. To re-elect the following Directors who retire pursuant to Clause 97 of the Constitution of the Company:-

   (i) Datuk Azmi Bin Osman **Ordinary Resolution 2**

   (ii) Encik Mahnorizal Bin Mahat **Ordinary Resolution 3**

   (iii) Datuk Seri Tan Choon Hwa **Ordinary Resolution 4**

4. To re-elect the following Directors who retire pursuant to Clause 104 of the Constitution of the Company:-

   (i) Mr. Chong Kai Wooi **Ordinary Resolution 5**
   (ii) Datuk Mohd Idzwan Izuddin Bin Ab Rahman **Ordinary Resolution 6**

5. To re-appoint Messrs. ChengCo PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

   Ordinary Resolution 7

6. **AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

   "**THAT** subject always to the Companies Act, 2016 ("Act"), Company's Constitution, Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act, 2016, to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of issue **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Securities **AND THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

   Ordinary Resolution 8

7. To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Companies Act, 2016 and the Constitution of the Company.

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

BY ORDER OF THE BOARD
WONG YOUN KIM (MAICSA 7018778)
(SSM Practising Certificate No.: 201908000410)
Company Secretary

Kuala Lumpur
Date: 30 April 2025

NOTES :

INFORMATION FOR SHAREHOLDERS/PROXIES

1. A member entitled to attend and vote at the meeting of the Company is entitled to appoint up to two (2) proxies to attend and vote in his/her stead, and that a proxy may but need not be a Member.

2. Where a member appoints more than one proxy to attend at the same meeting, the instrument of proxy must specifies the proportions of his/her shareholdings to be represented by each proxy. He/She must also specify which proxy is entitled to vote.

3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint up to two (2) proxies in respect of each securities account ("Omnibus account") it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.

5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized certified copy of that power or authority, shall be deposited at the registered office of the Company at Unit 11.07, Amcorp Tower, Amcorp Trade Centre, 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor, Malaysia not less than twenty-four (24) hours before the time appointed for holding the meeting and any adjournment thereof.

6. In respect of deposited securities, only a member whose names appear on the Record of Depositors on 19 June 2025 shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend and/vote on his/her behalf.

7. Agenda 1 is to table the Audited Financial Statements pursuant to the provision of Section 340(1)(a) of the Companies Act, 2016 and is meant for discussion only. It does not require a formal approval and/or adoption by the shareholders of the Company and hence, Agenda 1 is not put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 8
- Resolution pursuant to Sections 75 and 76 of the Companies Act, 2016

The Proposed Ordinary Resolution 8, if passed, is to give the Directors of the Company flexibility to issue and allot shares up to an amount not exceeding ten per centum (10%) of the Company's total number of issued share capital for the time being upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a separate general meeting so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

The general mandate sought for issue of shares is a renewal of the mandate that was approved by the shareholders at the last AGM held on 27 December 2023 which will lapse at the conclusion of this AGM.

This authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

There were no shares issued from the previous mandate given to the Directors at the last AGM held on 27 December 2023.

STATEMENT ACCOMPANYING THE NOTICE ANNUAL GENERAL MEETING

1. The Eighteenth Annual General Meeting of the Company will be held at Cipta Meeting Room, Level 15, Teedo Hotel, Pudu Sentral, 55100 Kuala Lumpur on Thursday, 26 June 2025 at 11.00 a.m.

2. The Directors who are standing for re-election at the Eighteenth Annual General Meeting of the Company pursuant to Clause 97 of the Company's Constitution are:-

   a) Datuk Azmi Bin Osman
   b) Encik Mahnorizal Bin Mahat
   c) Datuk Seri Tan Choon Hwa

   The details of the above Directors seeking re-election are set out in the Profile of Directors as disclosed on page 11, page 15 and page 18 of this Annual Report.

3. The Directors who are standing for re-election at the Eighteenth Annual General Meeting of the Company pursuant to Clause 104 of the Company's Constitution are:-

   a) Mr. Chong Kai Wooi
   b) Datuk Mohd Idzwan Izuddin Bin Ab Rahman

   The details of the above Directors seeking re-election are set out in the Profile of Directors as disclosed on page 13 and page 14 of this Annual Report.

4. The details of attendance of the Directors of the Company at Board of Directors Meetings held during the financial period ended 31 December 2024 are disclosed in the Corporate Governance Overview Statement set out on page 31 of this Annual Report.

SMTRACK BERHAD
Registration No.: 200401000918 (639421-X)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.	
No. of shares held	

I/We, _____ NRIC/Passport No. _____
(FULL NAME IN BLOCK LETTERS)
of _____
(FULL ADDRESS)
Telephone number _____ Email address _____ being a Member/

Members of **SMTRACK BERHAD** hereby appoint _____
(FULL NAME IN BLOCK LETTERS)
NRIC/Passport No. _____ of _____
(FULL ADDRESS)
Telephone number _____ Email address _____ or failing whom,

_____ NRIC/Passport No. _____
(FULL NAME IN BLOCK LETTERS)
of _____
(FULL ADDRESS)

Telephone number _____ Email address _____
or failing whom, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company ("the Meeting") to be held at Cipta Meeting Room, Level 15, Teedo Hotel, Pudu Sentral, 55100 Kuala Lumpur on Thursday, 26 June 2025 at 11:00 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

	Resolution	**For**	**Against**
Ordinary Resolution 1	To approve the Directors' fees and benefits of payable up to an amount of RM900,000.00 for the period from 27 June 2025 until the next Annual General Meeting of the Company to be held in 2026.		
Ordinary Resolution 2	Re-election of Datuk Azmi Bin Osman as Director.		
Ordinary Resolution 3	Re-election of Encik Mahnorizal Bin Mahat as Director.		
Ordinary Resolution 4	Re-election of Datuk Seri Tan Choon Hwa as Director.		
Ordinary Resolution 5	Re-election of Mr. Chong Kai Wooi as Director.		
Ordinary Resolution 6	Re-election of Datuk Mohd Idzwan Izuddin Bin Ab Rahman as Director.		
Ordinary Resolution 7	Re-appointment of Messrs. ChengCo PLT as the Company's Auditors and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 8	Authority for Directors to allot and issue shares under Sections 75 and 76 of the Companies Act, 2016.		

Please indicate with an "X" in the spaces provided, how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

_____
Signature/Common Seal

Date: _____

NOTES :

1. A member entitled to attend and vote at the meeting of the Company is entitled to appoint up to two (2) proxies to attend and vote in his stead, and that a proxy may but need not be a Member.
2. Where a member appoints more than one proxy to attend at the same meeting, the instrument of proxy must specifies the proportions of his/her shareholdings to be represented by each proxy. He/She must also specify which proxy is entitled to vote.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint up to two (2) proxies in respect of each securities account ("omnibus account") it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized certified copy of that power or authority, shall be deposited at the registered office of the Company at Unit 11.07, Amcorp Tower, Amcorp Trade Centre, 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor, Malaysia not less than twenty-four (24) hours before the time appointed for holding the meeting and any adjournment thereof.
6. In respect of deposited securities, only a member whose names appear on the Record of Depositors on 19 June 2025 shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend and/vote on his/her behalf.

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AFFIX
STAMP
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The Company Secretary
SMTRACK BERHAD
Registration No. 200401000918 (639421-X)
UNIT 11.07, AMCORP TOWER,
AMCORP TRADE CENTRE,
18, JALAN PERSIARAN BARAT,
46050 PETALING JAYA, SELANGOR, MALAYSIA

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Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur

Tel : +603 2201 3211
Web : www.smtrackberhad.my

MSC MALAYSIA
Status Company

SMTRACK BERHAD
(639421-X)

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