



PCCS GROUP BERHAD

Reg. No. 199301026191 (280929-K)
(Incorporated In Malaysia)



Passion
Care
Commitment
Sustainability

ANNUAL REPORT 2024



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirtieth Annual General Meeting (“**30th AGM**”) of the Company will be held at PCCS Group Berhad’s Corporate Office, Lot 1376, GM127, Mukim Simpang Kanan, Jalan Kluang, 83000 Batu Pahat, Johor Darul Takzim on Monday, 26 August 2024 at 10:00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors and the Auditors thereon. | Please refer to Explanatory Note B1 |
| 2. | To re-elect the following Directors who retire pursuant to Clause 117 of the Company’s Constitution, and being eligible, have offered themselves for re-election:-

(a) Mr. Chan Wee Kiang
(b) Mr. Chan Wee Boon
(c) Ms. Joyce Wong Ai May | Resolution 1
Resolution 2
Resolution 3 |
| 3. | To approve the payment of Directors’ fees amounting to RM516,670/- for the financial year ended 31 March 2024. | Resolution 4 |
| 4. | To approve the benefits payable to the Independent Non-Executive Directors up to RM30,000/- for the period from 26 August 2024 until the next Annual General Meeting of the Company pursuant to Section 230(1)(b) of the Companies Act 2016. | Resolution 5 |
| 5. | To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | Resolution 6 |

As Special Business

To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

- | | | |
|----|--|---------------------|
| 6. | ORDINARY RESOLUTION
- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS | Resolution 7 |
|----|--|---------------------|

“**THAT** subject to the Companies Act 2016 (“**the Act**”), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) and any other governmental/regulatory authorities, the Directors of the Company be and are hereby empowered to issue and allot shares in the Company, at any time to such persons 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 issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding Treasury Shares, if any) for the time being as stipulated under Paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Malaysia Securities;

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities;

AND THAT pursuant to Section 85 of the Act to be read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to the Act;

AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

7. **ORDINARY RESOLUTION**

- **RETENTION OF MR. PIONG YEW PENG AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR**

Resolution 8

“**THAT** approval be and is hereby given to Mr. Piong Yew Peng, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, retain as an Independent Non-Executive Director of the Company.”

8. **ORDINARY RESOLUTION**

- **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

Resolution 9

“**THAT** subject to the provisions of the Companies Act 2016 (“**the Act**”), the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) and all other relevant authority, approval be and is hereby given for the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities, upon such terms and conditions as the Directors of the Company may in their absolute discretion deem fit and expedient in the interest of the Company (“**Share Buy-Back Mandate**”) provided that:-

- (i) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company at any point of time pursuant to the Share Buy-Back Mandate shall not exceed ten per centum (10%) of the total number of issued ordinary shares of the Company for the time being;
- (ii) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its own ordinary shares shall not exceed the Company’s retained profits at the time of purchase(s);
- (iii) the authority conferred by this resolution will be effective immediately upon the passing of this ordinary resolution and will continue to be in force until: -
 - (a) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at the general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
 - (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (c) revoked or varied by an ordinary resolution passed by the shareholders in general meeting,

whichever is the earlier;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- (iv) the shares so purchased by the Company pursuant to the Share Buy-Back Mandate be retained as treasury shares which may be distributed as dividends and/or resold on Bursa Malaysia Securities and/or cancelled and/or transfer for the purposes of or under an employees' share scheme and/or be dealt with by the Directors of the Company in the manners allowed by the Act;

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to implement, finalise and give full effect to the aforesaid with full powers to assent to any condition, modification, variation and/or amendment, if any, as may be imposed by the relevant authorities and to do all such acts and things as the Directors of the Company may deem fit and expedient in the interests of the Company."

- 9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 or the Company's Constitution.

By Order of the Board

CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)
CHENG CHIA PING (SSM PC NO. 202008000730) (MAICSA 1032514)
Company Secretaries

Kuala Lumpur
26 July 2024

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

Notes:

Information for Shareholders/Proxies

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 August 2024 (“**General Meeting Record of Depositors**”) shall be eligible to attend the Meeting.
2. A member entitled to attend and vote at the Meeting, shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote instead of the member at the Meeting. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to attend, participate, speak and vote at the Meeting and upon appointment, a proxy shall be deemed to confer authority to demand or join in demanding a poll.
3. Where a member appoints more than one (1) proxy in relation to the Meeting, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
4. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. 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 its seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof.
7. Any Notice of Termination of Authority to act as Proxy must be received by the Company before the commencement of the Meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016 (“**the Act**”):-
 - (a) the constitution of the quorum at such meeting;
 - (b) the validity of anything he/she did as chairman of such meeting;
 - (c) the validity of a poll demanded by him/her at such meeting; or
 - (d) the validity of the vote exercised by him/her at such meeting.

Explanatory Notes to Ordinary and Special Business:-

(A) Audited Financial Statements for the financial year ended 31 March 2024

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

(B) Resolution 7 – Authority to Issue Shares pursuant to the Act and waiver of pre-emptive rights

The Company wishes to renew the mandate on the authority to issue shares of not more than ten per centum (10%) of the total issued shares capital for the time being pursuant to the Act at the 30th AGM of the Company (“**General Mandate**”).

The Company had been granted a general mandate on the authority to issue shares pursuant to the Act by its shareholders at the Twenty-Ninth Annual General Meeting of the Company held on 28 August 2023 (“**Previous Mandate**”).

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

As at the date of this Notice, the Previous Mandate granted by the shareholders had not been utilised and hence no proceeds were raised therefrom.

After having considered all aspects of the General Mandate, the Board of Directors (“**the Board**”) is of the opinion that the seeking of the General Mandate would be in the best interest of the Company and its shareholders, on the following basis: -

- the General Mandate would provide the Company and its subsidiaries with financial flexibility to raise capital expeditiously for its operations, future expansion and business development;
- the General Mandate would allow the Company to raise equity capital promptly rather than the more costly and time-consuming process by obtaining shareholders’ approval in a general meeting should the need for capital arise;
- other financing alternatives such as debt financing may incur interest burden to the Company and its subsidiaries; and
- the General Mandate provides the Company with the capability to capture any capital raising and/or prospective investment opportunities when they are identified.

Pursuant to Section 85 of the Act read together with Clause 14 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities.

Thus, the Company seeks shareholder approval to waive pre-emptive rights under Section 85 of the Act and Clause 14 of the Constitution concerning the issuance of shares through the General Mandate. The proposed Resolution 7, if passed, will allow the Directors to issue new ordinary shares and/or convertible securities to any person under the General Mandate without having to offer the new shares to be issued equally to all existing shareholders of the Company prior to the allotment.

(C) Resolution 8 – Retention as Independent Non-Executive Director

Mr. Piong Yew Peng who was appointed as an Independent Director on 1 April 2015 and redesignated as Senior Independent Non-Executive Chairman on 26 May 2023, has served on the Board for a cumulative term of more than nine (9) years. In accordance with the Malaysian Code on Corporate Governance 2021, the Board has assessed Mr. Piong Yew Peng’s independence and considers him to be independent based on several justifications, recommending that he be retained as an Independent Non-Executive Director of the Company:

- he has fulfilled the definition of an Independent Director as set out in Paragraph 1.01 of the Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) Main Market Listing Requirements;
- he has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company; and
- he has no potential conflict of interest with the Company and has not been entering into any contract or transaction with the Company and/or its subsidiaries.

(D) Resolution 9 – Proposed Renewal of Share Buy-Back Authority

The Proposed Resolution 9 is to renew the authority granted by the shareholders of the Company at the Twenty-Ninth Annual General Meeting held on 28 August 2023. The Proposed Renewal of Share Buy-Back Authority, if passed, will empower the Board of the Company to purchase the Company’s ordinary shares up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in Bursa Malaysia Securities Main Market Listing Requirements.

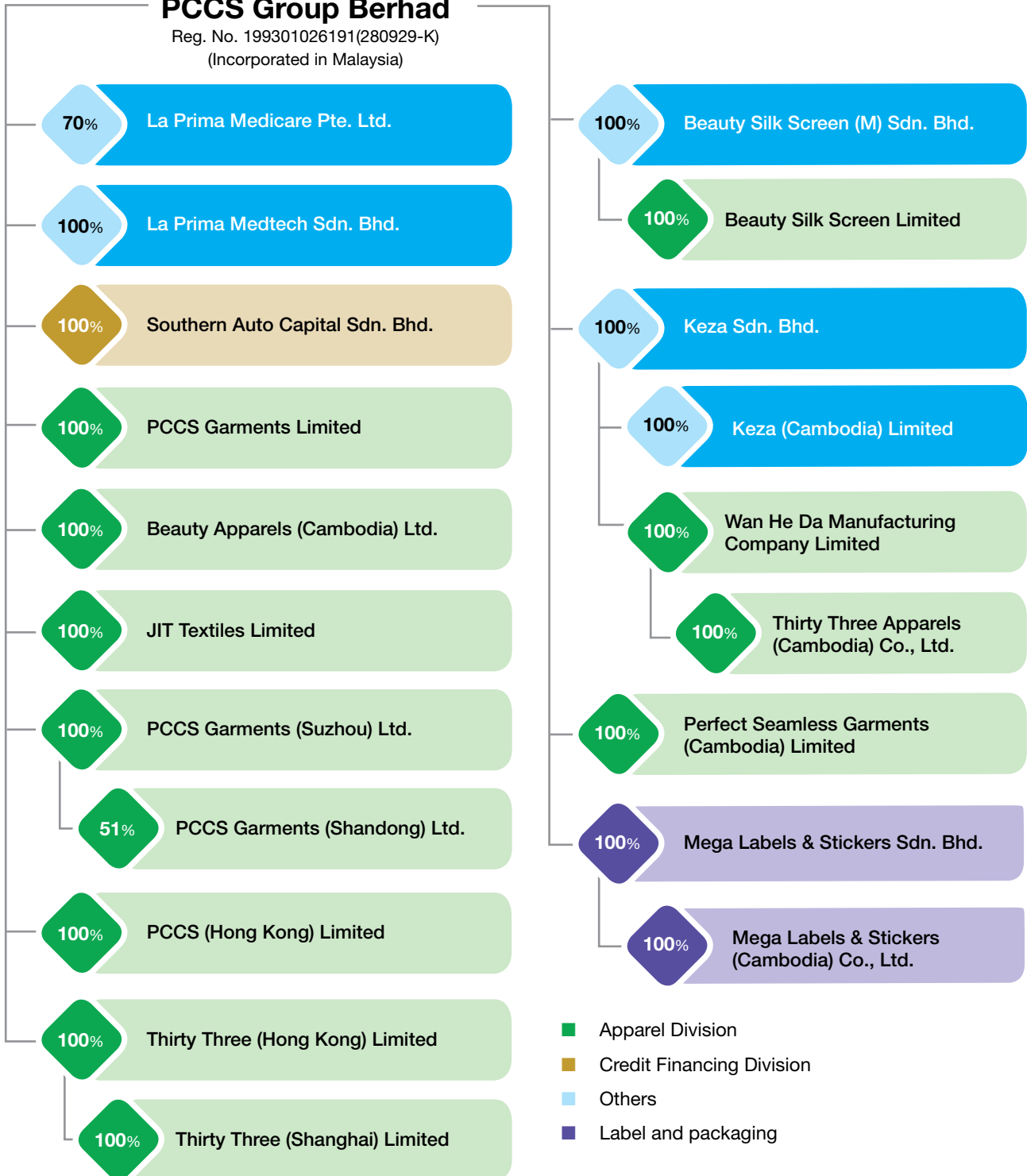
CORPORATE STRUCTURE

AS AT 26 JULY 2024



PCCS Group Berhad

Reg. No. 199301026191(280929-K)
(Incorporated in Malaysia)



- Apparel Division
- Credit Financing Division
- Others
- Label and packaging

CORPORATE INFORMATION

Board of Directors

Piong Yew Peng

(redesignated w.e.f 26 May 2023)

Senior Independent Non-Executive Chairman

Chan Wee Kiang

Group Managing Director

Chan Wee Boon

Executive Director

Chan Chow Tek

Non-Independent Non-Executive Director

Dato' Chan Chor Ngiak

Non-Independent Non-Executive Director

Chan Chor Ang

Non-Independent Non-Executive Director

Joyce Wong Ai May

Independent Non-Executive Director

Goh Wen Ling

Independent Non-Executive Director

AUDITORS

Baker Tilly Monteiro Heng PLT (AF 0117)
Chartered Accountants
Baker Tilly Tower,
Level 10, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur,
Wilayah Persekutuan
Tel No: 03-2297 1000
Fax No: 03-2282 9980

SOLICITORS

Enoil Loo
Advocates & Solicitors
M-2-9 Plaza Damas,
60 Jalan Sri Hartamas 1,
Sri Hartamas,
50480 Kuala Lumpur,
Wilayah Persekutuan
Tel No: 03-6203 2381
Fax No: 03-6203 2359

AUDIT COMMITTEE

Joyce Wong Ai May (Chairperson)
(redesignated w.e.f 26 May 2023)

Goh Wen Ling

(appointed w.e.f 26 May 2023)

Dato' Chan Chor Ngiak

(appointed w.e.f 26 May 2023)

NOMINATION COMMITTEE

Joyce Wong Ai May (Chairperson)
(appointed w.e.f 26 May 2023)

Goh Wen Ling

Dato' Chan Chor Ngiak

REMUNERATION COMMITTEE

Goh Wen Ling (Chairperson)
(redesignated w.e.f 26 May 2023)

Joyce Wong Ai May

(appointed w.e.f 26 May 2023)

Dato' Chan Chor Ngiak

COMPANY SECRETARIES

Chua Siew Chuan
(SSM PC NO. 201908002648)
(MAICSA 0777689)

Cheng Chia Ping
(SSM PC NO. 202008000730)
(MAICSA 1032514)

REGISTERED OFFICE AND CORPORATE OFFICE

Lot 1376, GM 127,
Mukim Simpang Kanan,
Jalan Kluang,
83000 Batu Pahat,
Johor Darul Takzim
Tel No: 07-456 8871
Fax No: 07-456 8860
Email address: lhtang@pccsgroup.net

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
[197701005827 (36869-T)]
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan
Tel No: 03-2084 9000
Fax No: 03-2094 9940 /
03-2095 0292
Email address: info@sshsb.com.my

PRINCIPAL BANKER

Malayan Banking Berhad
[196001000142 (3813-K)]

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

CORPORATE WEBSITE

<http://www.pccsgroup.net/>

CORPORATE CALENDAR

1 APRIL 2023 TO 26 JULY 2024



Completed the subscription of the additional 1,200,000 ordinary shares, representing remaining 5% equity interest in Southern Auto Capital Sdn. Bhd., for a total cash consideration of RM1,290,000, resulting in the Company achieving 100% ownership of Southern Auto Capital Sdn. Bhd.



Second interim dividend of RM0.01 per ordinary share for the financial year ended 31 March 2024.



Quarterly report on consolidated results for the financial period ended 31/03/2024.



Quarterly report on consolidated results for the financial period ended 31/12/2023.

16 July 2024

31 May 2024

31 May 2024

16 February 2024



Single-tier interim dividend of RM0.01 per ordinary share for the financial year ended 31 March 2024.



Quarterly report on consolidated results for the financial period ended 30/06/2023



29th Annual General Meeting



Quarterly report on consolidated results for the financial period ended 30/09/2023.

28 August 2023

28 August 2023

28 August 2023

28 November 2023



Announce of completion of Annual Report & CG Report - 2023



Completed the subscription of the additional 18,800,000 ordinary shares, representing an additional 15% equity interest in the capital of Southern Auto Capital Sdn. Bhd., a subsidiary of the Company, at a total consideration of RM18,000,000/-.



Quarterly report on consolidated results for the financial period ended 31/03/2023.

28 July 2023

13 June 2023

31 May 2023

PROFILE OF DIRECTORS



Mr. Piong was appointed to the Board on 1 April 2015 as Independent Non-Executive Director and was re-designated as Senior Independent Non-Executive Chairman on 26 May 2023.

Mr. Piong holds a Bachelor of Business (Accounting) from RMIT University, Melbourne, Australia. He is a member of the Malaysian Institute of Accountants and a fellow member of the Certified Practising Accountants (CPA) Australia. Mr. Piong has more than thirty (30) years of experience in providing audit and accounting services to wide range of clients.

Mr. Piong does not have any family relationship with any Director or major shareholder of the Company. He is the Director of public companies, namely The Pay Fong School Berhad and Premier Pay Fong Foundation. He also represents the Malacca Chinese Chamber of Commerce and Industry to serve as the Director of Memorial Venture Berhad. In addition, he has no directorships in other listed companies.

He attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2024.

PROFILE OF DIRECTORS
(CONT'D)



CHAN WEE KIANG

Group Managing Director

Malaysian | Male | Aged 46

Mr. Chan Wee Kiang (**David**) was appointed to the Board on 2 November 2020 as the Group Managing Director.

He received a Bachelor of Commerce (Accounting and Finance) from Monash University, Clayton Campus, Melbourne, Australia in 2006.

David started his career in Perusahaan Chan Choo Sing Sdn. Bhd. (currently known as La Prima Medtech Sdn. Bhd.) as a Marketing Executive since 2002 and subsequently being promoted as Marketing Manager in year 2003. In year 2007, he was appointed as Group Marketing Manager in PCCS Group Berhad ("**PCCS**") and subsequently promoted as Deputy Group General Manager in year 2008. He was then promoted as Group Managing Director on 2 November 2020.

David is a substantial shareholder of PCCS effective from 20 March 2018. He is the son of Mr. Chan Choo Sing and Madam Tan Kwee Kee (the substantial shareholders of PCCS) and the brother of Mr. Chan Wee Boon (the Director of PCCS). He has indirect interest of 30% in the equity of CCS Capital Sdn. Bhd., the major shareholder of PCCS.

David currently sits on the board of several private limited companies. He has no directorships in other public companies and listed companies.

He attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2024.

PROFILE OF DIRECTORS (CONT'D)



CHAN WEE BOON

Executive Director

Malaysian | Male | Aged 43

Mr. Chan Wee Boon (**Edmund**) was appointed to the Board on 2 November 2020 as an Executive Director.

He holds a Bachelor of Civil Engineering from Monash University, Clayton Campus, Melbourne, Australia.

Edmund started his career in China as a Project Manager in 2004. In the year 2010, he joined Mega Labels & Stickers Sdn. Bhd. as General Manager and subsequently being promoted as Group General Manager for Label and Packaging Division in 2014. He was then promoted as the Executive Director of PCCS on 2 November 2020.

He is the son of Mr. Chan Choo Sing and Madam Tan Kwee Kee (the substantial shareholders of PCCS) and the brother of Mr. Chan Wee Kiang (the Director and substantial shareholder of PCCS).

Edmund currently sits on the board of several private limited companies. He has no directorships in other public companies and listed companies.

He attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2024.

PROFILE OF DIRECTORS
(CONT'D)



CHAN CHOW TEK

Non-Independent Non-Executive Director

Malaysian | Male | Aged 67

Mr. Chan was appointed to the Board on 21 June 1995 as an Executive Director. He was then re-designated as Non-Independent Non-Executive Director on 2 November 2020.

He completed his Malaysian Certificate of Education (which is equivalent to O-Level).

Mr. Chan led all the marketing activities in the Group and has more than fifty (50) years of experience in textile and apparel marketing and merchandising. He started his career in 1973 in marketing the products of Chan Trading to local departmental stores. In 1981, he successfully made the first export order for Perusahaan Chan Choo Sing Sdn. Bhd. (currently known as La Prima Medtech Sdn. Bhd.) and has since brought the company's export sales to greater success.

He was also responsible for the development and growth of the Group's garment business. His job includes keeping abreast with the latest development in the apparel and fashion industry by frequent overseas trips to identify new and potential markets.

Mr. Chan is a substantial shareholder of PCCS and is the brother of Dato' Chan Chor Ngiak and Mr. Chan Chor Ang (the Directors of PCCS) and Mr. Chan Choo Sing (the substantial shareholder of PCCS).

Mr. Chan currently sits on the board of several private limited companies. He has no directorships in other public companies and listed companies.

He attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2024.

PROFILE OF DIRECTORS (CONT'D)



Dato' Chan was appointed to the Board on 21 June 1995 and serves as Non-Independent Non-Executive Director since then. Dato' Chan is a member of Audit Committee, Nomination Committee and Remuneration Committee.

Dato' Chan completed his Malaysian Certificate of Education (which is equivalent to O-Level). He started his career in 1980 in marketing the products of Chan Trading to local department stores. He has continuously established connections with many business executives in the Chamber of Commerce and Associations. He is the Honorary President of the Chinese Chamber of Commerce in Batu Pahat and the Chairman of the Chinese Association in Parit Raja, Batu Pahat.

The Sultan of Pahang on his eighty-first (81st) birthday conferred the "Darjah Indera Mahkota Pahang (D.I.M.P.)" to him that carries the prestigious title of Dato'.

Dato' Chan is the brother of Mr. Chan Chow Tek (the Director and substantial shareholder of PCCS), Mr. Chan Chor Ang (the Director of PCCS) and Mr. Chan Choo Sing (the substantial shareholder of PCCS).

Dato' Chan currently sits on the board of several private limited companies. He has no directorships in other public companies and listed companies.

He attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2024.

PROFILE OF DIRECTORS
(CONT'D)



CHAN CHOR ANG

Non-Independent Non-Executive Director

Malaysian | Male | Aged 60

Mr. Chan was appointed to the Board on 21 June 1995 and serves as Non-Independent Non-Executive Director since then.

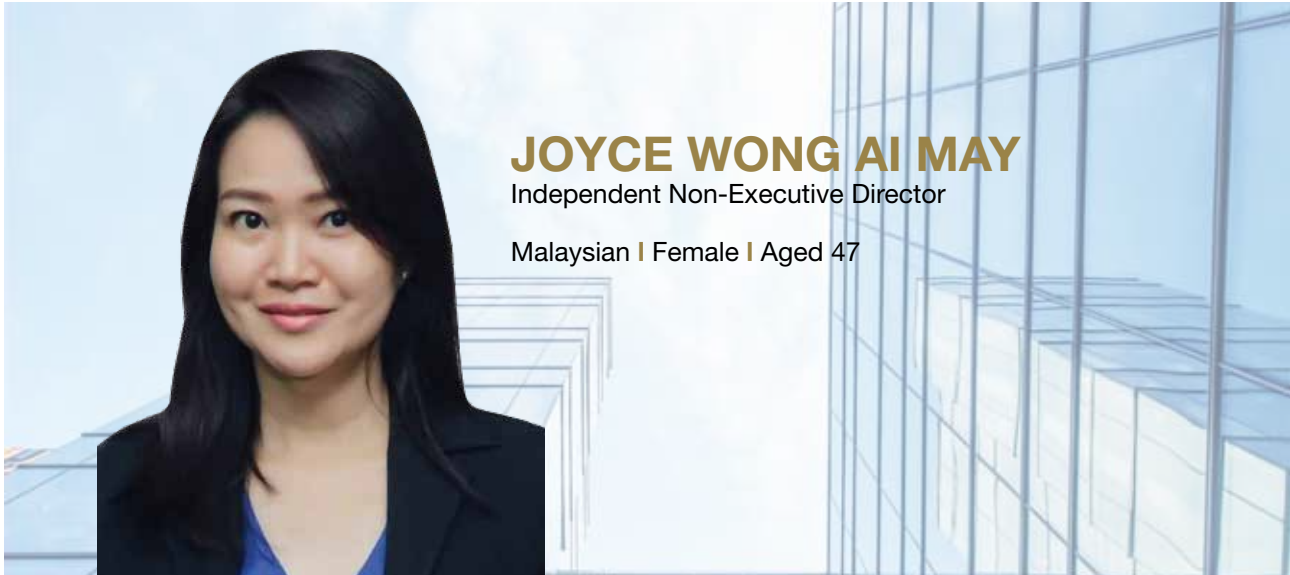
He completed his Junior Middle Three in Chinese High School. He joined Perusahaan Chan Choo Sing Sdn. Bhd. (currently known as La Prima Medtech Sdn. Bhd.) in 1981 and was transferred to Jusca Garments Sdn. Bhd. as the Factory Manager in 1985. He has more than forty (40) years of experience in the textile and garment industry.

Mr. Chan is the brother of Mr. Chan Chow Tek (the Director and substantial shareholder of PCCS), Dato' Chan Chor Ngiak (the Director of PCCS) and Mr. Chan Choo Sing (the substantial shareholder of PCCS).

Mr Chan currently sits on the board of several private limited companies. He has no directorships in other public companies and listed companies.

He attended all four (4) Board of Directors' Meetings of the Company in the financial year ended 31 March 2024.

PROFILE OF DIRECTORS (CONT'D)



JOYCE WONG AI MAY

Independent Non-Executive Director

Malaysian | Female | Aged 47

Ms. Joyce was appointed to the Board on 2 November 2020. She is the Chairperson of the Audit Committee and Nomination Committee. She is also a member of the Remuneration Committee.

Ms. Joyce graduated from the University of Tasmania with a Bachelor of Commerce, majoring in Accounting and Finance. She is a member of the Malaysian Institute of Accountants, a corporate member of the Institute of Internal Auditors Malaysia and a fellow member of Certified Practising Accountants (CPA) Australia.

She started her career with Smith Zain Securities Sdn. Bhd. as an Accounts Executive in 1999 and was subsequently promoted to Head of Finance in 2002 under BBMB Securities Sdn. Bhd., Penang Branch. BBMB Securities Sdn. Bhd. took over the business of Smith Zain Securities Sdn Bhd. Ms. Joyce joined Hwang-DBS Securities Berhad

in 2004 and then left the company to join an international accounting firm in 2005 and was promoted to Director in 2015, before setting up her own consultancy firm where she is the founder and also a Director of JWC Consulting Sdn. Bhd. She also sits on the Industry Advisory Panel of the School of Business for Disted College, Penang. She is a member of the Finance Committee of a non-profit organisation, Director of 3Ren Berhad and also an Independent Non-Executive Director and Audit Committee Chairperson of both Dufu Technology Corp. Berhad and Edelteq Holdings Berhad.

Ms. Joyce does not have any family relationship with any Director or major shareholder of the Company.

She attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2024.

PROFILE OF DIRECTORS
(CONT'D)



Ms. Goh was appointed to the Board on 1 September 2022. She is the Chairperson of Remuneration Committee. She is also a member of Audit Committee and Nomination Committee.

Ms. Goh earned a Bachelor of Laws with Honours from the University of Hull in 2000. Inns of Court School of Law at City University London awarded her a postgraduate diploma a year after 2000. In year 2001, she was called to the Bar of England and Wales as a Barrister-at-Law of the Honourable Society of the Middle Temple. She was then admitted to the High Court of Malaya as an advocate and solicitor in 2002.

Ms. Goh has more than twenty (20) years of expertise in the legal industry encompassing direct real estate acquisitions and divestments, retail banking and various aspects of financing, as well as corporate and commercial legal practice.

Ms. Goh kick started her career in Shook Lin & Bok as a pupil-in-chambers in 2001. In July 2002, she was appointed as a Legal Assistant in the department of intellectual property to review and provide advice on the registration

of trademarks, patents, and industrial designs registration, as well as trade mark and copyright infringement.

Ms. Goh decided to leave the law profession and create her own event management business, Aldrea Dream Media Sdn. Bhd. In year 2003, she returned to legal practice and joined Messrs. Andrew T.S. Goh & Khairil as a Junior Partner and Head of the Conveyancing, Corporate and Banking department and currently still active in legal practice. Her primary areas of expertise include providing advice and drafting shareholder agreements, joint venture agreements (for government and housing development projects), share sale agreements, sales and purchase agreements, and Islamic banking loan documentation for various financial institutions and credit companies.

Ms Goh also sits on the Board of Leong Hup International Berhad, Teo Seng Capital Berhad and MYMBN Berhad. She does not have any family relationship with any Director and/or major shareholder of the Company.

She attended all four (4) Board of Directors' Meetings of the Company in the financial year ended 31 March 2024.

Note :

- 1) *Other than traffic offences, if any, none of the Directors have any convictions for offences within the past five (5) years and any public sanction or penalty imposed by any relevant regulatory bodies for the financial year ended 31 March 2024.*
- 2) *None of the Directors have any conflict of interest with the Company.*

PROFILE OF KEY SENIOR MANAGEMENT



TANG LAI HUAT

Corporate Controller

Malaysian | Male | Aged 41

Dr. Tang was appointed as Financial Controller of PCCS Group Berhad (“PCCS”) on 1 September 2016 and was subsequently appointed as Corporate Controller on 1 March 2018. He is responsible for leading and overseeing the Corporate Office as well as the finance and accounting functions of the Group. He is additionally accountable for executing the group’s policies and strategic deployments, encompassing the realm of credit, medicine and new business.

Dr. Tang holds a Doctorate Degree in Business Administration from the esteemed Business School Netherlands, an University of Applied Sciences in the Netherlands, as well as a distinguished Doctorate Degree in Business Administration from International American University. Additionally, he has attained a Master of Public Administration from Tsinghua University, China (which was also bestowed upon him with the prestigious Outstanding Master’s Thesis Award by Tsinghua University), an EMBA (CEO Class) from Tsinghua University and another EMBA from City University of Hong Kong. Furthermore, he possesses a Master of Business Administration from the renowned Business School Netherlands and has successfully completed both the Association of Chartered Certified Accountants (ACCA) qualification and an Executive Certificate in Financial Strategies for Cross Border Expansion - China program offered jointly by Harvard Business School (US) and Peking University (China).

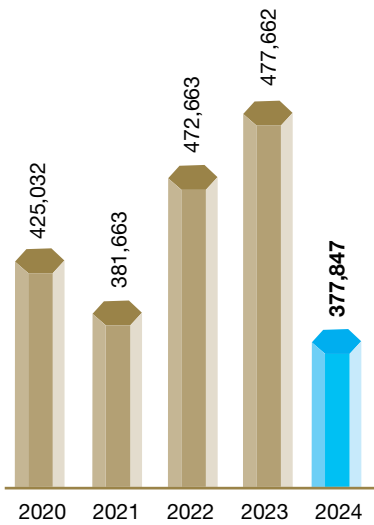
The illustrious career of Dr. Tang commenced at LNB Management Consultancy, where he began as an Audit Assistant and eventually ascended to the esteemed position of Partner prior to his departure. Following this, he embarked on a journey with several prominent manufacturing companies, acquiring extensive expertise in the manufacturing industry and overall corporate operations. Prior to joining our Group in 2012, he held the distinguished role of Financial Controller cum Operation Director at LimKokWing University of Creative Technology. Subsequently, he was appointed as the astute General Manager of Finance & Accounts at JIT Textiles Limited, one of our esteemed subsidiaries. In 2016, he relocated to our Corporate Office and assumed the pivotal role of Financial Controller before being deservedly promoted to Corporate Controller since March 2018. Additionally, Dr. Tang holds the prestigious position of Vice Chairman at Chung De Classics Education Association Malaysia.

Dr. Tang presently serves on the boards of various private limited companies. He has no directorships in any public companies or listed companies. He does not have any family relationship with any Director and/or major shareholder of the Company and he does not have any conflicts of interest with PCCS.

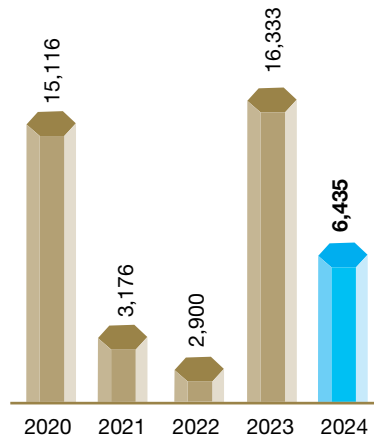
Other than traffic offenses, if any, he does not have any convictions for offenses within the past five (5) years and any public sanction or penalty imposed by any relevant regulatory bodies during financial year ended 31 March 2024.

FIVE (5) YEARS' KEY FINANCIAL HIGHLIGHTS

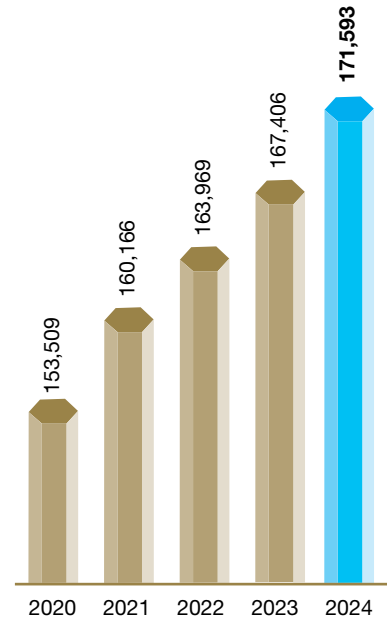
REVENUE
(RM'000)



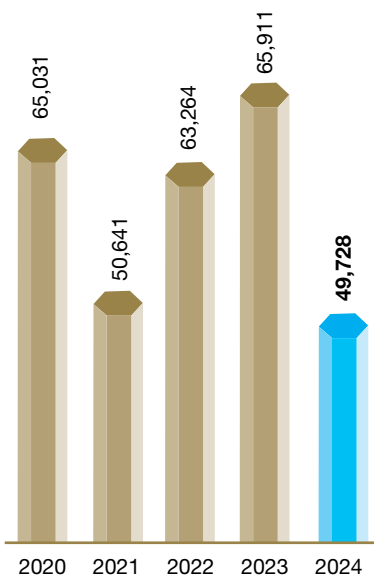
NET PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT
(RM'000)



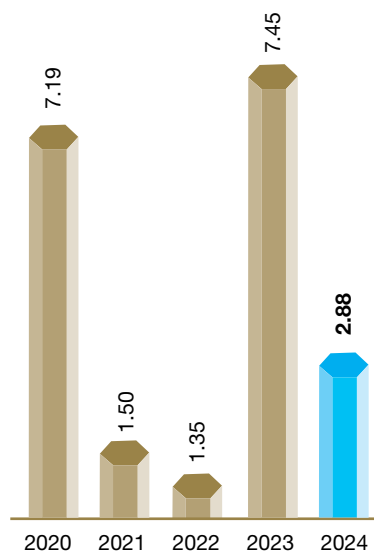
SHAREHOLDERS' FUND
(RM'000)



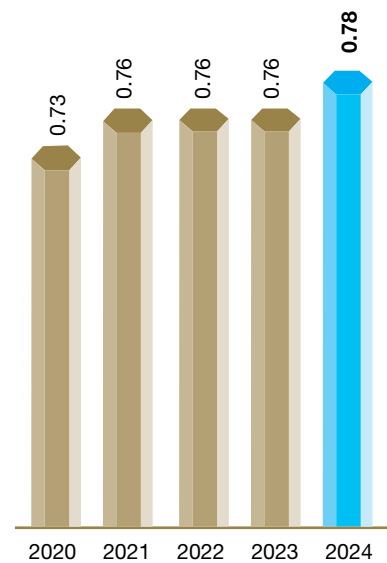
SHORT-TERM FUND*, CASH AND CASH EQUIVALENTS
(RM'000)



EARNINGS PER SHARE
(Sen)



NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT
(RM)



Note:*

- Short-term fund is a fund invested in money market which is managed by investment bank and is redeemable at any point in time.

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders and stakeholders,

I am privileged to present the Annual Report 2024 of PCCS Group Berhad (“**PCCS**” or “**the Company**”), together with the Audited Financial Statements for the financial year ended 31 March 2024 (“**FY2024**”). Our annual review encapsulates the resilience and achievements of PCCS amidst a year characterised by significant global challenges.

REVIEW OF THE COMPANY'S PERFORMANCE

I would like to extend my heartfelt gratitude to all stakeholders, particularly the management of PCCS, for achieving profit making during the financial year. Despite facing challenges such as the global economic slowdown, rising labor costs, and uncertainties in order commitments, the Company achieved a revenue of RM377.85 million, reflecting an 18.47% decrease from RM463.43 million in the previous financial year. Similarly, the profit from continuing operations attributable to the owner of the company decreased by 36.92%, amounting to RM6.44 million compared to RM10.21 million in the previous year. This decline was largely driven by a significant decrease in orders from our Hong Kong apparel division.

Our robust financial position, with net current assets recorded at RM62.04 million and a healthy cash level of RM49.73 million in cash and bank reserves, combined with a gearing ratio of 43%, empowers us to seize emerging opportunities and effectively navigate unforeseen challenges.

The total single-tier interim dividend of RM0.02 per share for FY2024 was disbursed separately on October 2nd, 2023 and July 5th, 2024, respectively. I am also pleased to draw your attention to this matter.

REASSESSMENT OF THE BOARD'S PERFORMANCE

Our Board is composed of individuals who possess the requisite knowledge, expertise, and experience essential for effective governance. They are dedicated to upholding high standards of corporate governance and transparency. Throughout FY2024, through numerous meetings, the

Board has diligently fulfilled its responsibilities by ensuring that our actions align with the Company's objectives and values in a primary capacity while providing us with valuable insights and guidance. Simultaneously, we remain committed to continuous improvement by actively engaging in discussions regarding the latest guidelines and directives on governance shared by the Bursa Malaysia Securities Berhad or Securities Commission Malaysia as well as relevant government agencies.

THE EXPRESSION OF GRATITUDE AND RECOGNITION

On behalf of the Board, I would like to express our sincere gratitude to all our valued customers and stakeholders for their unwavering trust in the Company. Furthermore, I would like to commend the diligent efforts of our dedicated workforce, staff members, and exceptional management team. Lastly, we extend our heartfelt appreciation to the esteemed financial institutions that have provided invaluable support during these arduous times.

Yours sincerely,

Piong Yew Peng
Senior Independent Non-Executive Chairman
26 July 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

DEAR ESTEEMED SHAREHOLDERS,

It is with great pleasure that I present to you the Management's Discussion and Analysis for PCCS Group Berhad (“**PCCS**” or “**the Company**”) for the fiscal year ended on 31 March 2024 (“**FY2024**”). This comprehensive report offers a thorough examination of our business operations, financial performance, strategic initiatives, and future prospects.

ENHANCED BUSINESS SEGMENTS

(i) PCCS operates through distinct business segments, each with a dedicated focus on specific products and services, exemplifying the Company's commitment to delivering exceptional offerings:

(ii) Apparel Division

The apparel division primarily engages in the production and promotion of exquisite garments. The flagship subsidiaries within this division include: -

- (a) Manufacturing in Cambodia
 - Wan He Da Manufacturing Company Limited
 - Thirty Three Apparels (Cambodia) Co, Ltd
- (b) Manufacturing in the People's Republic of China (“**PRC**”)
 - PCCS Garments (Shandong) Ltd
 - PCCS Garments (Suzhou) Ltd
- (c) Trading of apparels – based in Hong Kong, Special Administrative Region
 - PCCS (Hong Kong) Limited
- (d) Trading of apparels and providing design service – based in PRC
 - Thirty Three (Shanghai) Limited
- (e) Manufacturing of seamless bonding, printing and marketing of silk screen printing products – based in Cambodia
 - Beauty Silk Screen Limited
 - Perfect Seamless Garments (Cambodia) Limited

(iii) Credit Financing Division

- The credit financing division specialises in providing loans for pre-owned automobiles. The leading subsidiary within this division is Southern Auto Capital Sdn. Bhd.

(iv) Others

The others division encompasses a diverse range of activities, including investment holding, management services, credit services, the medical industry, and more. The entities within this division include:-

- (a) Investment holding
 - PCCS Group Berhad – the holding company of the Group
- (b) Medical business in Malaysia and Singapore
 - La Prima Medtech Sdn Bhd
 - La Prima Medicare Pte Ltd

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

ENHANCED BUSINESS SEGMENTS (CONT'D)

(iv) Others (Cont'd)

- (c) Label and Packaging Facility - Cambodia
 - Mega Labels & Stickers (Cambodia) Co, Ltd

The Management diligently monitors the performance of each business segment in order to make well-informed decisions regarding resource allocation and performance evaluation. Operating profit or loss is assessed at the segment level, while financing costs and income taxes are managed on a consolidated basis.

FINANCIAL PERFORMANCES OVERVIEW

	FYE	
	31 March 2024 (RM'000)	31 March 2023 (RM'000)
Revenue	377,847	463,433
Gross profit	73,933	76,902
Profit After Tax ("PAT") attributable to owners of the Company		
- Continuing operations	6,435	10,211
- Discontinued operations	–	6,122
	6,435	16,333
Weighted average number of Shares in issue ('000)	223,021	218,906
Earnings Per Share ("EPS") / (sen):		
- Continuing operations	2.88	4.66
- Discontinued operations	–	2.79
	2.88	7.45
Gross profit margin (%)	19.57	16.59
* PAT margin (%)	1.70	2.20
Return on equity ("ROE")	3.75%	9.76%
Return on asset ("ROA")	1.79%	5.30%

Note:

* Excluding Discontinued operations

Total revenue experienced a decline of 18.47%, amounting to RM377.85 million compared to the previous year's RM463.43 million. This decrease was primarily attributed to reduced contributions from the Group's apparel divisions. Furthermore, there was a significant drop of 60.6% in PAT attributable to the owners of the Company, with figures falling to RM6.44 million from last year's RM16.33 million. The decline in profitability can be mainly attributed to lower performance within the apparel divisions.

The corresponding basic EPS amounted to 2.88 sen, marking a decline from 7.45 sen (adjusted for outstanding share options) in the preceding fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL PERFORMANCES OVERVIEW (CONT'D)

The Group witnessed a remarkable surge in total assets during FY2024, experiencing an impressive increase of 16.45% to RM358.81 million compared to the preceding fiscal year's RM308.12 million. This growth was primarily fueled by a significant upswing in inventory and lease receivables; however, it was partially offset by a decline in cash and bank balances.

The Group's total liabilities surged by RM45 million or 32.5% to reach RM183.46 million, compared to last year's RM138.46 million. This remarkable increase was primarily driven by amplified trade payables and borrowing activities, which facilitated the expansion of hire purchase receivables and catered to heightened demand in our apparel division during subsequent months.

The shareholders' funds grew modestly by 2.5% to RM171.59 million as of 31 March 2024, with net assets per share attributable to ordinary equity holders of the parent at RM0.78.

The ROE witnessed a significant decline from 9.76% to 3.75%, while the ROA also experienced a notable decrease from 5.3% to 1.79%. These declines are indicative of the substantial reduction in profits generated by the apparel division throughout the year.

Despite the Group's unwavering dedication and relentless efforts in propelling the apparel business forward, as well as exploring new ventures, additional capital has been infused into the Group's dynamic business landscape. Nonetheless, as of 31 March 2024, the Group maintains a healthy gearing ratio of 0.43 times, exemplifying a prudent balance between organic growth and financial leverage. Throughout FY2024, total capital expenditures reached RM7.35 million, primarily funded by internal resources amounting to RM5.74 million and supplemented by leasing arrangements totaling RM1.62 million. Within this sum, an allocation of RM6.98 million was specifically dedicated to enhancing operational efficiency in the garment segment through investments in state-of-the-art plant machinery and equipment. An additional RM0.16 million was allocated towards credit financing initiatives, with a further RM0.21 million directed towards other divisions within the Group's portfolio. Overall, the capital expenditure strategy for FY2024 prioritised augmenting operational capabilities while optimising financial efficiencies across diverse business segments.

OPERATIONAL ASSESSMENT

The summary of the revenue and profit/(loss) for FY2023 and FY2024 based on the Group's operating segments is presented as below: -

	FYE	
	31 March 2024 (RM'000)	31 March 2023 (RM'000)
External revenue		
Revenue from operations:		
Apparel	367,811	457,422
Credit Financing	9,303	5,521
Others *	733	490
Total revenue before eliminations	377,847	463,433
Discontinued operations	-	14,060
Total	377,847	477,493
Profit/(Loss) After Tax		
Apparel	4,964	4,926
Credit Financing	1,829	941

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONAL ASSESSMENT (CONT'D)

The summary of the revenue and profit/(loss) for FY2023 and FY2024 based on the Group's operating segments is presented as below: - (Cont'd)

	FYE	
	31 March 2024 (RM'000)	31 March 2023 (RM'000)
Others *	(5,154)	23,591
Discontinued operations	–	6,018
	1,639	35,476
Inter-company adjustments and eliminations	2,166	(28,153)
Total	3,805	7,323

Note:

* The others division encompasses investment holding, medical businesses and label and packaging business.

(i) Apparel Division

The apparel division operates manufacturing facilities in both China and Cambodia. In FY2024, this division accounted for 97.34% of total revenue and 69.66 % of net PAT of the Group. The primary markets for the Group's products during FY2024 were China (35.81%), European Countries (35.24%), USA (11.07%), other Asian Countries (12.15%) and South America (1.98%). The division reported a revenue of RM367.81 million, marking a decline of 19.58% from RM457.42 million in FY2023, primarily due to reduced sales from Hong Kong apparel division.

PAT for FY2024 was RM4.96 million, compared to RM4.93 million in FY2023, reflecting lower sales orders.

(ii) Credit Financing Division

The credit financing division witnessed remarkable growth in FY2024, with reported revenue of RM9.3 million, marking a substantial increase of 68.48% from RM5.52 million in FY2023, driven by elevated interest income. Despite an upsurge in impairment allowance to RM4.09 million from RM1.92 million, PAT surged to RM1.83 million in FY2024 compared to RM0.94 million in FY2023, reflecting a commendable growth rate of 94.68%. This surge was primarily attributed to increased impairment allowances resulting from the weakened debt servicing capacity within certain customer segments that led to a higher credit loss charge/net credit cost on average lease receivables of 9.85%, as opposed to 6.23% recorded in FY2023.

Furthermore, the expansionary business initiatives propelled lease receivables by an impressive margin of 34.69%, reaching RM41.51 million in FY2024 compared to the previous year's figure of RM30.82 million.

(iii) Others

The others segment reported revenue of RM0.73 million in FY2024, marking a notable 48.98% increase from RM0.49 million in FY2023, driven primarily by heightened sales orders in medical devices. Despite this revenue growth, this division experienced a Loss After Tax of RM5.15 million in FY2024, reflecting a significant 121.83% increase from the RM23.59 million profit recorded in FY2023. The increase in loss was mainly due to reduced dividend received from subsidiaries in the investment holding company compared to last year and significant development expenditure amounting to RM3.8 million incurred at the Singapore-based medical company, coupled with insufficient turnover to cover operational costs. To tackle these challenges, plans are currently in progress to engage additional distributors with the aim of expediting development processes. Furthermore, enhanced marketing initiatives and incentives have been implemented to bolster sales of medical devices.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

ENHANCED ADAPTABILITY: EMBARKING ON A VOYAGE OF RESILIENCE IN FY2024 AND BEYOND

FY2024 demonstrated PCCS's unwavering resilience and groundbreaking innovation amidst the backdrop of global uncertainties. We adeptly navigated challenges by strategically investing in cutting-edge research and development, optimizing operational efficiency, and swiftly adapting to ever-evolving market dynamics. Our steadfast commitment to sustainability and exemplary environmental, social and governance ("ESG") practices remains at the core, propelling long-term value creation and ensuring utmost stakeholder satisfaction.

THE FUTURE PRESENTS AUGMENTED OPPORTUNITIES FOR BUSINESS

(i) Apparel Division

Looking ahead, the group holds great expectations for the forthcoming financial year and remains sanguine about its performance as the apparel industry has successfully regained robust momentum, with sales rebounding and a gradual resurgence of orders. The recovery aligns harmoniously with recent economic developments, encompassing heightened consumer spending and a renaissance in retail activities as economies reopen and stabilize. The Group's proactive measures to augment product offerings have also substantively contributed to this positive trend, positioning the apparel segment for sustained growth.

The Group's development plan is dedicated to the promotion of high-quality development, encompassing the augmentation of the value chain through cutting-edge technology and groundbreaking innovation. The Group acknowledges that new energy and green technology are pivotal for ensuring sustainable growth across all future endeavors. To safeguard the vitality of the Group, paramount emphasis will be placed on human resources reform to effectively address employment challenges.

In addition to these endeavors, the Group is firmly committed to corporate social responsibility initiatives, aimed at fostering a profound and positive impact on society. This encompasses bolstering local communities through diverse programs encompassing education and healthcare initiatives. Overall, the Group remains sanguine about its capacity to navigate through these uncertain times by steadfastly adhering to its fundamental values of innovation, sustainability, and social responsibility.

(ii) Credit Financing Division

The credit financing business has exhibited remarkable growth and stability, owing to a multitude of strategic factors. The Company's adeptness in attracting an ever-expanding customer base and expanding its market share is evident from the increasing number of clients and successful applications for fresh banking facilities from reputable financial institutions. Furthermore, the Malaysian government's proposal for a new third account for Employee Provident Fund (EPF) members to withdraw part of their owned funds from EPF savings will also contribute significantly towards boosting consumer spending, including purchasing used cars in the near future. To effectively navigate these diverse challenges and capitalize on growth opportunities, strong leadership and efficient execution by all members of the organization are imperative. By maintaining an unwavering focus on its core values and mission while remaining adaptable to evolving market conditions, the Group can strategically position itself for long-term success in this dynamic business landscape.

(iii) Others

The political stability in Malaysia is expected to positively impact the economy by boosting domestic economic growth. The Group plans to achieve organic growth and explore mergers and acquisitions opportunities in the medical field.

The Group's business expansion strategy includes Vietnam, Indonesia, Thailand, Malaysia, and Singapore with the aim of generating micro revenue for existing products in these markets during the new financial year.

The Group is heavily investing in research and development activities to support its expansion plans, aiming to improve product quality and enhance customer experience. It also continues to focus on building strong partnerships with key stakeholders, including suppliers, distributors, and customers.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

THE FUTURE PRESENTS AUGMENTED OPPORTUNITIES FOR BUSINESS (CONT'D)

(iii) Others (Cont'd)

The Company is well positioned for continued success in today's competitive business environment, thanks to its strategic focus on expanding into new markets and maintaining high levels of customer satisfaction through innovative products and services offerings.

The Board of Directors is cautiously optimistic about the new financial year and firmly believes that the external environment will gradually ameliorate, thereby exerting a positive impact on the Group's overall financial performance. The Group's robust financial situation provides a formidable foundation for exponential growth and expansion across diverse business domains. To accomplish this objective, the Group intends to fortify its business model by prioritizing revenue augmentation, job stability, cost management, and business resurgence.

In addition to these key focuses, the Group is firmly committed to making significant progress in ESG initiatives. This encompasses aligning with sustainable advancement by implementing environmentally friendly practices across all facets of its operations. The Group acknowledges its responsibility to positively contribute to society while upholding exemplary corporate governance practices. By prioritising sustainability endeavors alongside financial objectives, the Group aims to create enduring value for shareholders while actively contributing towards global sustainability efforts.

The Board is filled with anticipation for the upcoming financial year, as they persist in their dedication to achieving sustainable growth while upholding social responsibility.

DISTRIBUTION OF PROFITS MADE BY THE GROUP TO ITS SHAREHOLDERS

The Board of Directors has consistently upheld a dividend policy aimed at duly rewarding shareholders for their unwavering support. In the fiscal year 2024, two dividends totaling 2 sen per share were disbursed, with distributions occurring on 2 October 2023 and 5 July 2024. The cumulative dividend payout for the year amounted to RM4.4 million.

SUMMARY AND ACKNOWLEDGEMENT

The Group's performance is influenced by both international and domestic consumer sentiments, which have a significant impact on the consumption of our products in the apparel and credit financing sectors. In order to sustain growth, Management is fully committed to diversifying income streams. Our aim is to expand into new industries beyond apparel, credit financing mixed products, and medical devices, thereby enhancing business resilience and mitigating risks associated with market volatility. This includes broadening our product range and exploring innovative distribution channels to uphold our profitable business model; The Board of Directors extends its sincere appreciation to PCCS Management and employees for their unwavering dedication in achieving favorable results in FY2024. Their commitment has played a pivotal role in overcoming challenges and seizing opportunities, propelling the Group forward; Gratitude is also extended to customers, partners, shareholders, financiers, and government authorities for their steadfast support. We highly value collaborative relationships and remain committed to nurturing these partnerships for mutual benefit as we strive for continued growth and sustained value delivery in the future.

For and on behalf of
The Executive Management of PCCS

Chan Wee Kiang
Group Managing Director
26 July 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

“Trust is the glue of life.

It is the most essential ingredient in effective communication. It is the foundational principle that holds all relationships. When the trust account is high, communication is easy, instant, and effective.”

Inspirational quote by Stephen R. Covey, motivational writer

Drawing the inspiration from Mr. Stephen R. Covey, the Board of Directors (“**the Board**”) of PCCS Group Berhad (“**the Company**”) wishes to instill trust amongst its stakeholders by adopting good corporate governance practices. The Board recognises the importance of practicing high standards of corporate governance throughout the Company and its subsidiaries (“**the Group**”) as a basis of discharging their fiduciary duties and responsibilities to protect and enhance shareholders’ value and the performance of the Group. The Board continues its commitment to report on the manner in which the Practice and Guidance of Malaysian Code on Corporate Governance 2021 (“**MCCG**”) are applied under the stewardship of the Board, throughout the financial year ended 31 March 2024 (“**FY2024**”).

This Corporate Governance Overview Statement (“**this Statement**”) also serves to comply with Paragraph 15.25 of the Main Market Listing Requirements (“**Main LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”).

Details application for each practice of the MCCG during the FY2024 is disclosed in the Company’s Corporate Governance Report which is available on the Company’s corporate website at <http://www.pccsgroup.net/>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

(a) Establishing clear roles and responsibilities of the Board

Duties and Responsibilities of the Board

The Board is responsible for the leadership, oversight and the long-term success of the Group. The Board has delegated certain responsibilities to other Board Committees, which operate within clearly defined Terms of Reference (“**TOR**”). The standing Board Committees include the Audit Committee, Nomination Committee and Remuneration Committee. The Board receives reports at the Board Meeting from the Chairman of each committee on current activities and it is the general policy of the Company that all major decisions be considered by the Board as a whole.

To ensure the effective discharge of functions and duties, the primary responsibilities of the Board include but are not limited to the following: -

- (a) together with senior management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- (b) review, challenge and decide on Management’s proposals for the Group, and monitor its implementation by Management;
- (c) ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (d) supervise and assess Management’s performance to determine whether the business is being properly managed;
- (e) ensure there is a sound framework for internal controls and risk management;
- (f) understand the principal risks of the Group’s business and recognise that business decisions involve taking of appropriate risks;
- (g) set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

(a) Establishing clear roles and responsibilities of the Board (Cont'd)

Duties and Responsibilities of the Board (Cont'd)

- (h) ensure that senior management has the necessary skills and experience, and that there are measures in place to provide for the orderly succession of the Board and senior management;
- (i) ensure that the Group has procedures in place to enable effective communication with stakeholders;
- (j) ensure that all Directors are able to understand financial statements and form a view on the information presented;
- (k) ensure the integrity of the Group's financial and non-financial reporting;
- (l) together with Management, take responsibility for the governance of sustainability in the Group, including setting the Group's sustainability strategies, priorities and targets, and ensure that the same as well as the performance against such targets are communicated to the Company's shareholders and other stakeholders;
- (m) establish policies to strengthen the performance of the Group, including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital; and
- (n) succession planning includes appointing, training, fixing the compensation of and where appropriate, replacing senior management.

Chairman of the Board

Mr. Piong Yew Peng, who was re-designated as Senior Independent Non-Executive Chairman on 26 May 2023, is primarily responsible for instilling good corporate governance practices, leadership and effectiveness of the Board whilst Mr. Chan Wee Kiang, the Group Managing Director ("**Group MD**"), together with the Executive Director, oversees the day-to-day management and operations of the Group and implements the Board's decisions, business strategies and policies. The positions of Chairman and Group MD are held by different individuals and their role and responsibilities are distinct and clearly outlined in the Board Charter.

The Chairman of the Board is not a member of the Audit Committee, Nomination Committee and Remuneration Committee which in compliance with Practice 1.4 of the MCCG.

Qualified Company Secretaries

During FY2024, the Board is supported by two (2) qualified and competent Company Secretaries, Ms. Chua Siew Chuan and Mr. Cheng Chia Ping. Both Company Secretaries are qualified Chartered Secretaries under the Companies Act 2016 and are members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators ("**MAICSA**"). The Board is satisfied with the support rendered by the Company Secretaries to the Board in the discharge of its roles and responsibility.

Access to information and advice

In ensuring the effective functioning of the Board, all Directors have individual and independent access to the advice and support services of the Company Secretaries, Internal Auditors and External Auditors and, may seek advice from the Management on issues under their respective purview.

During the FY2024, each notice calling the Board Meeting is issued at least seven (7) days in advance of the meeting and the Directors are provided at least five (5) business days in advance of the meeting with the relevant agenda detailing the matters to be transacted at the meeting and the meeting papers detailing the key issues so that the Directors have ample time to review and consider the relevant information.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****I. BOARD RESPONSIBILITIES (CONT'D)****(a) Establishing clear roles and responsibilities of the Board (Cont'd)*****Access to information and advice (Cont'd)***

Subsequent to the meeting, the Minutes will be circulated to the Board and Board Committee for confirmation to ensure that deliberations and decisions are accurately recorded.

The Company Secretaries will ensure that a statement of declaration of interest or abstention from voting and deliberation is recorded in the Minutes.

The Board has established the following protocol for its members, outlining the procedures for the Board to gain access to information and advice from professional advisory services with effect from 27 May 2016: -

Protocol for seeking of professional advisory services

Where applicable, the Directors whether as a full Board or in their individual capacity, are encouraged to seek independent professional advice from the following parties: -

- For corporate and/or governance matters, the external Company Secretaries;
- For audit and/or audit-related matters, any representatives of the audit engagement team of the External Auditors or the outsourced Internal Auditors; and
- For any other specific issues where professional advice is required to enable the Board to discharge its duties in connection with specific matters, the Board may proceed to do so upon the approval of the Chairman, in relation to the quantum of fees to be incurred.

(b) Demarcation of responsibility***Board Charter***

The Board Charter of the Company was established and adopted on 31 July 2014 and subsequently revised on 28 June 2022. The Board Charter documented the division of responsibilities and powers between the Board and Management as well as the different Board Committees established by the Board and matters reserved for the Board in compliance with Practice 2.1 of the MCCG.

Roles of Senior Independent Non-Executive Director

Mr. Piong Yew Peng is the Senior Independent Non-Executive Chairman of the Company. The roles of the Senior Independent Non-Executive Chairman as entail in the Board Charter, include but not limited to the following: -

- a sounding board for the Chairman;
- an intermediary for other directors when necessary; and
- the point of contact for shareholders and other stakeholders.

(c) Good business conduct and corporate culture***Code of Conduct and Ethics***

The Group has in place a Group's Code of Conduct and Ethics ("COC") which is applicable to the Board, Management and employees of the Group. The Company strives to ensure that the consultants, agents, partners, representatives and others performing works or services for or on behalf of the Group comply with the COC. The COC was initially adopted on 31 July 2013 and was subsequently revised on 28 November 2018.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

(c) Good business conduct and corporate culture (Cont'd)

Whistle Blowing Policy

Whistleblowing is a specific means by which an employee, officer or stakeholder can report or disclose concerns about any violation of the COC, unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements through the established channels, whether these are taking place, have taken place or may take place in future. The Group has established Whistle Blowing Policy on 27 May 2016 and subsequently revised on 26 May 2023.

As at the date of this Statement, the Company has not received any complaints under this procedure.

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

With the enforcement of Corporate Liability provisions under Section 17A of Malaysian Anti-Corruption Commission Act 2009 and the amendments to Main LR of Bursa Malaysia Securities in relation to the anti-corruption measures, the Board had on 1 June 2020 adopted an ABAC Policy across the Group, which was later revised on 30 October 2023.

The Group is committed to conduct business with honesty, integrity and ethics in all business dealings and in all jurisdictions where the Group operates. The ABAC Policy entailed areas that are easily exposed to bribery and corruption such as gift, donation, charitable contribution, sponsorship, entertainment, hospitality, facilitation payments, etc. The Directors, employees and any business associates of the Group are strictly prohibited from accepting and taking part in any form of bribery, corruption, extortion or any kind of money laundering activities and the Group has zero-tolerance against such activities.

As at the date of this Statement, there were no bribery or corruption related cases being reported to the Company.

It is the responsibility of the Board to ensure that proper policies are in place to promote good business conduct with high ethical behaviour and integrity. The Board Charter, COC, Whistle Blowing Policy and ABAC Policy are to be regularly reviewed by the Board as and when required, and they are available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

(d) Sustainability

In line with strengthening sustainability and providing more comprehensive and strategic oversight of the Group's economic, environmental, social and governance ("ESG") matters, the Group has established a sustainability governance structure comprising the Sustainability Working Group, Executive Directors and the Board which shall be responsible to instill sustainability at the core of the business within the Group.

The Board has also adopted a Sustainability Policy on 31 March 2021 and subsequently revised on 31 March 2023 to embed sustainability throughout day-to-day operations and align sustainable strategies with the Group's vision, mission and core values. The Sustainability Policy is available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

The details of the Group's material sustainability matters are set out in the Sustainability Statement in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****II. BOARD COMPOSITION*****Size and Composition of the Board***

The Board consists of eight (8) members as at FY2024, comprising one (1) Senior Independent Non-Executive Chairman, one (1) Group Managing Director, one (1) Executive Director, three (3) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors.

Premised on the above, the three (3) Independent Directors comply with the requirement of at least two (2) Directors or one-third (1/3) of the Board are Independent Directors pursuant to Paragraph 15.02 of the Main LR of Bursa Malaysia Securities. The Board consists of two (2) women Directors which complies with Paragraph 15.02(1)(b) of the Main LR of Bursa Malaysia Securities. The Board took note of the requirement of Practice 5.2 of the MCCG which requires at least half of the Board comprises Independent Directors.

The Board is of the view that the current composition of the Board facilitates effective decision making and independent judgement where no individual shall dominate the Board's decision making.

The individual profile of the Directors are available for viewing on Pages 10 to 17 of this Annual Report.

Tenure of Independent Directors

Mr. Piong Yew Peng ("**Mr. Piong**") had served on the Board as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years as at 1 April 2024.

Following the assessment and recommendation made by the Nomination Committee of the Company, the Board opined that Mr. Piong Yew Peng's independence remains unimpaired and is satisfied that he can continue to bring independent views to the Board and safeguard the minority interest of the Company. Subsequently, the Board has recommended that Mr. Piong Yew Peng be retained as an Independent Non-Executive Director, subject to shareholders' approval at the forthcoming Thirtieth ("**30th**") Annual General Meeting ("**AGM**") of the Company through a two-tier voting process according to Practice 5.3 of the MCCG.

Procedures for Appointment of Directors and Senior Management**Appointment of Directors**

The appointment of Directors falls under the purview of the Nomination Committee, which assists the Board with all new Board and Board Committees' appointments and provides a formal and transparent procedure for such appointments, including obtaining a commitment from the candidate that sufficient time will be devoted to carry out the responsibilities as a Director.

The policies and procedures for recruitment and appointment of Directors are set out in the Board Charter. The Board had on 28 June 2022 adopted a Fit and Proper Policy which set out the fit and proper criteria for the appointment and re-election of the Board of the Group. The policy also ensures that each Director has the character, integrity, experience, competence and time and commitment to effectively discharge his/her role as a Director of the Group.

In the event that a candidate is required for the appointment of Directors, the Nomination Committee will use a variety of approaches and sources to ensure that it identifies the most suitable candidates and will not limit itself by solely relying on the recommendations from existing Board members, Management or major shareholders.

During the FY2024, there was no new Director appointed to the Board of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Procedures for Appointment of Directors and Senior Management (Cont'd)

Appointments to Board Committees

The review is conducted on an annual basis, and as and when the need arises, such as when a new Director is appointed. In determining the candidates for appointment to the Board Committees, various factors are considered by the Nomination Committee, including but not limited to the following factors: -

- the needs of the particular Board Committees;
- the results of the Board Effectiveness Evaluation for the Board Committees;
- time commitment and availability;
- regulatory requirements; and
- best practices or governance practices.

Appointments to Senior Management

The Human Resources Department is responsible for selection and appointment of candidates for senior management positions based on selection criteria that best match the requirements of the open position. The selection criteria include (but not limited to) diversity in skills, experience, age, cultural background and gender.

Boardroom Diversity

The Board affirms its commitment to boardroom diversity as a truly diversified Board can enhance the Board's creativity, efficiency and effectiveness to thrive in good times and weather thought times.

The Board comprises eight (8) Directors as at FY2024, out of whom two (2) are female, which translates to a 25% female representation. The Nomination Committee strives to source for a suitably qualified female candidate for appointment to the Board when vacancies arise.

Gender and Ethnicity Diversity

The Board does not have any gender or ethnicity diversity policy. The Nomination Committee does not set any target on gender or ethnicity diversity but endeavour to include any member who will improve the Board's overall composition balance.

Age Diversity

The Board believes that the Directors with diverse age profile will be able to provide a different perspective and bring vibrancy to the Group's strategy making process.

The age profile of the Directors ranges from forties (40) to sixties (60) years of age, which underlies the Board's commitment to age diversity at the Board level.

Board Committee

Audit Committee

The Audit Committee was set up on 7 February 2002 with Terms of Reference ("TOR") revised on 28 June 2022.

The composition and summary of works of the Audit Committee are stated in the **Audit Committee Report** of this Annual Report.

A copy of the TOR of the Audit Committee is available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****II. BOARD COMPOSITION (CONT'D)*****Board Committee (Cont'd)*****Nomination Committee**

The Nomination Committee was set up on 7 February 2002 with TOR revised on 28 June 2022. The composition of the Nomination Committee as at the end of FY2024 is as follows: -

Nomination Committee	Designation	Directorate
Joyce Wong Ai May	Chairperson	Independent Non-Executive Director
Goh Wen Ling	Member	Independent Non-Executive Director
Dato' Chan Chor Ngiak	Member	Non-Independent Non-Executive Director

The Chairperson of the Nomination Committee is the Independent Non-Executive Director of the Company. The Nomination Committee is governed by its TOR which outlines its remit, duties and responsibilities. The principal duties and responsibilities of the Nomination Committee are set out in the TOR.

A copy of the TOR of the Nomination Committee is available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

(a) Summary of Works

Pursuant to Paragraph 15.08A(3) of Main LR of Bursa Malaysia Securities, the summary of activities of the Nomination Committee during the FY2024 were as follows: -

- Review and confirmed the minutes of the Nomination Committee Meeting held in financial year ended 31 March 2023;
- Recommended the re-election of Mr. Chan Chor Ang and Mr. Piong Yew Peng who retired pursuant to Clause 117 of the Company's Constitution at the Twenty-Ninth ("29th") AGM;
- Reviewed the length of service of each Independent Non-Executive Director and assessment of the independency of the Independent Directors in accordance with MCCG and the Main LR of Bursa Malaysia Securities;
- Reviewed the current composition of the Board, the Board Committees and the required mix of skills, experience and other qualities of the Board;
- Conducted the Board evaluation to assess the effectiveness of the Board as a whole and Board Committees;
- Reviewed the evaluation on the contribution and performance of each individual Director;
- Reviewed the term of office of the Audit Committee and assessed its effectiveness as a whole;
- Reviewed the attendance of the Directors at Board and Board Committees meetings for the financial year ended 31 March 2023;
- Review the training programmes attended by the Directors for the financial year ended 31 March 2023 and identified the training needs for FY2024;
- Reviewed the proposed composition of Nomination Committee, Remuneration Committee and Audit Committee;
- Re-designation of Mr. Piong Yew Peng from Independent Non-Executive Director to Senior Independent Non-Executive Chairman; and
- Reviewed and recommended to the Board, the re-election of Ms. Goh Wen Ling who retired pursuant to clause 115 of the company's constitution at the 29th AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Board Committee (Cont'd)

Nomination Committee (Cont'd)

(b) Continuing Education and Training of Directors

All Directors have attended the Mandatory Accreditation Programme (“MAP”) and six (6) Directors have attended the MAP Part II programme on Sustainability as prescribed by Bursa Malaysia Securities for Directors of listed issuers. Directors’ training is an on-going process as the Directors recognise the need to continually develop and refresh their skills and knowledge and to update themselves on the developments in the related industry and business landscape.

The Directors will continue to participate from time to time in training programmes to keep abreast with the latest developments in the capital markets, relevant changes in laws and regulations, corporate governance matters, sustainability issues and current business issues.

The training programmes and seminars attended by the Directors in FY2024 are as follows: -

Directors	Training(s) Attended
Chan Wee Kiang	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Chan Wee Boon	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Vistage Chief Executive Programme
Chan Chow Tek	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Dato’ Chan Chor Ngiak	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Chan Chor Ang	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Piong Yew Peng	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Tax Budget Conference 2024: Unleash the T.I.G.E.R.
Joyce Wong Ai May	<ul style="list-style-type: none"> The Rise of Generative AI - How Should Accountants Respond? Benefits and Risks of Cloud Adoption Cryptocurrency: The Latest Regulatory Development in Asia Is Your Boss a Narcissist? How to Look After Your Assets - Tax and Investment in Australia Building Value with ESG Program Onboarding: Pengenalan Tangjawab Majikan Board readiness: Building Your Online Presence Becoming an Entrepreneur - Insights from Industry Leaders
Goh Wen Ling	<ul style="list-style-type: none"> Sustainability Awareness BDO Tax seminar on Budget 2024 Securities Commission’s Audit Oversight Board conversation with Audit Committee Tax Seminar on budget 2024

Upon review, the Board concluded that the Directors’ trainings for the FY2024 were adequate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Board Committee (Cont'd)

Remuneration Committee

The Remuneration Committee was set up on 7 February 2002 with TOR revised on 28 June 2022. The Remuneration Committee comprises exclusively of Non-Executive Directors and the composition of the Remuneration Committee is as follows: -

Remuneration Committee	Designation	Directorate
Goh Wen Ling	Chairperson	Independent Non-Executive Director
Joyce Wong Ai May	Member	Independent Non-Executive Director
Dato' Chan Chor Ngiak	Member	Non-Independent Non-Executive Director

The Remuneration Committee is governed by its TOR which outlines its remit, duties and responsibilities. The principal duties and responsibilities of the Remuneration Committee are set out in the TOR.

A copy of the TOR of the Remuneration Committee is available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

Annual Assessment on effectiveness of Board and Individual Directors

Assessment of the effectiveness of the Directors, the Board as a whole and the Board Committees is being carried out annually. The objective is to improve the Board's effectiveness by identifying gaps, maximise strengths and address weaknesses. The Chairman of the Board oversees the overall evaluation process and responses are analysed by the Nomination Committee, before being tabled and discussed at the Board.

The Nomination Committee conducted the following assessments annually: -

Evaluation	Assessment criteria
Individual Directors	<ul style="list-style-type: none"> Fit and proper Contribution and performance Calibre and personality
Board and Board Committees	<ul style="list-style-type: none"> Board mix and composition Quality of information and decision making Boardroom activities Board's relationship with the Management ESG issues or Sustainability Board Committees' performance
Audit Committee	<ul style="list-style-type: none"> Quality and composition Skills and competencies Meeting Administration and Conduct
Independence of the Independent Directors	<ul style="list-style-type: none"> Independence criteria in accordance with Paragraph 1.01 and Practice Note 13 of the Main LR of the Bursa Malaysia Securities

Based on the assessments conducted for the FY2024, the Nomination Committee was satisfied with the performance of the Board as a whole, the Board Committees and each individual Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Board Committee (Cont'd)

Remuneration Committee (Cont'd)

Annual Assessment on effectiveness of Board and Individual Directors (Cont'd)

For the purpose of determining the eligibility of the Directors to stand for re-election at the 29th AGM of the Company, the Board through the Nomination Committee, assesses the eligibility of each retiring Director based on the abovementioned annual assessment and in accordance with the Constitution of the Company.

III. REMUNERATION

Directors' Remuneration Policy

The remuneration of each Director reflects the level of responsibility and commitment associated with Board membership. The Board determines the remuneration of the Group MD and Executive Directors.

The Board had on 27 May 2016 adopted a Director Remuneration Policy and subsequently revised on 28 June 2022 in compliance with Practice 7.1 of the MCCG to set the remuneration packages of Directors and senior management. The compensation system takes into account the performance of the Directors and senior management and the competitive environment in which the Group operates.

The Remuneration Committee, when recommending the remuneration package of the Directors and senior management, shall be guided by the main components and procedures provided in the Directors' Remuneration Policy.

The Directors' Remuneration Policy is to be regularly reviewed by the Board as and when required.

A copy of the Directors' Remuneration Policy is available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

III. REMUNERATION (CONT'D)

Remuneration of Directors

For the FY2024, the aggregate remuneration received/receivable by the Directors of the Company from the Company and the Group categorised into appropriate components is as follows: -

Received from the Company

Directors' Remuneration	Fees* (RM'000)	Salaries and Other emoluments (RM'000)	Bonus (RM'000)	Benefits-in-kind (RM'000)	Others (RM'000)	Total (RM'000)
Executive Directors						
Chan Choo Sing (resigned w.e.f 26 May 2023)	9.1	-	-	-	-	9.1
Chan Wee Kiang	108.0	-	-	-	-	108.0
Chan Wee Boon	48.0	-	-	-	-	48.0
Non-Executive Directors						
Chan Chow Tek	48.0	-	-	-	-	48.0
Dato' Chan Chor Ngiak	65.1	-	-	-	-	65.1
Chan Chor Ang	48.0	-	-	-	-	48.0
Julian Lim Wee Liang (resigned w.e.f 26 May 2023)	6.3	1.5	-	-	-	7.8
Piong Yew Peng	61.8	4.5	-	-	-	66.3
Joyce Wong Ai May	62.4	6.0	-	-	-	68.4
Goh Wen Ling	60.0	5.5	-	-	-	65.5

* Subject to the approval by shareholders at the 30th AGM

Received on the Group Basis

Directors' Remuneration	Fees* (RM'000)	Salaries and Other emoluments (RM'000)	Bonus (RM'000)	Benefits-in-kind (RM'000)	Others (RM'000)	Total (RM'000)
Executive Directors						
Chan Choo Sing (resigned w.e.f 26 May 2023)	9.1	-	-	-	-	9.1
Chan Wee Kiang	108.0	1,011.2	147.7	-	-	1,266.9
Chan Wee Boon	48.0	-	-	-	-	48.0
Non-Executive Directors						
Chan Chow Tek	48.0	620.4	40.7	-	-	709.1
Dato' Chan Chor Ngiak	65.1	-	-	-	-	65.1
Chan Chor Ang	48.0	-	-	-	-	48.0
Julian Lim Wee Liang (resigned w.e.f 26 May 2023)	6.3	1.5	-	-	-	7.8
Piong Yew Peng	61.8	4.5	-	-	-	66.3
Joyce Wong Ai May	62.4	6.0	-	-	-	68.4
Goh Wen Ling	60.0	5.5	-	-	-	65.5

* Subject to the approval by shareholders at the 30th AGM

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III. REMUNERATION (CONT'D)

Remuneration of top five (5) senior management

The Board is of the view that disclosing the remuneration of the top five (5) senior management will give rise to recruitment and talent retention issues and may lead to the performing senior management being lured away by the competitors and hence, the Group may lose high calibre personnel who have been contributing to the Group's performance.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Separation of the positions of the chair of the Audit Committee and the Board

The Audit Committee is chaired by Ms. Joyce Wong Ai May, which is a separate person from the chair of the Board, Mr. Piong Yew Peng.

The composition of the Audit Committee is set out in the **Audit Committee Report** of this Annual Report.

No appointment of former key audit partners as member of the Audit Committee

None of the Audit Committee members was a former key audit partner of the Company and the Board has no intention to appoint any former key audit partner as member of the Audit Committee.

In compliance with Practice 9.2 of the MCCG, the TOR of Audit Committee has been updated accordingly to formalise the appointment of a former key audit partner as a member of the Audit Committee shall observe a cooling-off period of at least three (3) years.

Assessment on External Auditors

In compliance with Practice 9.3 of the MCCG, the Audit Committee had on 28 June 2022 adopted a Policies and Procedures to assess the Suitability, Objectivity and Independence of External Auditors ("**External Auditors' Policy**") and that such assessment would be carried out annually. The External Auditors' Policy is available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

For the FY2024, the Audit Committee had conducted assessment of the suitability, objectivity and independence of the external auditors, namely Baker Tilly Monteiro Heng PLT ("**Baker Tilly**") based on several factors, including independence of the external auditors, quality of audit review procedures, adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with and the extent of the non-audit services rendered.

The Audit Committee was satisfied with Baker Tilly's competency and recommended to the Board the re-appointment of Baker Tilly as the External Auditors of the Company, at the 29th AGM. The Shareholders subsequently approved the same at the 29th AGM.

Skillsets of Audit Committee

The members of the Audit Committee collectively possess the appropriate and necessary skills and a wide range of experience and expertise in areas such as accounting and auditing, taxation, finance and economics, corporate and commercial legal practice.

In addition, the members of the Audit Committee have attended various continuous training and development programmes as detailed in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management and Internal Control Framework

The Board affirms the importance of maintaining a sound system of internal controls and risk management practices for good corporate governance. The Audit Committee has been entrusted by the Board to ensure the effectiveness of the Group's internal control systems. The activities of the outsourced Internal Auditors are reported regularly to the Audit Committee which provides the Board with the required assurance in relation to the adequacy and integrity of the Group's internal control systems. The Board acknowledges its overall responsibility in this area and also the need to review its effectiveness regularly.

The **Statement on Risk Management and Internal Control** as set out in this Annual Report provides an overview of the state of risk management and internal controls within the Group.

Internal Audit Function

The Group has appointed an independent professional service provider, namely Sterling Business Alignment Consulting Sdn. Bhd. to carry out the internal audit function. The outsourced Internal Auditors report directly to the Audit Committee, providing the Board with reasonable assurance of adequacy of the scope, functions and resources of the internal audit function. The purpose of the internal audit function is to provide the Board, through the Audit Committee, assurance of the effectiveness of the internal control system in the Group.

During the FY2024, the Audit Committee had reviewed and assessed the adequacy of the scope, functions, competency, resources and independence of the outsourced internal auditors and that they have the necessary authority to carry out their work.

The **Audit Committee Report** as set out in this Annual Report provides further details of the Internal Audit Function.

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

I. COMMUNICATION WITH STAKEHOLDERS

The Board has a Corporate Disclosure Policy in place on confidentiality to ensure that confidential information is handled properly by the Directors, employees and relevant parties to avoid improper use of such information. The Board is mindful that information which is expected to be material must be announced immediately to Bursa Malaysia Securities.

A copy of the Corporate Disclosure Policy is available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

The Board ensures effective, transparent and regular communication with its stakeholders through a variety of communication channels as follow: -

- (a) Announcements to Bursa Malaysia Securities
- (b) Annual Reports
- (c) AGM/General Meetings
- (d) Corporate website
- (e) Senior Independent Non-Executive Director

For the FY2024, the Senior Independent Non-Executive Director has confirmed that he has not received any concerns from shareholders/stakeholders, whether written or verbal.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. CONDUCT OF GENERAL MEETINGS

Notice of AGM

Notice of the Twenty-Ninth (“29th”) AGM held on 28 August 2023 was sent out at least twenty-eight (28) days before the date of the meeting so as to enable the shareholders to have full information about the 29th AGM and to facilitate informed decision-making. Full explanation of the effects of any proposed resolution for special business will accompany the notice of 29th AGM.

Directors’ Commitment

All the directors were present at the 29th AGM of the Company held on 28 August 2023 to engage with the shareholders personally and proactively.

The Directors ensure sufficient opportunity is given to the shareholders to pose questions and that adequate responses are given during the AGM.

Minutes of the 29th AGM has been made available to shareholders no later than thirty (30) business days after the AGM on the Company’s corporate website at <http://www.pccsgroup.net/>.

Voting in absentia and Remote Shareholders’ Participation at General Meeting(s)

Although the Board recognises the importance of leveraging technology to facilitate remote shareholders participation and voting on all resolutions via remote participation and voting facilities, but after due considerations, the Company conducted its 29th AGM physically on 28 August 2023.

Even though the Company conducted its 29th AGM at a physical venue, shareholders are allowed to vote in absentia by way of appointing the Chairman of the AGM as their proxy through proxy form with pre-determined voting instructions for the Chairman to vote for and on their behalf.

CONCLUSION

The Board is satisfied that for FY2024, the Company complied substantially with the practices of the MCCG.

The Corporate Governance Overview Statement is made in accordance with a resolution of the Board passed on 26 July 2024.

AUDIT COMMITTEE REPORT

The Board of Directors (“**the Board**”) of PCCS Group Berhad (“**PCCS**”) is pleased to present the Audit Committee report for the financial year ended 31 March 2024 (“**FY2024**”) in accordance with Paragraph 15.15(1) of the Main Market Listing Requirements (“**Main LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”).

A. COMPOSITION

The Audit Committee comprises three (3) members at the end of FY2024: -

Audit Committee	Designation	Directorship
Joyce Wong Ai May	Chairperson	Independent Non-Executive Director
Goh Wen Ling	Member	Independent Non-Executive Director
Dato’ Chan Chor Ngiak	Member	Non-Independent Non-Executive Director

All Independent Non-Executive Directors meet the independence criteria under Paragraph 1.01 of the Main LR of Bursa Malaysia Securities.

Ms. Joyce Wong Ai May, the Chairperson, fulfills the requirements of Paragraph 15.10 of the Main LR, and under Practice 9.1 of the Malaysian Code on Corporate Governance 2021, she does not concurrently serve as the Chairperson of the Board.

Ms. Joyce Wong Ai May is a member of the Malaysia Institute of Accountants (MIA), thereby satisfying the requirement stated in Paragraph 15.09(1)(c)(i) of the Main LR of Bursa Malaysia Securities, which mandates that at least one (1) member of the Audit Committee be a member of MIA.

The Nomination Committee reviewed the terms of office and performance of the Audit Committee and its members on 23 May 2024, ensuring compliance with Paragraph 15.20 of the Main LR, and reported their satisfaction to the Board that the Audit Committee and its members are able to carry out their duties in accordance with the Terms of Reference of Audit Committee.

B. ATTENDANCE

During FY2024, the Audit Committee held four (4) meetings. Attendance details are as follows: -

Directors	Attendance	%
Joyce Wong Ai May (Chairperson) <i>(redesignated w.e.f 26 May 2023)</i>	4 out of 4	100
Goh Wen Ling <i>(appointed w.e.f 26 May 2023)</i>	3 out of 3	100
Dato’ Chan Chor Ngiak <i>(appointed w.e.f 26 May 2023)</i>	3 out of 3	100
Mr. Piong Yew Peng (Chairman) <i>(resigned w.e.f 26 May 2023)</i>	1 out of 1	100
Mr. Julian Lim Wee Liang <i>(resigned w.e.f 26 May 2023)</i>	1 out of 1	100

AUDIT COMMITTEE REPORT (CONT'D)

C. SUMMARY OF WORK

The Audit Committee diligently performed its functions as outlined in its Terms of Reference. Key activities during FY2024 included:

1. Financial Performance and Reporting Oversight

- Reviewed the unaudited quarterly financial results for the quarter ended 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023 before recommending them to the Board for approval;
- Reviewed the draft audited financial statements for the financial year ended 31 March 2023 before recommending them to the Board for approval;
- Reviewed the financial performance and financial highlights of the Group on a quarterly basis;
- Reviewed the identified significant matters pursuant to Paragraph 15.12(1)(g) of the Main LR of Bursa Malaysia Securities on a quarterly basis.

2. Oversight of External Auditors

- Reviewed the suitability, objectivity, and independence of Baker Tilly Monteiro Heng PLT for its re-appointment as External Auditors. The Audit Committee was satisfied with the outcome of the assessment and thereby recommended the re-appointment of Baker Tilly Monteiro Heng PLT as the External Auditor, subject to the approval of PCCS's shareholders at the Twenty-Ninth Annual General Meeting;
- Discussed and reviewed with the External Auditors, the Audit Review Memorandum for the financial year ended 31 March 2023, covering significant audit findings, potential key audit matters, matters for control improvements and significant outstanding matters from the audit field works;
- Discussed and reviewed with the External Auditors, the Audit Planning Memorandum entailing the scope of work and audit plan for the FY2024, including any significant issues and concerns that arose from the audit;
- Discussed and reviewed with the External Auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board that may impact the unaudited quarterly financial results of PCCS and its subsidiaries ("**the Group**");
- Had one private discussion session with the External Auditors without the presence of the Executive Directors and Management to discuss the major concerns that arose from the annual statutory audit; and
- Reviewed the audit fees for the FY2024 prior to the approval of the Board.

3. Oversight of Internal Audit ("IA")

- Reviewed the IA Report for the FY2024 and assessed the Internal Auditors' major findings and evaluated the Management's responses and made necessary recommendations to the Board for approval;
- Reviewed and adopted the IA plan for the Group for the FY2024 and reported to the Board for notation;
- Reviewed the Status Report on the follow-up actions on the previously reported audit findings of the Group to ascertain the agreed action plans being implemented by the Management;
- Reviewed the adequacy and performance of the IA function and its comprehensive coverage of the Group's activities; and
- Reviewed and assessed the adequacy of the scope, competency and resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.

AUDIT COMMITTEE REPORT
(CONT'D)**C. SUMMARY OF WORK (CONT'D)****4. Review of Related Party Transactions**

- Reviewed any related party transactions of the Group on a quarterly basis, including any transaction, procedure or course of conduct that raised questions on management integrity.

5. Oversight of Employee Share Option Scheme (“ESOS”)

- Reviewed the summary of the allocation of options pursuant to ESOS on a quarterly basis.

6. Oversight of Internal Control Matters

- Reviewed and confirmed the minutes of the Audit Committee Meetings;
- Reviewed and recommended to the Board, the Audit Committee Report and Statement on Risk Management and Internal Control, for the inclusion in the Annual Report 2023;
- Reviewed the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority in the Company and recommended the same to the Board for approval;
- Reviewed the revised Anti-Bribery and Anti-Corruption Policy and recommended the same to the Board for approval; and
- Reviewed the conflict of interest or potential conflict of interest.

D. IA FUNCTION**1. Appointment**

The Group has appointed an outsourced IA service provider to carry out the IA function, namely Sterling Business Alignment Consulting Sdn. Bhd. (“**Sterling**”). The outsourced Internal Auditors report directly to the Audit Committee, which is delegated by the Board, to provide the Board with a reasonable assurance of the adequacy of the scope, competency, and resources of the IA function. The purpose of the IA function is to provide the Board, through the Audit Committee, assurance of the effectiveness of the system of internal control of the designated entities of the Group.

2. IA Activities

The IA reporting format can broadly be segregated into three (3) main areas as follows: -

(a) IA Plan of the Group

At the beginning of the financial year, the IA Plan of the Group is presented to the Audit Committee by Sterling for discussion and adoption before recommending it to the Board for notation.

AUDIT COMMITTEE REPORT (CONT'D)

D. IA FUNCTION (CONT'D)

2. IA Activities (Cont'd)

(b) Regular IA Reports

IA reports are reviewed and adopted by the Audit Committee. During the FY2024, Sterling reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the major subsidiaries and highlighted the weaknesses with the recommended corrective actions to the internal control process. This is to provide reasonable assurance that such a system continues to operate satisfactorily and effectively within the Group.

For the FY2024, the following subsidiaries of the Group were audited by Sterling: -

Name of Entities audited by Sterling	Date of IA Report
Beauty Silk Screen Limited	25 May 2023
PCCS Garments (Shandong) Ltd.	17 November 2023
PCCS Garments (Suzhou) Ltd.	14 February 2024

(c) Follow-up Reports

In addition, follow-up audit review was conducted on the implementation of recommendations from previous cycles of IA and has updated the Audit Committee on the status of the Management-agreed action plan.

For the FY2024, Sterling presented their status report regarding follow-up actions on previously reported audited findings in respect of the following subsidiaries of the Group: -

Name of Entities followed-up by Sterling	Date of IA Status Report
Wan He Da Manufacturing Company Limited (Human Resources Management)	25 August 2023
Wan He Da Manufacturing Company Limited (Merchandising, Production, Quality Control, Finance and Accounts and Human Resources Related to Production Functions)	25 August 2023

3. Total costs incurred for the FY2024

The total costs incurred for the IA function of the Group for the FY2024 were RM49,500/- (Financial year ended 31 March 2023: RM48,500/-).

AUDIT COMMITTEE REPORT
(CONT'D)

D. IA FUNCTION (CONT'D)

4. IA Charter

Pursuant to Paragraph 15.12(1)(e) and (f) of the Main LR of Bursa Malaysia Securities, the Audit Committee is required to review and report to the Board the following in respect of IA:-

- (a) The adequacy of the scope, competency, and resources of the IA function and that it has the necessary authority to carry out its work; and
- (b) The IA plan, processes, and results of the IA assessments and the reviews undertaken to ensure that corrective actions are being implemented accordingly.

The Audit Committee had adopted an IA Charter in order to enable the Audit Committee to discharge its abovementioned roles.

The IA Charter contained the following key items: -

- Objectives and scope of work of Internal Auditors;
- Outsourced IA Function;
- Terms of Reference for IA Function;
- Authority limit;
- Reporting procedures;
- Objectivity and independence;
- IA Function Administration;
- Oversight functions of the Audit Committee in relation to IA Function; and
- Frequency of the review of IA Charter.

The IA Charter has been adopted on 27 May 2016.

5. Review of IA Function

With the adopted IA Charter serving as a guiding document, the Audit Committee has performed a review of the IA Function during FY2024. For the FY2024, the Audit Committee concluded that the IA function is independent and satisfactory, and Sterling has performed their audit assignments with impartiality, proficiency and due professional care.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“**the Board**”) of PCCS Group Berhad (“**PCCS**”) is pleased to present the Statement on Risk Management and Internal Control (“**Statement**”) which outlines the nature and scope of risk management and the internal control systems of PCCS and its subsidiaries (“**the Group**”) for the financial year ended 31 March 2024 (“**FY2024**”) pursuant to Paragraph 15.26(b) and Practice Note 9 of the Main Market Listing Requirements (“**Main LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”), Malaysian Code on Corporate Governance 2021 (“**MCCG**”) and “*Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*”.

BOARD RESPONSIBILITY

The Board acknowledges its paramount responsibility for safeguarding shareholders’ investment and the Group’s assets. It regularly reviews the effectiveness, adequacy and integrity of the Group’s risk management framework and internal control system. Recognising the inherent limitations, the system is designed to manage rather than eliminate the risk, providing reasonable assurance against material misstatement or losses.

The Audit Committee, acting on behalf of the Board, ensures the diligent implementation of risk management and internal control practices within the Group. Management exercises sound judgment in assessing risks, identifying mitigation strategies, and evaluating the cost-effectiveness of control measures.

RISK MANAGEMENT

The Board acknowledges its overall responsibility for the Group’s system of risk management as well as reviewing its adequacy and effectiveness. The risk management system is designed to manage the Group’s risks within an acceptable risk profile, rather than to avoid or eliminate the risks that are inherent to the Group’s activities.

The reporting structure for risk management was restructured on 31 January 2018. It consists of a Performance Management Review Team (“**PMRT**”) and a Risk Management Working Group (“**RMWG**”) to discharge the risk management function of the Group on behalf of the Board.

The composition of the PMRT and RMWG are as follows:-

PMRT

Office	Name(s)
Leaders	Chan Wee Kiang and Tang Lai Huat
Independent Advisors	Piong Yew Peng and So Hsien Ying
Member	Chan Wee Kiang

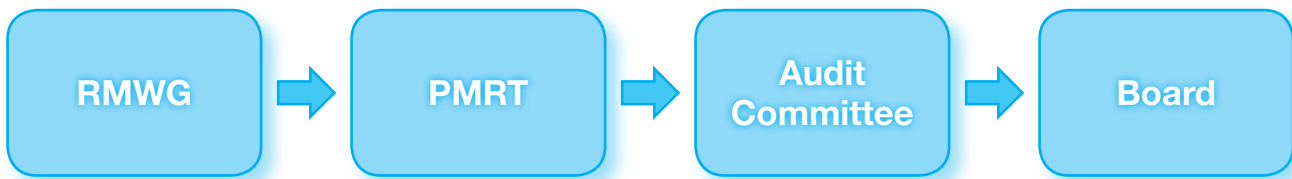
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(CONT'D)

RMWG

Office	Name(s)
Leader	Chan Wee Kiang
Members	Chan Wee Boon, Chen TianShen, Chong Cher Kung, Shi Xiao Qun, Bernard Huang Jin Hui, Danny Chan Fook Chang, Sim Sian Ling, Jenny Jin Yanni, Ng Beng Hong, Teo Lee Ping, Phua Chee How, Daniel Pua Kian Boon, Jessica Gan Pei Heng, Tan Kee Wai, Ho Ming How, Lee Sze Meen, Eng Sook Keng

The RMWG is reporting to PMRT in respect of the identified risks and PMRT will then report directly to the Audit Committee. The RMWG has been delegated to oversee the risk management function and implement the control measures, update the Risk Registry and perform ongoing risk management implementation. PMRT is tasked to set performance measures, review the Risk Registry and assess the effectiveness of the risk management framework.

The reporting structure for risk management is as follows:-



The Board has approved and adopted a Risk Management Handbook on 23 August 2013. The Risk Management Handbook entails the following chapters:-

- (1) Risk Management – Type of Risks and Benefits of Risk Management;
- (2) Terms of Reference and Reporting Structure;
- (3) Roles and Responsibilities;
- (4) Risk Management Framework;
- (5) Risk Measurement (Labels & Stickers Division);
- (6) Risk Measurement (Garment Division); and
- (7) Implementing Risk Management Process.

For FY2024, the Audit Committee and the Board received and reviewed the Risk Registry of the Company at the Corporate Level and Apparels Division (Cambodia and China) including assessment of any possible corporate liabilities risks and corruption risks in its annual risk assessment of the Group pursuant to the Paragraph 15.29(1)(c) of the Main LR of Bursa Malaysia Securities. The risk factors identified and deliberated were assigned to the respective heads of subsidiaries and risk owners to implement the risk control measures.

For FY2024 and up to the date of this Statement, the PMRT has held four (4) meetings with the Audit Committee, while the RMWG has held four (4) meetings.

The Board has empowered the Management to implement the Board’s policies and guidelines on risks and controls, identify and evaluate the risks faced by the Group, and operate a suitable system of controls to manage these risks.

The Board has received assurances from Management that the Group’s system of risk management is operating adequately and effectively during FY2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT FUNCTION

An independent consulting firm, Sterling Business Alignment Consulting Sdn. Bhd. (“**Sterling**”), serves as the Group’s Internal Auditor, reporting directly to the Audit Committee on a quarterly basis.

The profile of Sterling is set out as follows:-

Principal Engagement Lead	:	Dr So Hsien Ying
Qualifications	:	Doctor in Business Administration (Wales), Certified Internal Control Professional from Internal Control Institute, USA; Master of Business Administration (MBA) degree from the University of Hull, UK; Honorable Bachelor Degree in Economics; Diploma in Economics from the University of London; Member of Malaysian Alliance of Corporate; Associate member of Institute of Internal Auditors Malaysia (“ IIAM ”).
Experiences	:	Thirty (30) years of experience in corporate planning, business process improvement, risk management, internal audit and internal control review
Number of resources	:	Each internal audit review ranges from three (3) to four (4) staff per visit

Sterling is a corporate member of the IIAM. Sterling uses the Committee of Sponsoring Organisations of the Treadway Commission (“**COSO**”) Internal Control-Integrated Framework as a basis for evaluating the effectiveness of the internal control systems.

During FY2024, Sterling’s engagement team personnel affirmed to the Audit Committee that in relation to PCCS and the Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independence.

Based on internal audit reviews conducted, Sterling presented observations and recommendations, together with Management’s responses and proposed action plans, to the Audit Committee for review. In addition, the Internal Auditor followed up on the implementation of recommendations from previous cycles of internal audit and updated the Audit Committee on the status of Management-agreed action plans.

During FY2024, Sterling reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the major subsidiaries of PCCS and recommended possible improvements to the internal control process. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group.

For the FY2024 and up to the date of this Statement, three (3) internal audit reviews were carried out, and two (2) follow-up status reviews were reported by Sterling to the Audit Committee:-

Audit Period	Reported in	Audited Areas
1 st Quarter (Apr 2023 – Jun 2023)	Aug 2023	Follow-up status update on: <ul style="list-style-type: none"> Wan He Da Manufacturing Company Limited (Human Resources Management) Wan He Da Manufacturing Company Limited (Merchandising, Production, Quality Control, Finance and Accounts and Human Resources Related to Production functions)
2 nd Quarter (Jul 2023 – Sep 2023)	Nov 2023	PCCS Garments (Shandong) Ltd.
3 rd Quarter (Oct 2023 – Dec 2023)	Feb 2024	PCCS Garments (Suzhou) Ltd.
4 th Quarter (Jan 2024 – Mar 2024)	May 2024	Southern Auto Capital Sdn. Bhd.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF INTERNAL CONTROL

The following sets out the key elements of the Group's internal control, which have been in place throughout the FY2024 and up to the date of this Statement:-

- **Organisational Structure**

The Group has a well-defined organisational structure that is aligned with its business and operation requirements. Clearly defined lines of accountability, a delegation of responsibility and level of authorisation for all aspects of the business have been laid down and communicated throughout the Group.

- **Limits of Authority**

Authority charts have been established within the Group to provide a functional framework of authority in approving sales orders, purchases, expenses and capital expenditures.

- **Review of Financial and Operational Performance**

The Group's performance is monitored through a budgeted system which requires all material variances to be identified, discussed and reviewed by Management on a regular basis.

The Corporate Controller ("CC") would table the same to the Audit Committee and the Board for review and comments at the quarterly held Audit Committee and Board Meeting, respectively.

The Board reviews the Group's financial and operational performance quarterly, which analyses the Group performance against the preceding year corresponding quarter performance.

- **Employee Handbook**

A comprehensive Employee Handbook has been developed to foster long-lasting and harmonious working relationships among the employees and set out the rules and regulations to be adhered to by the employees in performing their duties. The Employee Handbook is regularly reviewed to incorporate changes that enhance working efficiency.

- **Standard Operating Policies and Procedures ("SOPP")**

Numerous SOPPs have been established to serve as a general management guide for daily operations. These SOPPs are reviewed on a regular basis to reflect changing risks or to resolve any operational deficiencies. They also promotes efficiency and accountability for the Group.

- **Health, Safety and Environment Manual**

Adopting stringent monitoring controls on environmental, safety and health, which are of utmost importance to the employees and business. This was enhanced by the Health, Safety and Environment Manual for a safe working environment for all employees. Besides, monitoring control and measures include clearly documented procedures, delegation of duties and responsibilities, schedule of tasks and implementation of control measures.

- **Staff Training and Development Programmes**

Training and development programmes are established to ensure that staff are kept up-to-date with the constantly changing technological environment in order to be competent in the industry in line with achieving the Group's business objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF INTERNAL CONTROL (CONT'D)

- **Corporate Liabilities Risk**

Implemented Anti-bribery and Corruption Policy and Whistle Blowing Policy to supplement the Group's Code of Ethics. This is also part of the Group's efforts to eliminate corporate liabilities risk in relation to the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

ASSURANCE FROM MANAGEMENT

The Group Managing Director and Corporate Controller have affirmed to the Board the effective operation of the Group's risk management and internal control system throughout FY2024 and up to the date of this Statement.

CONCLUSION

For the FY2024 and up to the date of this Statement, the Board is of the opinion that there is an ongoing process of identifying, evaluating and managing significant risks faced by the Group. The Board continues to take appropriate action plans to strengthen the risk management and internal control system to meet the Group's objectives.

This Statement of Risk Management and Internal Control is made in accordance with the resolution of the Board dated 26 July 2024.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Main LR of Bursa Malaysia Securities, the External Auditors, Baker Tilly Monteiro Heng PLT have reviewed this Statement. The review was performed in accordance with Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysia Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the Group's risk management and internal control system.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

This statement is prepared in compliance with the requirements of the Companies Act 2016 (“**the Act**”), the Main Market Listing Requirements (“**Main LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) and the applicable approved accounting policies.

The Directors are responsible to prepare annual financial statements which give a true and fair view of the state of affairs of PCCS Group Berhad (“**the Company**”) and its subsidiaries (“**the Group**”) at the end of the financial year and of their financial results and cash flows for the financial year.

In preparing the financial statements of the Group and the Company for the financial year ended 31 March 2024, the Directors are in the opinion that the Group and the Company have:-

- used appropriate accounting policies and were consistently applied;
- made reasonable and prudent judgments and estimates;
- ensured that all applicable approved accounting standards in Malaysia have been followed; and
- prepared the financial statements based on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors have relied on the system of Internal Controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose the financial position of the Group and the Company with reasonable accuracy which enable them to ensure that the financial statements comply with the provisions of the Act, the Main LR of Bursa Malaysia Securities, and the applicable approved accounting standard by the Malaysian Accounting Standard Board.

The Directors are responsible for taking reasonable steps to safeguard the assets of the Group and the Company, as well as to prevent and detect fraud and other irregularities.

This Statement of Directors' Responsibility in relation to the Financial Statements is made in accordance with the resolution of the Board of Directors dated 26 July 2024.

OTHER INFORMATION

REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

AUDIT AND NON-AUDIT FEES

For the financial year ended 31 March 2024 (“FY2024”), the amount incurred by PCCS Group Berhad (“the Company”) and its subsidiary (“the Group”) with respect to audit fees and non-audit related fees paid to the External Auditors are as follows: -

	Company (RM)	Group (RM)
Audit services rendered	114,000	449,792
Non-audit services rendered		
(1) Tax Review and Services	4,200	48,994
(2) Review of the Statement of Risk Management and Internal Control	5,000	5,000
Total	123,200	503,786

UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposal. The information in relation to the Employees’ Share Option Scheme (“ESOS”) during the FY2024 is as follows: -

ESOS

The Group has established and implemented ESOS with effect from 16 December 2019 and the ESOS is governed by its By-Laws approved by the shareholders at an Extraordinary General Meeting held on 26 August 2019 and shall be in force for a duration of five (5) years.

The information in relation to the ESOS are set out in the table below: -

Description	Total Number of Options as at 31 March 2024	
	All Eligible Employees including Directors and Chief Executive	Directors and Chief Executive
(1) Options granted	11,074,000	2,514,000
(2) Options exercised	7,414,000	2,174,000
(3) Options expired	3,360,000	210,000
(4) Options outstanding	300,000	130,000

In accordance with the ESOS’s By-laws, not more than seventy per centum (70%) of the Company’s ordinary shares available under the ESOS shall be allocated, in aggregate, to the Directors and senior management of the Group. The percentage of options granted to the Directors and senior management are set out in table below: -

Options granted to the Directors and Senior Management	Number of Options (FY2024)	Number of Options (Since Commencement of ESOS up to 31 March 2024)
Aggregate maximum allocation in percentage	0%	70.00%
The actual percentage granted	0%	13.01%

For the FY2024, no ESOS Options were granted to or exercised by the Non-Executive Directors.

OTHER INFORMATION
REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
(CONT'D)

MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors, Chief Executive and major shareholders have entered into any material contracts with the Company and/or its subsidiaries during the FY2024.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF REVENUE NATURE

The RRPTs were disclosed in Note 35 of the Financial Statements for FY2024 on page 177.

SUSTAINABILITY STATEMENT

CRAFTING CLOTHING, CREATING SUSTAINABLE VALUE

ABOUT THE STATEMENT

"Passion, Care, Commitment, and Sustainability" remain the foundational principles guiding PCCS Group Berhad's ("PCCS" or "the Group") business model, influencing the strategic decisions aimed at mitigating the impact of our garment manufacturing. Driven by these values, we have continued to integrate environmental, social and governance ("ESG") considerations across our operations.

Our progress towards this objective is detailed within our sustainability statement for the year 2024. Within this statement, we elaborate on the sustainability values that underpin our approach, presenting a holistic overview of our ESG initiatives.

We strengthened our climate reporting in the financial year ended 31 March 2024 ("FY2024"), providing an overview of our climate-related risks and opportunities. Another enhancement is the inclusion of land-based business travel emissions in our Scope 3 greenhouse gas ("GHG") reporting. Our subsidiary in China, PCCS Garments (Suzhou) Limited ("SGL"), had successfully offset 100% Scope 2 GHG emissions produced in the reporting year.

Additionally, at both Wan He Da Manufacturing Company Limited ("WHD") and PCCS Garments (Suzhou) Limited, we have prioritised upskilling our workforce by offering increased training hours. We also recorded a reduced turnover rate at WHD, showcasing successful retention of our talent.

DEFINING OUR REPORTING SCOPE AND BOUNDARY

PCCS' statement encapsulates our sustainable performance FY2024 across multiple locations in Asia. Disclosures in this statement will focus on two entities.

Apparel Manufacturing Facilities

- SGL, Suzhou, China
- WHD, Phnom Penh, Cambodia

Comparative data spanning three years has been included where available to depict trends, enabling effective tracking of our progression over time. These insights offer valuable perspectives into our performance, highlighting improvements and successes.

OUR INDUSTRY MEMBERSHIPS AND ASSOCIATIONS

Being members of these association groups allows us to acquire invaluable insights into current trends and industry-leading practices in garment manufacturing. These memberships also afford us valuable networking opportunities, fostering collaboration with our industry peers that drive our advancement.

Country	Subsidiary	Association
China	PCCS Garments (Suzhou) Limited	Wu Jiang Foreign Investors Association
Cambodia	Wan He Da Manufacturing Company Limited	Textile, Apparel, Footwear & Travel Goods Association in Cambodia ("TAFTAC")

SUSTAINABILITY STATEMENT
(CONT'D)

INTEGRATING BEST DISCLOSURE PRACTICES

We have prepared this statement with reference Bursa Malaysia Securities Berhad’s (“**Bursa Malaysia**”) Main Market Listing Requirements (“**MMLR**”), Sustainability Reporting Guide (3rd Edition) and the Illustrative Sustainability Report (“**ISR**”) Guideline. Our disclosures are also benchmarked against the best practices of the Global Reporting Initiative (“**GRI**”) Standards and aligned with the United Nations Sustainable Development Goals (“**UN SDGs**”).



VERIFYING DISCLOSURES

The data points presented within this Sustainability Statement have undergone verification by the relevant business divisions and information owners to ensure their accuracy before publication. We aim to continually enhance our data collection and analysis procedures to safeguard the reliability of our disclosures and uphold transparency. In the coming years, we plan to transition towards internal or external assurance.


THE FEEDBACK DRIVING QUALITY

We are dedicated to elevating our reporting standards and value stakeholder input to drive these improvements. Please reach out to the following contact for any queries or feedback.


Dr. Tang Lai Huat
 Corporate Controller
 lhtang@pccsgroup.net
 PCCS Group Berhad,
 Lot 1376, GM 127, Mukim Simpang Kanan, Jalan Kluang, 83000 Batu Pahat, Johor Darul Takzim, Malaysia.

PERFORMANCE HIGHLIGHTS OF THE YEAR

Prioritising Ethical Business



Zero substantiated cases for major regulatory non-compliance



Expended **69%** of procurement budget on local suppliers Group-wide

SUSTAINABILITY STATEMENT (CONT'D)

Maintaining Environmental Sustainability



SGL sourced 1,600,000 kWh of electricity from renewable wind farms and has **offset 100%** of Scope 2 emissions



Diverted **92%** of the Group's non-hazardous waste, such as fabric waste, carton paper waste and metal waste from landfills



Reduced the Group's total non-hazardous waste, such as fabric waste, carton paper waste and metal waste by **4%**



WHD harvested 745m³ of rainwater and increased rainwater tank capacity to 9m³

Diverted **87%** of hazardous waste, such as e-waste, equipment machinery and motor waste, chemical container waste and used battery waste from landfills at WHD



Consumed **90%** of recycled materials for garment production at WHD

Fostering Social Stability



5,447,495 manhours with zero fatalities



Increase in training hours by **117%**



Zero verified incidents of customer data breach



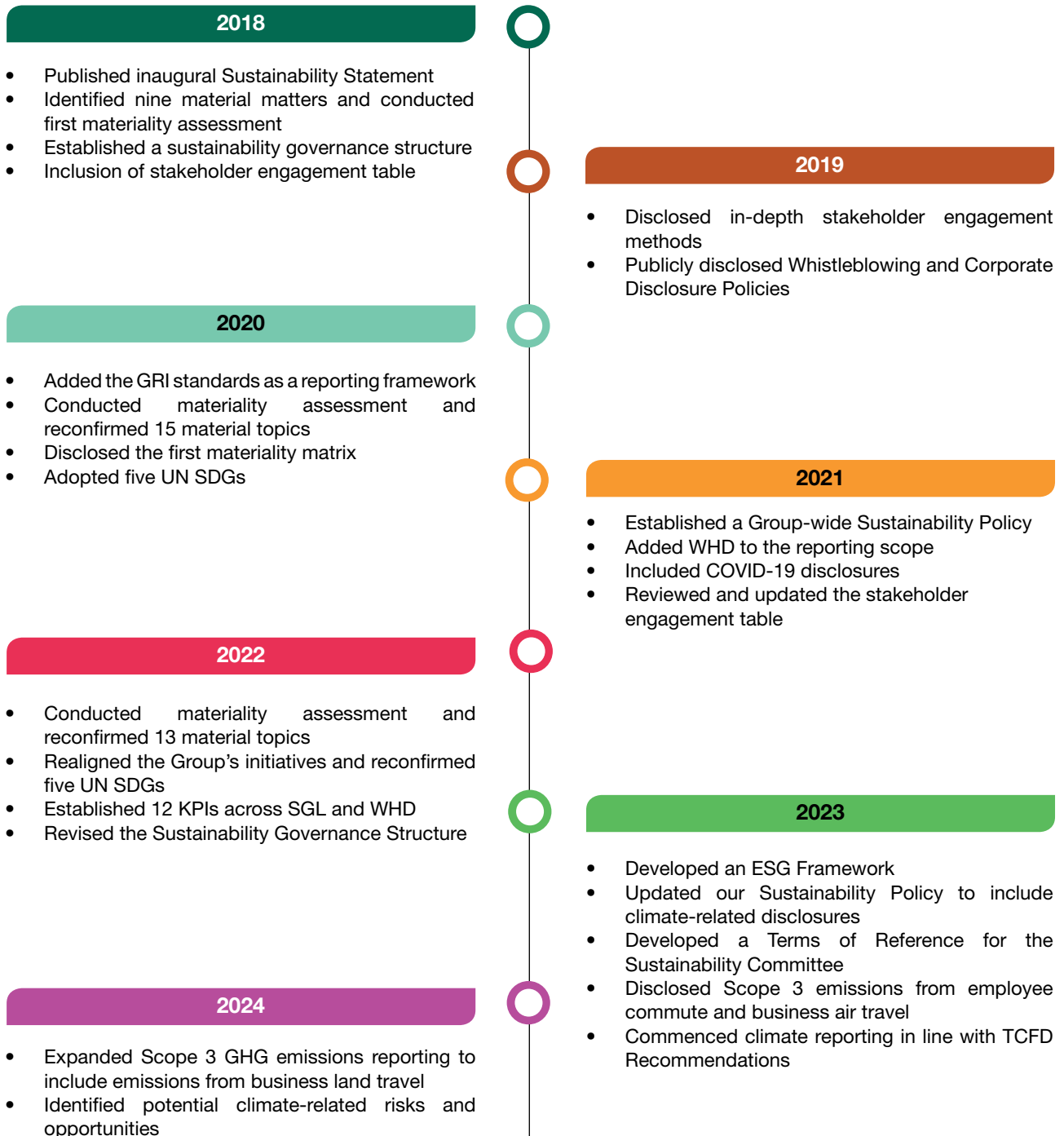
Zero incidents of discrimination, forced or child labour



Achieved **zero** substantiated incidents of product mislabelling

SUSTAINABILITY STATEMENT
(CONT'D)

TRACKING OUR SUSTAINABILITY PROGRESSION

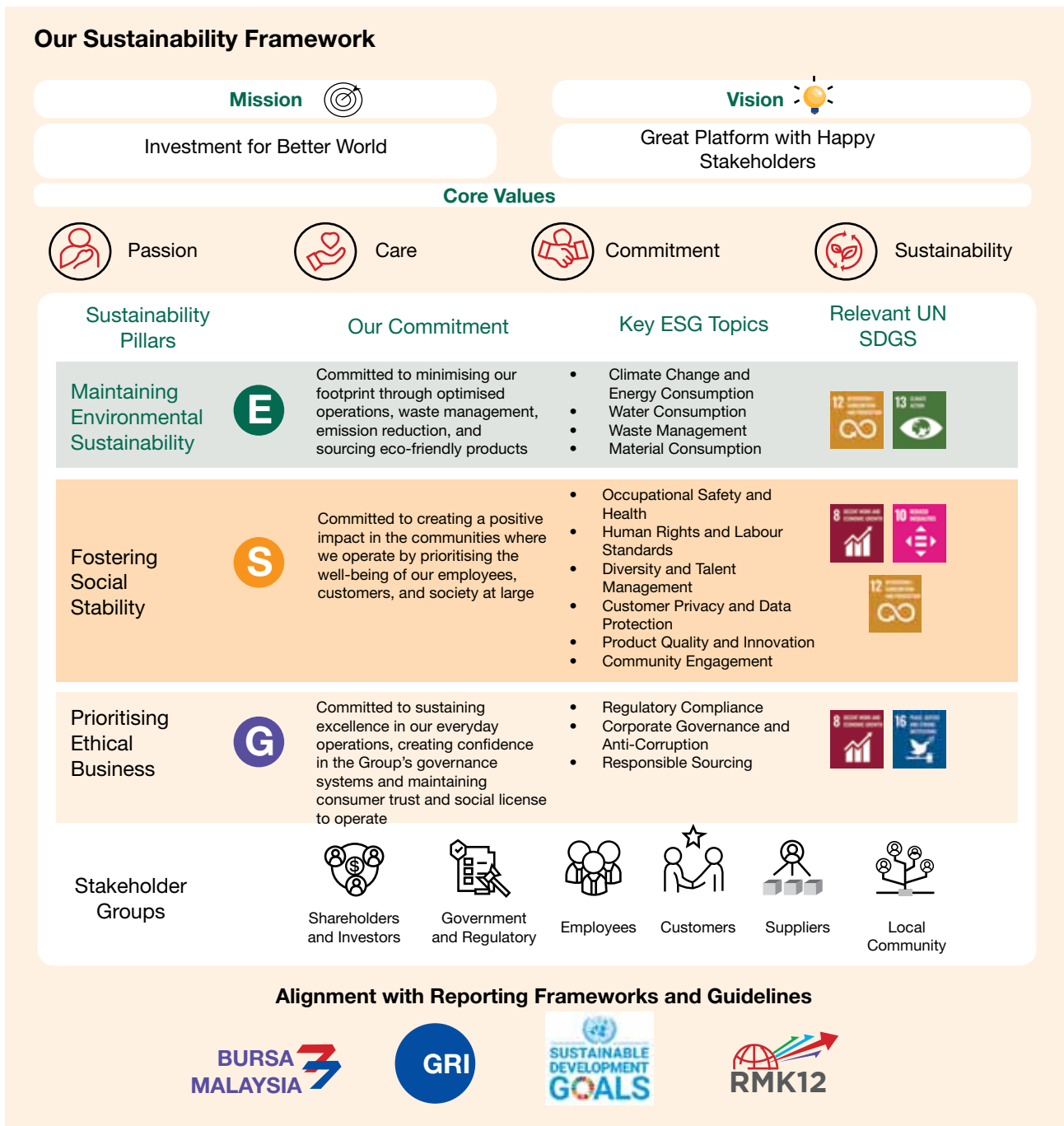


SUSTAINABILITY STATEMENT
(CONT'D)

WEAVING SUSTAINABILITY INTO OUR CORE APPROACH

The Framework that Drives Change

The Group’s ESG framework serves as the cornerstone for integrating sustainability principles and ethical behaviour into our business operations. Anchored by our Mission, Vision and Core Values, it revolves around three core sustainability pillars, each with a dedicated commitment statement that articulates our strategic priorities within the pillar. These pillars are also aligned with our adopted UN SDGs, guiding our sustainable development efforts while factoring in global agendas.



SUSTAINABILITY STATEMENT
(CONT'D)

POLICIES LEADING OUR INITIATIVES

Our Sustainability Policy serves as a blueprint for the sustainability principles underpinning our strategies. As an essential tool for incorporating ESG practices, the policy ensures that sustainability remains central to our business, driving responsible corporate citizenship and long-term value creation.

Tenants of Sustainability Policy

Prioritising Ethical Business

- Upholding the highest standards of ethical business conduct and acting with integrity in everything we do.
- Preventing all forms of bribery and corruption across the Group.
- Complying fully with all regulatory and legal requirements that PCCS subscribes to across the markets we operate in.
- Strengthening the bond between the Group and our stakeholders through regular engagement activities.
- Supporting local economic growth by providing business opportunities to local enterprises to the greatest extent possible.

Maintaining Environmental Responsibility

- Implement initiatives to limit our contribution to climate change and anthropogenic greenhouse gas emissions.
- Incorporating monitoring systems to identify climate-related risks and consequently evaluate and improve our environmental performance to build climate resilience across our operations.
- Optimising our business activities to maximise resource efficiency.
- Procuring products and supplies that are environmentally friendly to minimise the Group's environmental impact.
- Enforcing proper waste management practices across our operations to minimise adverse impacts on the environment surrounding communities.




Fostering Social Stability

- Manufacturing quality products that sustain customer satisfaction and support long-term value creation.
- Fostering a safe workplace for our employees through the implementation of health and safety best practices across our factories and offices.
- Respecting and protecting employee rights, providing equal opportunity to all.
- Organising capacity building programmes to support employee development and growth.
- Protecting customer data privacy against unauthorised access and use.

SUSTAINABILITY STATEMENT
(CONT'D)



CONTRIBUTING TO GLOBAL PROGRESSION FOR PEOPLE AND PLANET

The UN SDGs embody a transformative agenda aimed at addressing the most pressing global challenges by the year 2030. In alignment with this agenda, we embraced the five most resonant with our values to ensure our efforts result in tangible sustainable progress.

	Relevant Policies	Relevant KPIs	Our achievements
 <p>8.7 Eradicate forced labour, end modern slavery, human trafficking and child labour 8.8 Protect labour rights and promote safe working environments 8.8.1 Fatal and non-fatal occupational injuries</p>	<ul style="list-style-type: none"> Child-Labour and Juvenile Worker Policy Prohibition of Forced Labour, Slavery and Human Trafficking Policy 	<ul style="list-style-type: none"> Zero fatalities across the Group year-on-year at SGL and WHD 	<ul style="list-style-type: none"> Zero cases of human rights violations Compliance with Employment (Amendment) Act 2022 in Malaysia, Labour Contract Law in China and Labour Law 2021 in Cambodia. Recorded zero fatalities at SGL
 <p>10.3 Ensure equal opportunities 10.4 Adopt anti-discrimination policies</p>	<ul style="list-style-type: none"> Anti-Discrimination and Harassment Policies 	<ul style="list-style-type: none"> Zero cases of discrimination reported year-on-year at SGL and WHD 	<ul style="list-style-type: none"> Zero cases of discrimination reported Provided equal opportunities for employment and career development 78% women employed in our workforce
 <p>12.2 Efficient use of natural resources 12.4 Waste Management 12.5 Waste reduction and recycling</p>	<ul style="list-style-type: none"> Environmental Policy 	<ul style="list-style-type: none"> Optimise resource management using the principles of 4R (Reduce, Reuse, Recycle and Refuse). Prioritise the incorporation of recycled material in our circular design process. 	<ul style="list-style-type: none"> Diverted 87% of hazardous waste, such as e-waste, equipment machinery and motor waste, chemical container waste and used battery waste from landfills at WHD Diverted 92% of our non-hazardous waste, such as carton papers and fabric cut pieces, from landfills 4% decrease in non-hazardous waste generation, such as carton papers and fabric cut pieces 90% of recycled materials such as 66% BCI Cotton and 34% Recycled Polyester Knit for production

SUSTAINABILITY STATEMENT
(CONT'D)

CONTRIBUTING TO GLOBAL PROGRESSION FOR PEOPLE AND PLANET (CONT'D)

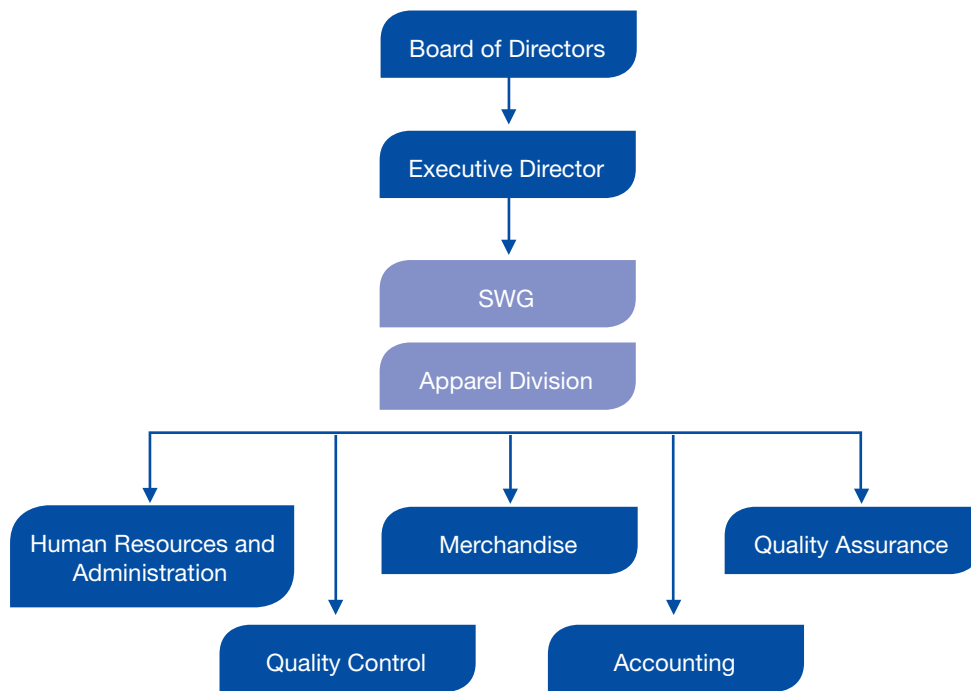
	Relevant Policies	Relevant KPIs	Our achievements
 <p>13.1 Climate resilience and adaptive capacity 13.2 Integrate climate change measures in policy and planning</p>	<ul style="list-style-type: none"> Energy Policy 	<ul style="list-style-type: none"> To reduce overall electricity consumption by 2% at SGL 	<ul style="list-style-type: none"> SGL sourced 1,600,000 kWh of electricity from renewable wind farms 100% Scope 2 Emissions offset at SGL
 <p>16.5 Combat corruption and bribery 16.b Promote non-discriminatory policies</p>	<ul style="list-style-type: none"> Anti-discrimination and Harassment Policy 	<ul style="list-style-type: none"> To train 20% of employees on the Anti-Bribery and Anti-Corruption (“ABAC”) Policy, Code of Conduct and other relevant Group-wide policies and procedures year-on-year at SGL and WHD 	<ul style="list-style-type: none"> Zero cases of bribery and corruption Zero reported cases of regulatory non-compliance

SUSTAINABILITY STATEMENT
(CONT'D)

GOVERNING WITH PURPOSE

PCCS' sustainability governance structure functions as a guiding framework with clearly defined roles and responsibilities, fostering ethical decision-making and accountability for our sustainability strategies. At the helm of this three-tiered structure is the Board of Directors (“**Board**”), entrusted with the strategic oversight of ESG-related policies, targets and material matters.

Working in tandem with the Board, the Executive Director is responsible for recommending actionable strategies, policies and initiatives to propel the Group's sustainable development forward. It also provides oversight over the Sustainability Working Group (“**SWG**”) which embeds our sustainability initiatives within our daily operations and monitors their progression.



Roles and Responsibilities of the Sustainability Governance structure

<p>Board of Directors</p>	<ul style="list-style-type: none"> • Strategic oversight over the management of sustainability and climate-related strategies, policies, targets and material sustainability matters • Approves the content of the sustainability statement • Ensures ESG-related and climate-related risks and opportunities are incorporated into the Group's strategy and risk management
<p>Executive Director</p>	<ul style="list-style-type: none"> • Recommends strategies, policies and initiatives that support PCCS' sustainable development • Reports on the progress of these measures to the Board • Provides oversight on the execution of sustainability measures by the SWG
<p>SWG</p>	<ul style="list-style-type: none"> • Implements the Group's sustainability and climate-related strategies and initiatives into the Group's day-to-day operations • Tracks and collates sustainability performance data for monitoring and reporting purposes • Prepares the Group's annual sustainability statement

SUSTAINABILITY STATEMENT
(CONT'D)

NAVIGATING STAKEHOLDER PERSPECTIVES

Constructive communication with our stakeholders is vital for driving positive business growth. Through engaging with stakeholders across multiple touchpoints, we obtain valuable insights into their material concerns, enabling us to tailor our strategies to align with evolving trends and developments. This empowers us to capitalise on emerging opportunities while consistently meeting stakeholder expectations.

Legend: ● AH Ad hoc ● MO Monthly ● AN Annually ● TTY Throughout the Year



Shareholders and Investors



Government and Regulatory



Employees

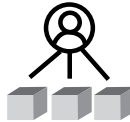
	Shareholders and Investors	Government and Regulatory	Employees
Key Areas of Concern	<ul style="list-style-type: none"> Return on investment Corporate governance Business compliance 	<ul style="list-style-type: none"> Compliance with laws and regulations Anti-corruption practices Waste management 	<ul style="list-style-type: none"> Employees' compensation and benefits Career development Business compliance
How We Respond	<ul style="list-style-type: none"> Maintaining robust corporate governance through internal policies such as ABAC Policy, the Group's Code of Conduct and the Whistleblowing Policy and Procedures. 	<ul style="list-style-type: none"> Maintaining compliance with regulatory and statutory requirements in each country where we operate. Ensuring the relevant legal register is up-to-date. Implementing a work culture with a strong sense of ethics and integrity. 	<ul style="list-style-type: none"> Implementing strict health and safety practices and procedures. Providing training and development programmes to support personal and career growth. Compliance with the Employment (Amendment) Act 2022 in Malaysia, Labour Contract Law in China and Labour Law 2021 in Cambodia. Providing employee healthcare benefits and competitive remuneration packages. Safeguarding employees' rights through the implementation of various policies and procedures.
How We Engage	<ul style="list-style-type: none"> ● AH Reports and Announcements ● AN Annual General Meetings ● AH Corporate website 	<ul style="list-style-type: none"> ● AH Inspections ● AH Reports ● TTY Compliance checks 	<ul style="list-style-type: none"> ● AH Emails, noticeboards, employee engagement activities ● MO Meeting and training ● AH Performance reviews

SUSTAINABILITY STATEMENT
(CONT'D)

NAVIGATING STAKEHOLDER PERSPECTIVES (CONT'D)



Customers



Suppliers



Local Community

	Customers	Suppliers	Local Community
Key Areas of Concern	<ul style="list-style-type: none"> High-quality and sustainable apparel Customers' rights Consumer engagement 	<ul style="list-style-type: none"> Fair and open procurement Maintaining long-term relationships Compliance with relevant laws and regulations 	<ul style="list-style-type: none"> Contribution to communities Environmental protection awareness
How We Respond	<ul style="list-style-type: none"> Conducting internal quality assurance and quality control throughout the manufacturing process to ensure the highest product quality. Investing in new machinery that reduces lead times to efficiently meet customer demands. 	<ul style="list-style-type: none"> Practise transparent procurement processes Maintaining open communications with our vendors and suppliers. Ensuring vendors and suppliers comply with our human rights and environmental policies and requirements. 	<ul style="list-style-type: none"> Contributing to and engaging with the local communities through donations, development programmes, relief efforts, etc. Conducted environmental awareness programme with the local communities
How We Engage	<ul style="list-style-type: none"> Customer satisfaction surveys Face-to-face meetings and on-site visits Plant tours 	<ul style="list-style-type: none"> Open tendering Suppliers' satisfactory assessment Face-to-face meetings and on-site visits Industry Seminars 	<ul style="list-style-type: none"> Responses to enquiries Public welfare activities

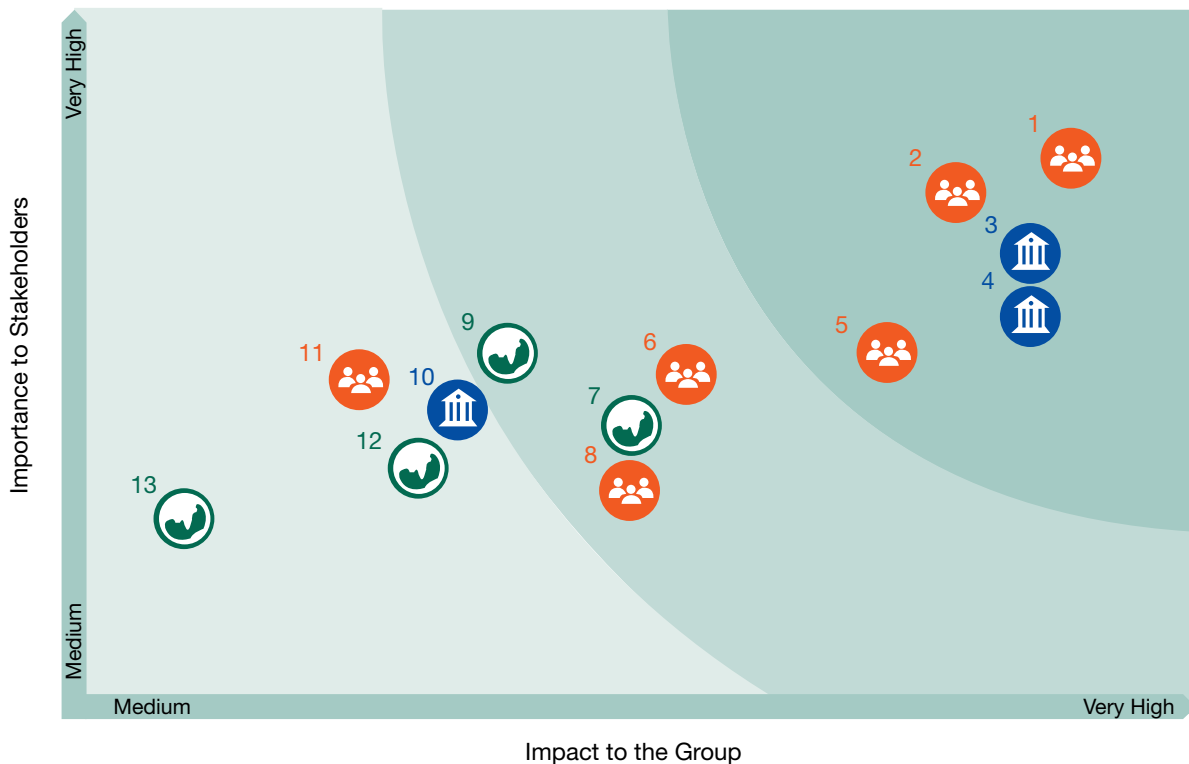
SUSTAINABILITY STATEMENT
(CONT'D)

DEFINING THE MATTERS OF IMPORTANCE

Given the diverse spectrum of sustainability concerns that may arise, effective prioritisation is crucial to achieving a meaningful impact. In FY2023, PCCS undertook a materiality reassessment to identify the most significant matters for stakeholders and our operations, allowing us to strategically address these issues in alignment with stakeholder expectations.

PCCS retained the 13 material matters identified in FY2023 this year, as they remain significant to our business operations. To align closer with Bursa Malaysia’s prescribed common material matters, we renamed two material matters.

- Corporate Governance, Ethics, and Integrity is now termed Corporate Governance and Anti-Corruption.
- Talent Attraction and Retention is renamed Diversity and Talent Management.



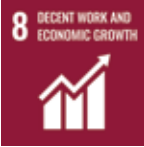



Prioritising Ethical Business	Maintaining Environmental Responsibility	Fostering Social Stability
3 Regulatory Compliance* 4 Corporate Governance and Anti-Corruption* 10 Responsible Sourcing	7 Waste Management 9 Climate Change & Energy Consumption 12 Material Consumption 13 Water Consumption	1 Occupational Health & Safety* 2 Human Rights & Labour Standards* 5 Customer Privacy & Data Protection* 6 Product Quality & Innovation 8 Diversity and Talent Management 11 Community Engagement

*Top five material matters: Occupational Health & Safety, Human Rights & Labour Standards, Regulatory Compliance, Corporate Governance and Anti-Corruption, and Customer Privacy & Data Protection

SUSTAINABILITY STATEMENT
(CONT'D)

CHARTING KEY IMPACT AREAS

We outlined our material concerns within the below framework to better illustrate their interdependence with our key stakeholder groups, UN SDGs and sustainability pillars.

Prioritising Ethical Business	
Regulatory Compliance	<p>Relevant UN SDGs:</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="text-align: center;">  <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> </div> </div> <p>Our Approach: PCCS established mechanisms that ensure strict compliance with applicable laws and regulations, taking into account any changes in the regulatory landscape.</p> <p>Affected Stakeholder: Shareholders and Investors, Government and Regulatory, Employees, Suppliers</p>
Corporate Governance and Anti-Corruption	<p>Relevant UN SDGs:</p> <div style="text-align: center;">  <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> </div> <p>Our Approach: Underpinned by a robust governance structure, we uphold high standards of ethics and integrity throughout our operations. We also implemented a complete suite of policies, codes and procedures to ensure ethical conduct from both the Group and our stakeholders</p> <p>Affected Stakeholder: Shareholders and Investors, Government and Regulatory, Employees, Suppliers</p>
Responsible Sourcing	<p>Relevant UN SDGs:</p> <div style="text-align: center;">  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <p>Our Approach: PCCS contributes to the local economy through our ethical procurement practices, prioritising sourcing from local suppliers whenever feasible. We also procure from suppliers who provide superior materials.</p> <p>Affected Stakeholder: Suppliers, Customers</p>

CHARTING KEY IMPACT AREAS (CONT'D)

Maintaining Environmental Sustainability

Climate Change and Energy Consumption

Our Approach: We adopt energy-efficient measures to reduce our carbon footprint, mitigate our environmental impact and effectively address the risks posed by climate change.

Affected Stakeholder: Shareholders and Investors, Government and Regulatory, Local Community

Relevant UN SDGs:



Waste Management

Our Approach: By managing our waste generation in accordance with regulatory requirements and industry standards, we minimise our environmental footprint and uphold public health standards across our operations.

Affected Stakeholder: Government and Regulatory, Local Community

Relevant UN SDGs:



Material Consumption

Our Approach: We strive for optimal raw material consumption within our manufacturing processes and avoid wastage.

Affected Stakeholder: Suppliers, Customers

Relevant UN SDGs:



Water Consumption

Our Approach: PCCS adopts water monitoring and management measures to efficiently optimise our water consumption across our operations.

Affected Stakeholder: Government and Regulatory, Local Community

Relevant UN SDGs:



SUSTAINABILITY STATEMENT
(CONT'D)

CHARTING KEY IMPACT AREAS (CONT'D)

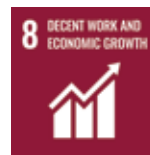
Fostering Social Stability

Occupational Health and Safety

Our Approach: The Group prioritises the health and safety of our employees by implementing measures to ensure a safe and conducive working environment.

Affected Stakeholder: Government and Regulatory, Employees

Relevant UN SDGs:

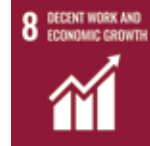


Human Rights & Labour Standards

Our Approach: We are staunch advocates for human rights and have implemented measures and procedures across our subsidiaries to safeguard the rights of our workforce.

Affected Stakeholder: Government and Regulatory, Employees

Relevant UN SDGs:

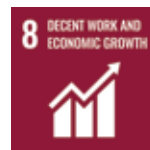


Customer Privacy & Data Protection

Our Approach: PCCS established data privacy policies and procedures across the Group to safeguard customer data privacy and prevent breaches.

Affected Stakeholder: Government and Regulatory, Customers

Relevant UN SDGs:

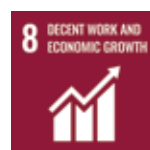


Product Quality & Innovation

Our Approach: To deliver high-quality products to customers, we embrace innovation and employ innovative technologies and advanced processes.

Affected Stakeholder: Government and Regulatory, Customers, Suppliers

Relevant UN SDGs:



SUSTAINABILITY STATEMENT
(CONT'D)

CHARTING KEY IMPACT AREAS (CONT'D)

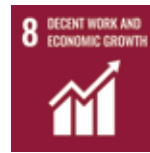
Fostering Social Stability (Cont'd)

Diversity and Talent Management

Our Approach: We engage our employees by offering competitive benefits and salaries, thereby enhancing morale and fostering strong relationships.

Affected Stakeholder: Employees

Relevant UN SDGs:



Community Engagement

Our Approach: The Group allocates resources towards a range of community initiatives to alleviate the challenges faced by vulnerable groups and communities surrounding our operations.

Affected Stakeholder: Local Community



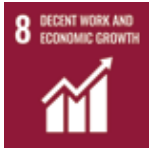



Relevant UN SDGs:



SUSTAINABILITY STATEMENT
(CONT'D)

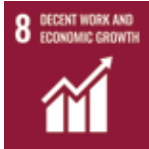


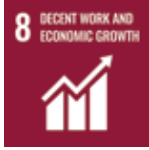
MONITORING THE METRICS THAT MATTER

Monitoring our progress toward sustainability goals is paramount for evaluating the effectiveness of our initiatives and making informed decisions to enhance our ESG efforts. To this end, we have established sustainability-focused Key Performance Indicators (“KPIs”) to collect valuable data. These KPIs enable us to systematically measure the impact of our initiatives, identify successes, and pinpoint potential areas for improvement.

KPIs	Division	UN SDGs	FY2024 Status
Prioritising Ethical Business			
To train at least 20% of employees on ABAC Policy, Code of Conduct and other relevant Group-wide policies and procedures year-on-year	SGL & WHD		Achieved
Zero non-compliances with applicable laws and regulations year-on-year			Achieved
At least 70% of expenditure spent on local suppliers			Not Achieved (69%)
Maintaining Environmental Sustainability			
To reduce overall electricity consumption by 2%. <i>(Baseline FY2020: 1,263,415 kWh)</i>	SGL		Not Achieved (1,524,510 kWh)
To reduce water consumption intensity by 3%. <i>(Baseline FY2020: 0.00288 m³/pc)</i>			Not Achieved (0.00287 m³/pc)
To reduce water consumption intensity by 1%. <i>(Baseline FY2020: 0.00464 m³/pc)</i>	WHD		Achieved. 7% reduction from FY2020 (0.00429m³/pc)

SUSTAINABILITY STATEMENT
(CONT'D)

MONITORING THE METRICS THAT MATTER (CONT'D)

Fostering Social Stability			
Zero fatalities across the Group year-on-year.	SGL & WHD		Achieved
Zero cases of discrimination reported year-on-year.			Achieved
Zero cases of customer data mismanagement and breaches year-on-year			Achieved
Achieve an average of 3 hours of training per employee year-on-year.			Achieved

SUSTAINABILITY STATEMENT
(CONT'D)

OUR DECARBONISATION PATHWAY

Amid the escalating climate crisis, it is crucial to understand the impacts of our garment manufacturing operations. We are guided by climate-related disclosure standards to offer nuanced insights into the risks and opportunities associated with climate change for PCCS, empowering informed decision-making for the Group and our stakeholders.

Governance

In our pursuit of climate action, PCCS's climate governance is underpinned by the proactive leadership of the Board, supported by the Management.

<p>Board of Directors</p>	<ul style="list-style-type: none"> • The Board has strategic oversight over the implementation of sustainability strategies, initiatives and performance to ensure alignment with our strategic trajectory and long-term objectives, encompassing climate-related risks and opportunities • They approve the adoption of policies addressing climate-related risk issues as well as annual performance targets pertinent to climate change, such as reduction targets for energy and water consumption. • Receive regular sustainability performance updates during annual Board meetings. • The Board ensures the integration of ESG and climate-related factors into the Group's risk management processes.
<p>Management</p>	<ul style="list-style-type: none"> • Our Executive Director works with the Board to assess and manage these risks, ensuring that we maintain a proactive approach to sustainability governance. • The Executive Director oversees and manages the implementation of the Group's strategies and initiatives, including those that are climate-related.

To enhance our Directors' knowledge on effectively addressing the Group's sustainability risks and opportunities, the majority of our board members completed Bursa Malaysia's Mandatory Accreditation Programme Part II: Leading for Impact during the reporting year.

Additionally, the compliance managers at both SGL and WHD participated in the SBTi training programme on Scope 1, Scope 2, and Scope 3 GHG emissions.

Strategy

For this reporting period, we have identified potential climate-related risks, impacts and opportunities at the Group-level to determine their effects on our business operations and value chain. The following table presents our analysis of potential climate-related risks and impacts in the short-term (1-5 years), medium-term (6-10 years) and long-term (> 11 years), along with opportunities for value creation over time.

We categorised these climate-related risks under transition risks and physical risks. Transition risks pertain to financial and operational risks associated with the transition to a lower-carbon economy. Meanwhile, physical risks result from climate change which can be both acute (event-driven) and chronic (longer-term shifts in climate patterns).

SUSTAINABILITY STATEMENT
(CONT'D)

STRATEGY (CONT'D)

Transition Risks

Risk Description	Potential Impact	Potential Opportunities
Policy and Legal - Medium term (6-10 years) to long-term (>11 years)		
<ul style="list-style-type: none"> • Future implementation of carbon pricing mechanisms • Regulations imposed in relation to future climate-related compliance 	<ul style="list-style-type: none"> • New or increasing carbon taxes in the geographies where PCCS operates and procures raw materials from can impact operating costs • Potential incurred costs from penalties and fines 	<ul style="list-style-type: none"> • Decarbonisation of garment production to reduce the impact of carbon taxes • Establishment of procedures to ensure compliance
Technology - Short term (1-5 years) to long-term (>11 years)		
<ul style="list-style-type: none"> • Technology deployment for reducing emissions 	<ul style="list-style-type: none"> • Incur upfront costs from investments in new technology and its implementation 	<ul style="list-style-type: none"> • Cost and resource savings upon the successful implementation of new low-carbon production
Market - Long-term (>11 years)		
<ul style="list-style-type: none"> • Shift in customer purchasing patterns 	<ul style="list-style-type: none"> • Increased demand for low carbon, sustainable products could affect demand for our products and subsequently impact our revenue 	<ul style="list-style-type: none"> • Develop customer-facing circular business models that reduce the Group's climate impact
Reputation - Long-term (>11 years)		
<ul style="list-style-type: none"> • Increased stakeholder concerns about climate impacts and expectation of climate actions, where non-action may affect brand reputation 	<ul style="list-style-type: none"> • Revenue can be affected by negative stakeholder sentiments, influencing product demands 	<ul style="list-style-type: none"> • Strengthen brand reputation by leading climate-conscious garment manufacturing facilities

Physical Risks

Risk Description	Potential Impact	Potential Opportunities
Acute - Short term (1-5 years) to long-term (>11 years)		
<ul style="list-style-type: none"> • Potential water scarcity or extreme weather events that influence production and logistic 	<ul style="list-style-type: none"> • Disruption to production and product distribution due to transportation difficulties and supply chain interruption may lead to reduced revenue 	<ul style="list-style-type: none"> • Opportunities to innovate and adopt technology, materials and processes that withstand acute climate-related events
Chronic - Long-term (>11 years)		
<ul style="list-style-type: none"> • Changes in weather patterns across locations of the value chain 	<ul style="list-style-type: none"> • Long-term climate-related impacts may cause delays in yield and production as well as increase in operating costs, capital costs and insurance costs to manage impacts on production 	<ul style="list-style-type: none"> • Opportunities for early adoption of innovative technology and design that is resilient with long-term climate impacts

SUSTAINABILITY STATEMENT (CONT'D)

Risk Management

We established a robust Risk Management System to identify, assess and address both existing and emerging sustainability risks, including those related to climate change. This system involves regular risk assessments to proactively manage emerging risks and capitalise on opportunities.

As necessary, we conduct materiality assessments to reevaluate pertinent ESG risks, such as climate change, understanding their significance. Furthermore, we developed a sustainability policy that facilitates the integration of sustainability risk management throughout our operations.

Metrics and Targets

Recognising the importance of transparency to our stakeholders, we have implemented clear metrics and targets to measure and disclose our climate-related risks and opportunities within our Energy Management System and Environmental Management Programme.

For this year, we disclosed our Scope 1, Scope 2 and Scope 3 GHG emissions and will continue to monitor our emissions performance in subsequent years.

PRIORITISING ETHICAL BUSINESS

PCCS underscores sound governance to ensure long-term sustainability and build trust among stakeholders. We actively promote transparency and accountability through the implementation of policies, procedures, and regular reviews to ensure compliance with laws and regulations. The Group has established strong mechanisms to uphold fairness, responsibility, and effective oversight across our operations, laying a solid foundation for sustained growth.

Material Sustainability Matters

- Regulatory Compliance
- Corporate Governance, Ethics and Integrity
- Responsible Sourcing

Key Performance Highlights:



Zero substantiated cases for major regulatory non-compliance



Expended 69% of procurement budget on local suppliers Group-wide

Alignment with the UN SDGs



SUSTAINABILITY STATEMENT
(CONT'D)

REGULATORY COMPLIANCE

Why it is Important

Strict compliance with laws, regulations, policies and accreditation standards set by governing bodies fosters structured business processes. As we uphold these stringent standards, we reinforce the credibility of our operations and maintain a high standard of ethical conduct. These efforts also serve to mitigate potential non-compliance risks and enhance our reputation within the marketplace.

Our Approach

We ensure regulatory compliance by implementing robust control and monitoring systems into our daily business operations in both China and Cambodia, ensuring full adherence to all pertinent laws and regulations.

At SGL, we conduct regular internal audits to assess our adherence to regulatory requirements, ensuring alignment with the evolving regulatory landscape. Through frequent memoranda, we ensure that all employees are promptly informed of any amendments.

In addition, WHD has implemented a Compliance Management System to provide guidance on internal and external audit procedures. To evaluate the environmental impact of our garment manufacturing processes and uphold compliance with Cambodia’s laws and regulations, we encourage our suppliers to utilise the HIGG Facility Environmental Module (“**HIGG FEM**”).

Furthermore, WHD has partnered with Better Factories Cambodia, a collaborative initiative between the International Labour Organization (“**ILO**”) and the International Finance Corporation. Through this partnership, we actively promote human rights and ethical practices in compliance with Cambodian Labour Law and the ILO’s fundamental conventions.

As part of our ongoing commitment to staying abreast of regulatory changes, this year, we collaborated with the TAFTAC in Cambodia. This collaboration aimed to increase our awareness of changes in laws and regulations most relevant to the garment industry.

SGL	WHD
Company Law 2018	Law on Commercial Enterprises 2005
Employment and Labour Law 2020	Labour Law 2021
Environmental Protection Law of the People’s Republic of China 2018	Law on Environmental Protection and Natural Resources Management 1996

In FY2024, we recorded **zero** substantiated major non-compliance incidents that resulted in a fine, penalty or warning during the reporting year.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE GOVERNANCE AND ANTI-CORRUPTION

Why it is Important

Strong leadership establishes corporate integrity and ethical practices, steering clear decision-making and nurturing strong ties with stakeholders. These principles also ensure proper accountability to our commitments, fostering long-term business viability.

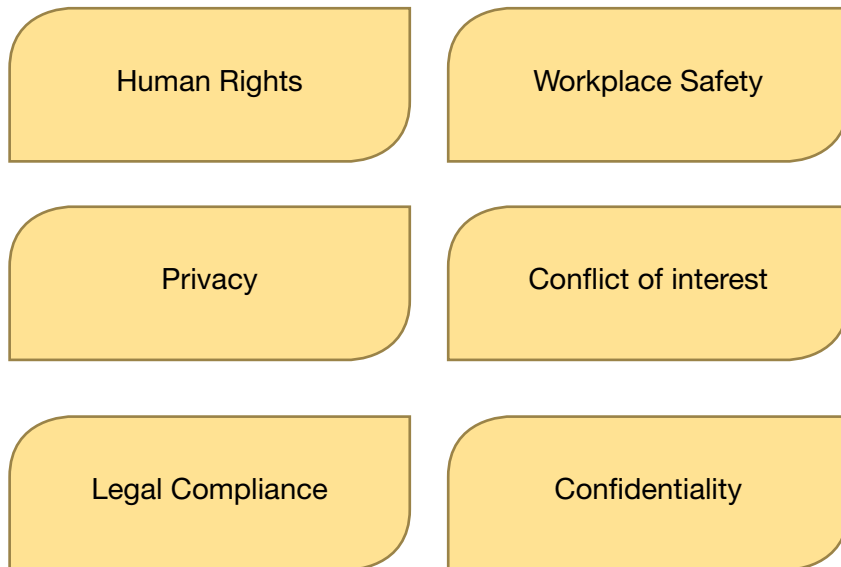
Our Approach

At PCCS, ethical conduct and integrity are principles central to guiding our responsible corporate governance practices across our Group's operations. We maintain stringent policies and procedures, including anti-corruption measures, which undergo periodic review and enhancement to ensure the effective implementation of our principles.

Code of Conduct

We adhere to the Code of Conduct which defines the expected behaviours and values for all employees, from employees to management and directors alike. We disseminate the Code through various channels, including handbooks, notice boards, the company intranet and our corporate website. Moreover, we integrate it into our induction process to guide new hires.

Topics Covered by the Code of Conduct



Whistleblowing Policy

The Group has implemented an accessible communication and reporting system for employees at every level. If any misconduct occurs within the Group that may harm our reputation or affect stakeholders' interests, all employees and members of the public are encouraged to report it through our reporting channel, as detailed in the Group's Whistleblowing policy.

SUSTAINABILITY STATEMENT
(CONT'D)

CORPORATE GOVERNANCE AND ANTI-CORRUPTION (CONT'D)

ABAC Policy

To uphold legal, moral and ethical standards in our garment manufacturing operations, we enforced an ABAC Policy. Applicable to all employees, intermediaries and third parties this policy underscores our zero-tolerance stance towards bribery and corruption. It ensures the Group’s compliance with relevant laws and governmental guidelines in the countries in which we operate.

Other key corporate, governance and Integrity related policies

- Corporate Disclosure Policy
- Directors’ Remuneration Policy
- Succession Planning Policy
- External Auditors Policy
- Fit and Proper Policy

To read more about the Group’s Corporate Governance related polices, please go to our corporate website at https://pccsgroup.net/Investment_611.html.

SGL and WHD have also implemented company-specific policies tailored to their local operations to ensure compliance with key laws and regulation and uphold ethical business.

SGL	WHD
Anti-Discrimination and Harassment Policy	Wage, Compensation and Benefit Policy
Environmental Policy	Anti-Harassment Policies and Procedures
Freedom of Association Policy	Hour of Work Policy
Production Working Hours and Compensation Policy	Freedom of Association and Collective Bargaining Policy
Child Labour and Juvenile Worker Policy	Prohibition of Discrimination Policy
	Prohibition of Child Labour Policy
	Foreign Employee Policy
	Environment Policy
	Prohibition of Forced Labour, Slavery and Human Trafficking Policy

Our Performance

At WHD, a total of 10 corporate governance-related trainings were provided for our employees. These training sessions included topics such as Disciplinary Procedure and Anti-Corruption, Grievance Policy and Procedure, Code of Conduct and Policy and Procedure training.

Training Programmes	No of attendees
Disciplinary Procedure and Anti-Corruption	150
Grievance Policy and Procedure	150
Code of Conduct	150
Policy and Procedure	150

At SGL, 24% of the entity’s executive and non-executive staff have received training on anti-corruption. The lower percentage compared to the previous year reflects that the training was provided only to newly hired staff.

SUSTAINABILITY STATEMENT
(CONT'D)

CORPORATE GOVERNANCE AND ANTI-CORRUPTION (CONT'D)

Our Performance (Cont'd)

Percentage of Employees Who Have Received Training on Anti-Corruption				
Entity	Employee Category	FY2022	FY2023	FY2024
SGL	Senior Management	0%	0%	0%
	Management	0%	0%	0%
	Executive	5%	5%	6%
	Non-Executive	31%	27%	18%
WHD	Senior Management	100%	100%	100%
	Management	100%	100%	100%
	Executive	100%	100%	100%
	Non-Executive	100%	100%	100%
Percentage of Operations Assessed for Corruption-Relates Risks				
Entity	FY2022	FY2023	FY2024	
SGL	0%	0%	0%	
WHD	0%	0%	0%	
Confirmed Incidents of Corruption				
Entity	FY2022	FY2023	FY2024	
SGL	0%	0%	0%	
WHD	0%	0%	0%	

RESPONSIBLE SOURCING

Why it is Important

Responsible sourcing is essential for maintaining ethical standards, safeguarding reputation, ensuring legal compliance, advancing environmental sustainability, and mitigating risks, all of which contribute to enhancing PCCS' long-term sustainability and business resilience.

Our Approach

We collaborate closely with our suppliers to ensure the delivery of high-quality goods and services that meet our stringent internal ethical standards, industry norms and regulatory requirements. At PCCS, we prioritise local procurement whenever feasible to minimise our environmental impacts and ensure timely material delivery.

At WHD, we encourage our suppliers to evaluate their environmental and social impacts using Cascale's Higg FEM and Higg Facility Social and Labour Module ("Higg FSLM") standards which are crucial for assessing value chain sustainability. Suppliers use the Higg FEM to assess environmental criteria such as energy use, greenhouse gas emissions, water management, waste management, and chemical management. The Higg FSLM evaluates social criteria, including recruitment practices, working hours, health and safety, wages and benefits, and worker rights.

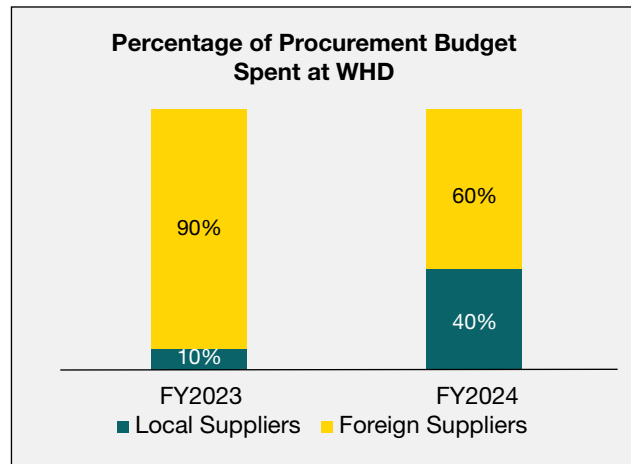
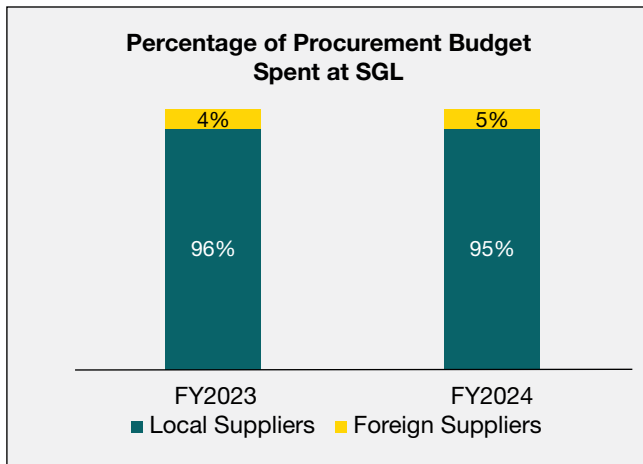
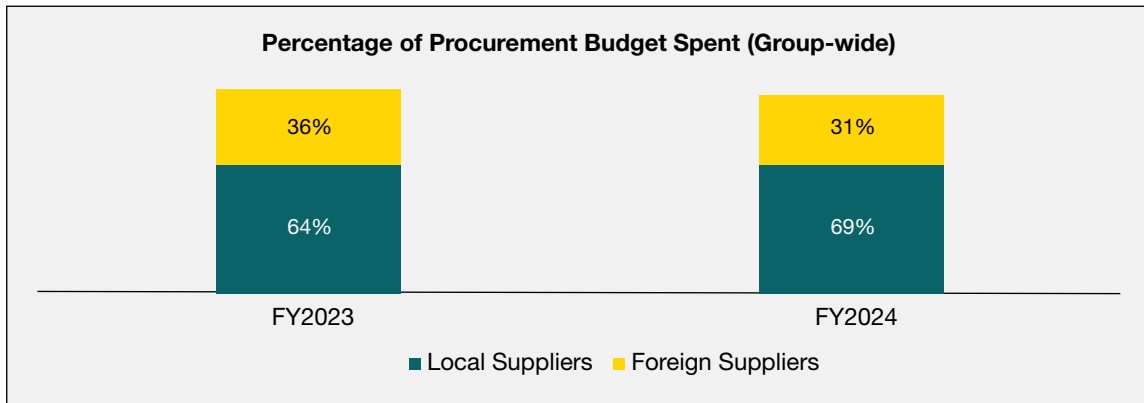
SUSTAINABILITY STATEMENT
(CONT'D)

RESPONSIBLE SOURCING (CONT'D)

Our Performance

Local Procurement

Group-wide, 69% of our procurement budget was expended on local suppliers, marking a 42% increase from FY2023. At SGL, the majority of our suppliers are local, resulting in a higher expenditure on local procurement. Conversely, WHD primarily relies on foreign suppliers for materials such as fabric and accessories with only 40% of procurement budget spent on local suppliers.



Supplier Assessment

WHD	FY2022	FY2023	FY2024
Number of suppliers assessed for environmental impacts	18	3	0
Number of suppliers assessed for social impacts	1	5	2

The number of suppliers assessed for environmental and social impacts at WHD declined this year compared to last year, primarily due to the pending certification and collection of 2024 HIGG verifications from the majority of our suppliers. We aim to complete collecting these certifications by the end of 2024.

SUSTAINABILITY STATEMENT (CONT'D)

MAINTAINING ENVIRONMENTAL RESPONSIBILITY

Acknowledging the paramount importance of environmental conservation, PCCS supports the global transition towards a low-carbon future. We diligently work towards achieving sustainable garment manufacturing operations by adhering to the highest environmental standards and implementing optimisation practices throughout our operations.

Material Sustainability Matters

- Climate Change and Energy Consumption
- Water Consumption
- Waste Management
- Material Consumption

Key Performance Highlights:



SGL sourced 1,600,000 kWh of electricity from renewable wind farms, offsetting 100% the subsidiary's Scope 2 emissions



Diverted 92% of our non-hazardous waste from landfills and reduced non-hazardous waste by 4%



WHD harvested 745m³ of rainwater and increased rainwater tank capacity to 9m³



Diverted 87% of hazardous waste from landfill



Consumed 90% of recycled materials for garment production at WHD

Alignment with the UN SDGs



CLIMATE CHANGE AND ENERGY CONSUMPTION

Why it's Important

Climate change and energy consumption are pivotal concerns for the garment manufacturing industry as every phase, from raw material extraction to production, contributes to global emissions. By implementing efficient energy management practices, we not only reduce greenhouse gas emissions but also reduce operational costs, aligning environmental responsibility with economic sustainability.

SUSTAINABILITY STATEMENT
(CONT'D)

CLIMATE CHANGE AND ENERGY CONSUMPTION (CONT'D)

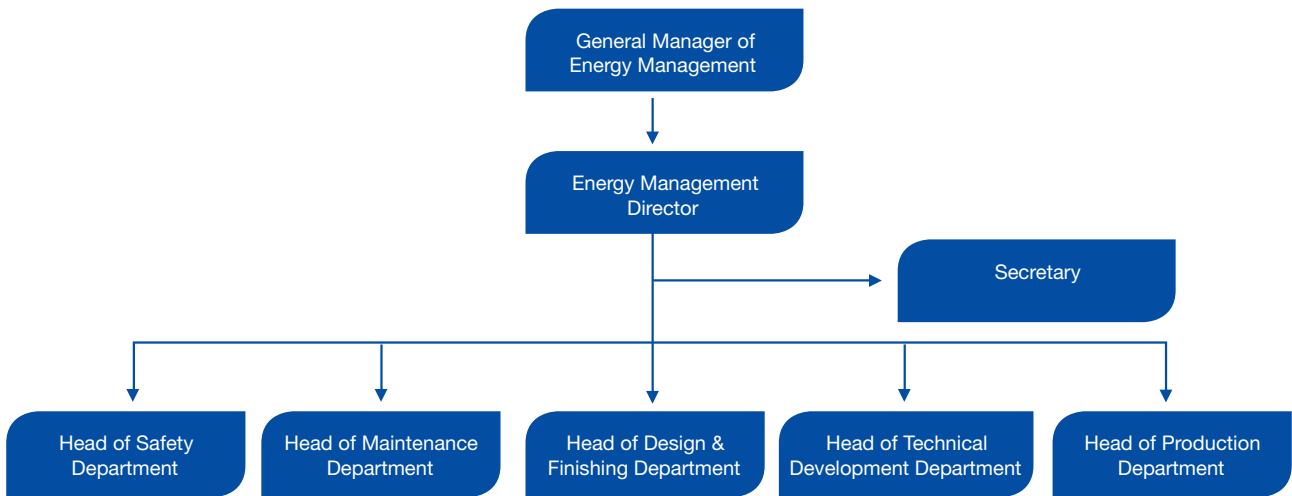
Our Approach

PCCS formulated energy policies for WHD and SGL respectively, aimed at diminishing our carbon footprint and enhancing climate resilience. The policies delineate our long-term energy objectives and reduction targets, offering guidance for our emissions management systems. We update energy policies on a periodic basis to ensure alignment with our sustainability principles and to reflect any changes in our operational landscape.

Underpinned by systematic, data-driven decision-making processes, our energy management strategy enables us to strategically allocate resources and establish realistic energy objectives. We conduct thorough feasibility studies on proposed energy efficiency investments and ensure the efficacy of new energy saving projects. Thus, we stay abreast of innovative energy-efficient technologies and best practices, enabling us to minimise our environmental impact and advocate responsible energy management throughout PCCS.

At SGL, we instituted an Energy Management Committee and appointed an Energy Management Manager to oversee and coordinate the implementation of energy-saving initiatives across all departments, ensuring efficient execution of our Energy Policy. Through this hierarchical approach, SGL employees are guided to align with our energy-saving goals and actively contribute to their achievement. The following illustrates the responsibilities of each tier, ensuring seamless execution of our energy management strategies.

SGL Energy Management Organisation Chart



Roles	Responsibilities
General Manager	<ul style="list-style-type: none"> Implements national, provincial, municipal and district energy-saving policies, laws and regulations. Oversees and manages daily energy management operations. Leads the development of the Group's overall energy-saving plan. Stays up-to-date with new energy management developments and identifies opportunities for innovation.
Heads of Department	<ul style="list-style-type: none"> Implements national, provincial, municipal and district energy-saving policies, laws and regulations. Collaborates with the energy management general manager to develop and implement energy-saving plans. Provides regular reports and develop effective energy-saving implementation plans. Stays up-to-date with new energy management developments. Develops and organises energy-saving training programmes for employees. Supervises and inspects energy-saving plans and their implementation across workshops

SUSTAINABILITY STATEMENT
(CONT'D)

CLIMATE CHANGE AND ENERGY CONSUMPTION (CONT'D)

SGL Energy Management Organisation Chart (Cont'd)

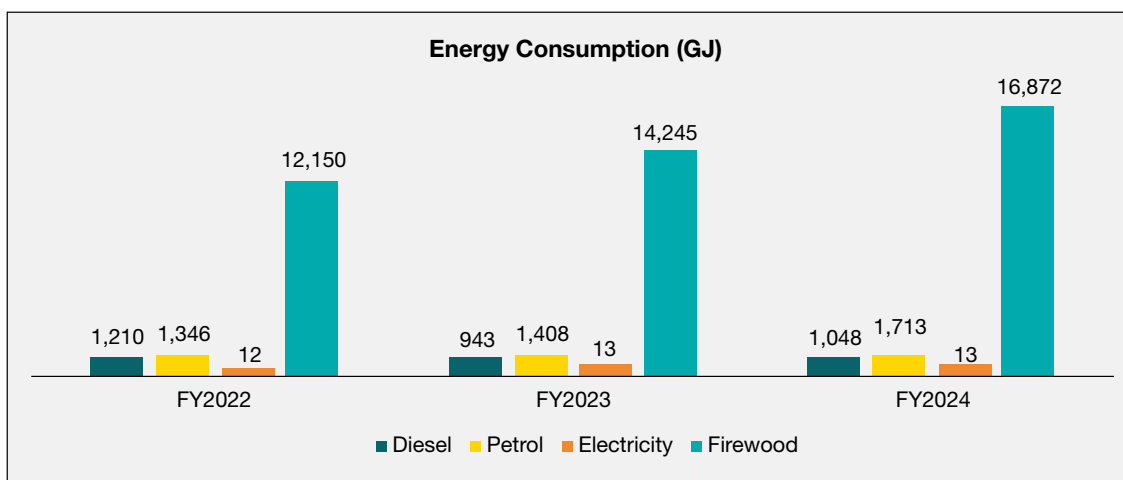
Roles	Responsibilities
Committee	<ul style="list-style-type: none"> Enforces energy-saving policies and regulations at all government levels. Collaborates with the energy management leader to implement daily energy-saving operations. Develops and executes the HOD's energy-saving plans in alignment with the Group's annual energy-saving plans. Achieves company energy-saving goals by effectively implementing the department's energy-saving plan

In our ongoing pursuit of transitioning into a green factory, WHD has undertaken several initiatives this year. These include the replacement of traditional bulbs with energy-efficient LEDs, the integration of solar streetlights into our operations, and promoting the practice of switching off unused lights and machines during lunch breaks. We have also replaced our conventional sewing clutch motors with energy-efficient servo motors, upgraded our air conditioners to inverter models, and installed a more efficient air compressor. These enhancements are designed to reduce both our carbon footprint and operating costs.

Our Performance

Total Energy Consumption

At PCCS, our energy sources include diesel, fuel, electricity, and firewood. In FY2024, our total energy consumption amounted to 19,646 GJ, with firewood constituting 86%, followed by petrol at 9%. Diesel accounted for 5% of our energy usage, while electricity represented 0.1%.



Note: Total energy consumption data in MWh is disclosed in the ESG Performance Data Table.

Fuel Consumption

Petrol and diesel are the primary fuels consumed by both subsidiaries. Petrol, in particular, is primarily used in company-owned vehicles for transporting employees and third-party contractors, such as auditors.

In this reporting year, PCCS consumed a total of 51,111 litres of petrol, with 56% utilised by SGL and 44% by WHD, marking a 22% increase in overall consumption. Our diesel consumption in FY2024 totalled 27,372 litres, an 11% increase compared to the previous year, with WHD accounting for 88% of the total.

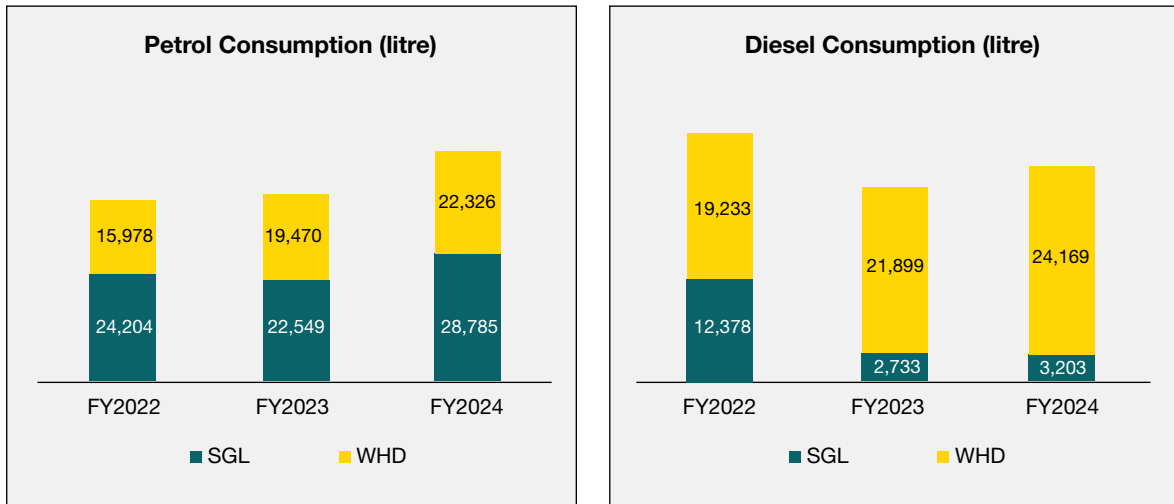
SUSTAINABILITY STATEMENT
(CONT'D)

CLIMATE CHANGE AND ENERGY CONSUMPTION (CONT'D)

Total Energy Consumption (Cont'd)

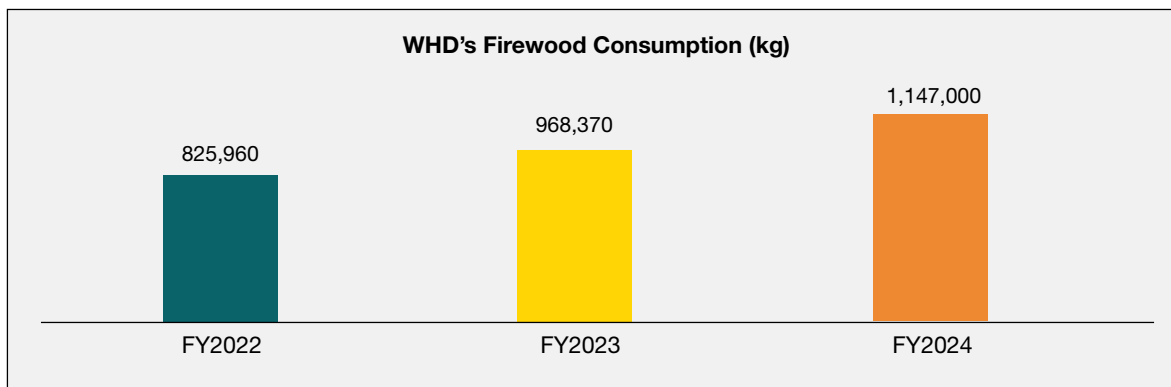
Fuel Consumption (Cont'd)

At WHD, diesel consumption increased compared to the previous year due to the commencement of a new factory, Thirty Three Apparel Limited, where trucks were used daily to supply the factory with raw materials. SGL's diesel consumption remains relatively minimal, as it is only utilised for material collection and distribution of goods. We also downsized our fleet last year by decommissioning a high fuel-consuming truck, further optimising our fuel usage.



Firewood Consumption

WHD utilises firewood as a source of renewable fuel for the boilers, consuming 1,147,000 kg of firewood this year, representing an 18% increase compared to FY2023. The rise in consumption can be attributed to our transition from rubber wood to cashew nut wood. Cashew nut wood, with its lower heat density, produces less heat compared to rubber wood, requiring a higher volume to achieve an equivalent heat output.



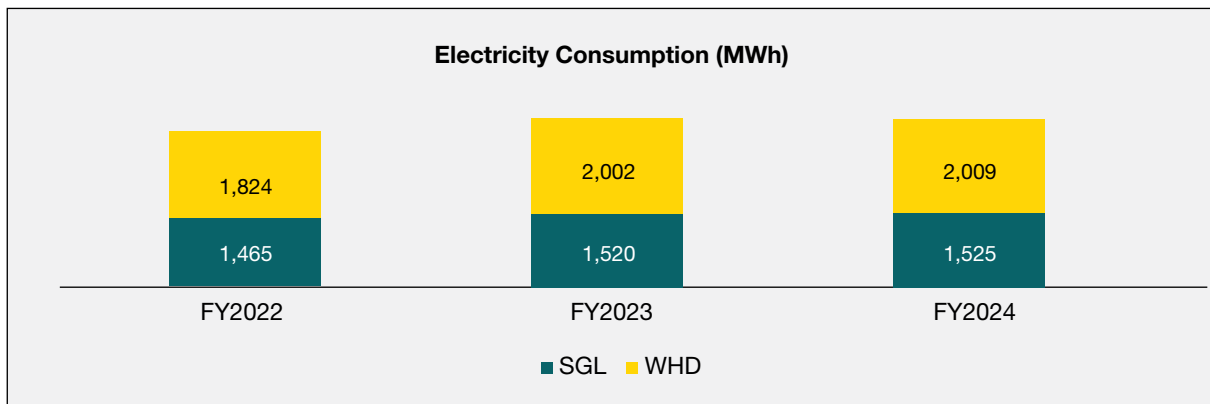
SUSTAINABILITY STATEMENT
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CLIMATE CHANGE AND ENERGY CONSUMPTION (CONT'D)

Total Energy Consumption (Cont'd)

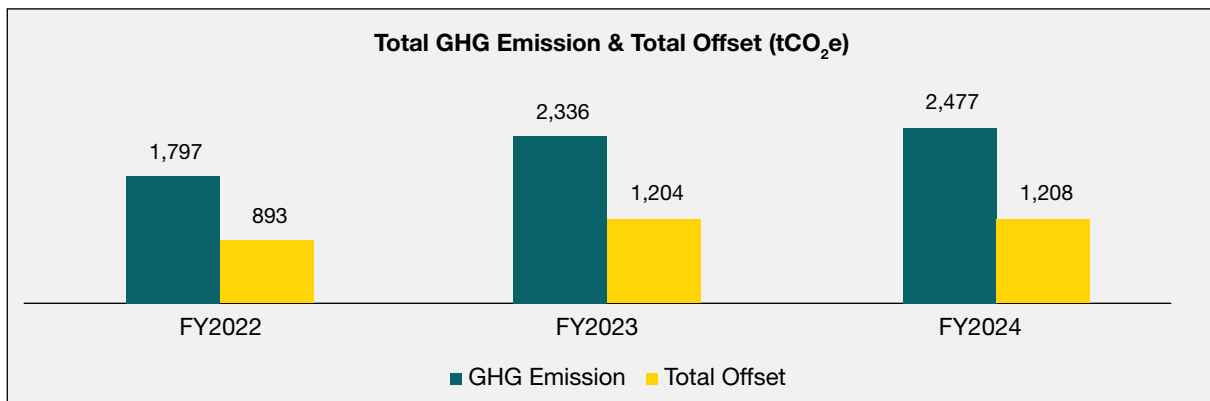
Electricity Consumption

Our total electricity consumption for FY2024 amounted to 3,534 MWh, comprising 57% from WHD and 43% from SGL, with a slight increase by 0.3% compared to the previous year.



Total GHG Emissions

Initially covering Scope 1, 2, and partial Scope 3 emissions primarily focused on air travel and employee commuting, we broadened our Scope 3 emissions to encompass land-based business travel in FY2024. This year, our total GHG emissions amounted to 2,477 tCO₂e.



Note:

- Our calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standard.
- Scope 1 and 3 emission factors were sourced from the UK Government’s GHG Conversion Factor 2023.
- Scope 2 emission factors were sourced from the China Regional Grid Emission in the Ministry of Ecology for SGL and Environment of the People’s Republic of China in 2021 and Grid Emission Factors in Cambodia in 2016 for WHD.

SUSTAINABILITY STATEMENT
(CONT'D)

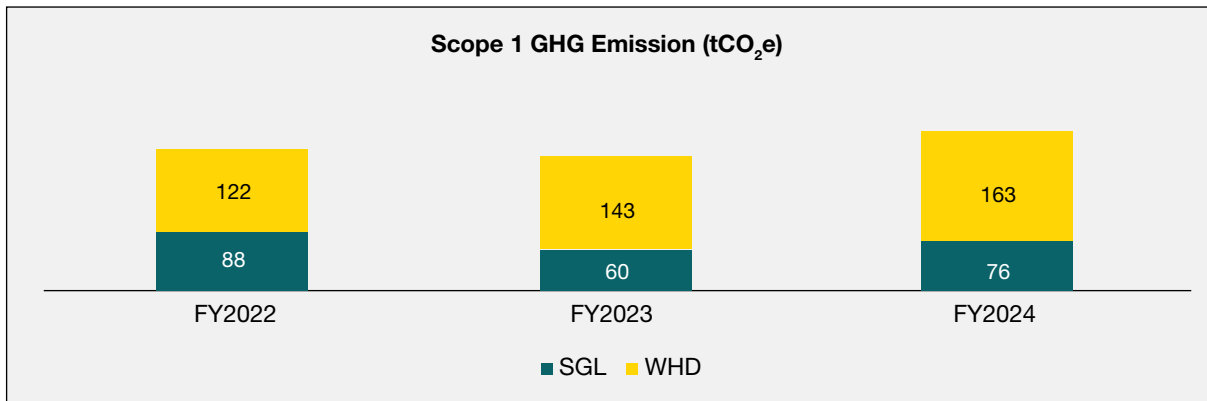
CLIMATE CHANGE AND ENERGY CONSUMPTION (CONT'D)

Total Energy Consumption (Cont'd)

Scope 1 Emissions

Our Scope 1 GHG emissions encompass emissions generated from our use of petrol, diesel and firewood. In 2024, our Scope 1 emissions totalled 239 tCO₂e, with the majority of these emissions primarily attributed to WHD (68%), while SGL accounted for 32%.

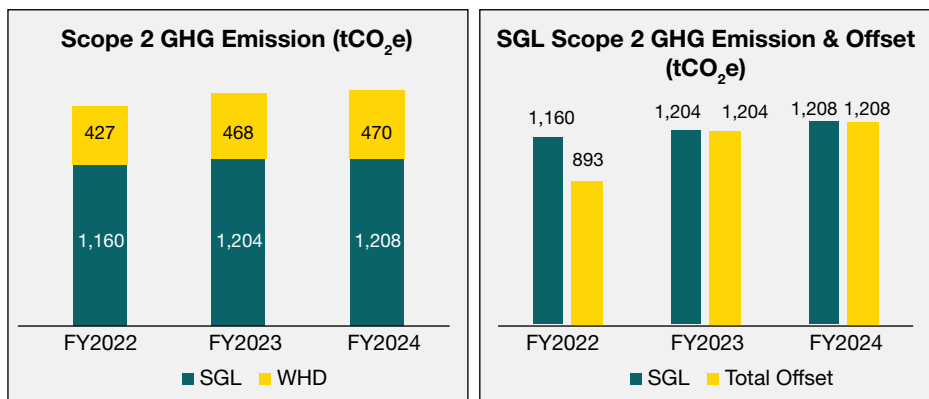
Our Scope 1 emissions observed an increase of 18% from the previous year, reflecting the increase in fuel consumption at WHD and SGL.



	FY2022	FY2023	FY2024
GHG Emissions from Petrol (tCO ₂ e)	94	99	120
GHG Emissions from Diesel (tCO ₂ e)	79	62	69
GHG Emissions from Firewood (tCO ₂ e)	36	43	50
Total	210	203	239

Scope 2 Emissions

Our Scope 2 emissions comprise indirect emissions resulting from purchased electricity. This reporting year, we generated a total of 1,678 tCO₂e of Scope 2 emissions, with SGL contributing 72% and WHD 28%. At SGL, we are also pleased to report that we have successfully offset 100% of our GHG emissions over the past two years by acquiring International Renewable Energy Certificates (“I-RECs”), representing renewable energy sourced from onshore wind farms from China



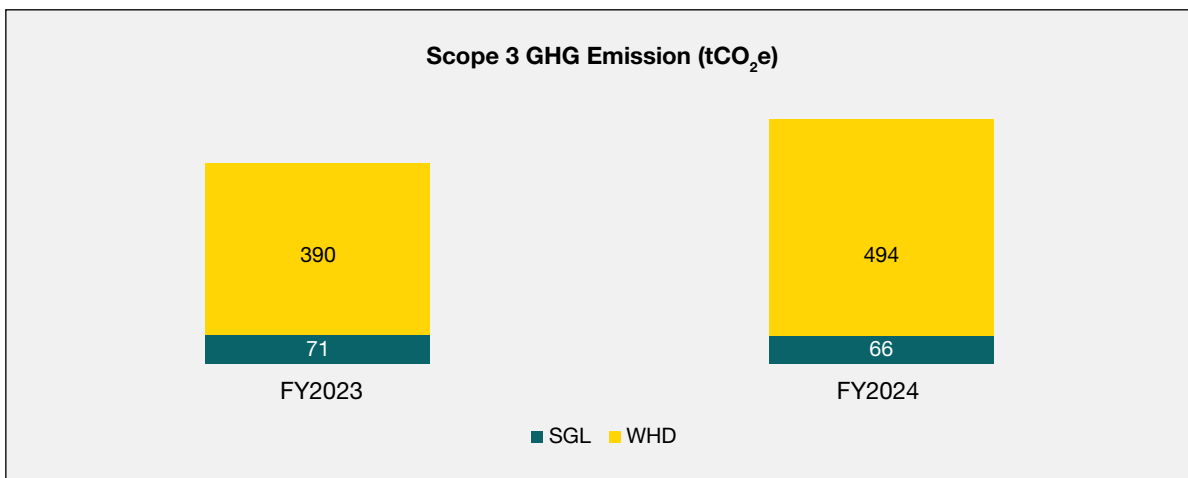
SUSTAINABILITY STATEMENT
(CONT'D)

CLIMATE CHANGE AND ENERGY CONSUMPTION (CONT'D)

Total Energy Consumption (Cont'd)

Scope 3 GHG Emissions

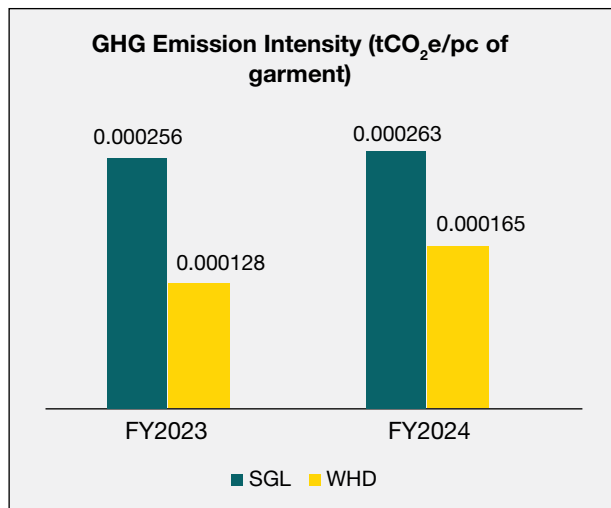
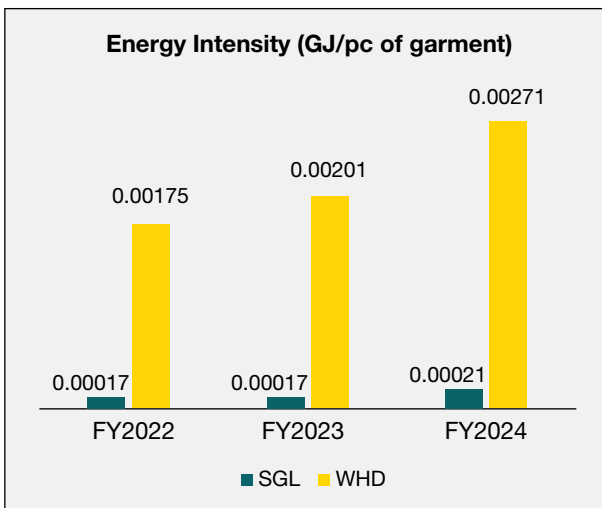
In FY2024, our Scope 3 emissions, encompassing those generated through land and air business travel as well as employee commute, recorded a total of 560 tCO₂e across SGL and WHD. Of the total Scope 3 GHG emissions, WHD contributed 88%, while SGL accounted for 12%.



Carbon Footprint of Our Product

Energy consumption per garment manufactured was 0.00021 GJ per piece of garment production for SGL and 0.00271 GJ per piece for WHD for the reporting year. This reflects a 29% increase in energy intensity for SGL and a 35% increase for WHD. These fluctuations can be attributed to the reduced production volume of garments by both SGL and WHD during the reporting year.

Additionally, we also measured that each garment produced by SGL has an embodied carbon of 0.000263 tCO₂e while garments produced by WHD have an embodied carbon of 0.000165 tCO₂e.



SUSTAINABILITY STATEMENT
(CONT'D)

WASTE MANAGEMENT

Why it's Important

The garment industry is facing a growing need for responsible waste management, driven by heightened consumer awareness and stricter regulations. Emphasising the importance of waste management in the garment manufacturing industry paves the way towards a more circular economy. By incorporating a circular economy in our waste management, we can mitigate landfill waste and alleviate the environmental impact associated with raw material extraction and manufacture of new fabrics.

Our Approach


PCCS is guided by the principles of the 4Rs (Recycle, Reuse, Reduce, Recover) to reduce waste generation and optimise resource management. As part of this commitment, we encourage the reuse of A4 paper to reduce paper waste, thus progressing towards the implementation of a paperless office system. Furthermore, we collaborate with reliable recycling contractors to collect and process our recyclable waste materials.

For all hazardous waste generated at our facilities, we engaged licensed waste contractors to ensure proper waste collection and disposal in compliance with respective national laws on environmental protection.

Environmental Protection Laws



Environmental Protection Law of the People's Republic of China 2014



Law on Environmental Protection and Natural Resource Management

We also implemented a waste sorting system and provided staff with proper training on waste segregation, aimed at reducing the amount of waste generated by our operations that is directed to landfills.

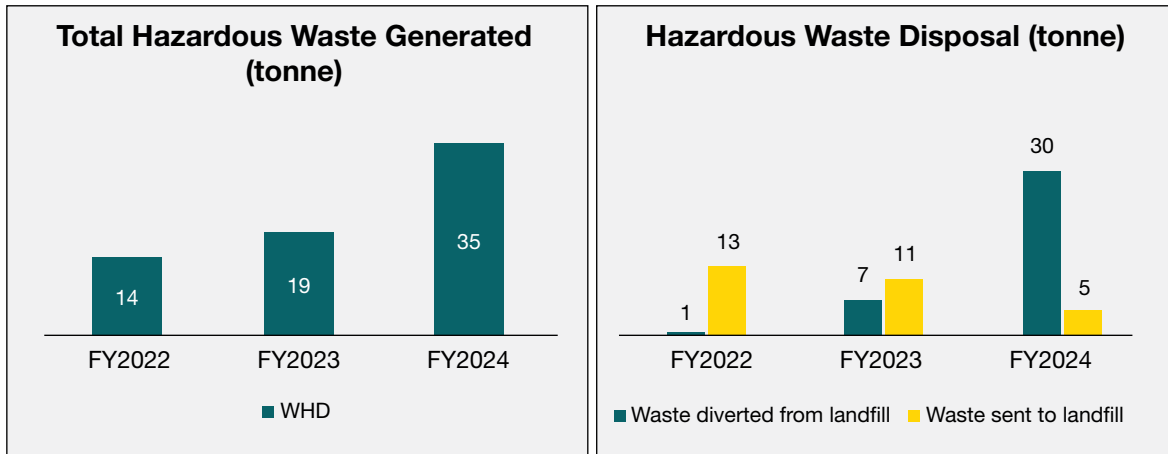
SUSTAINABILITY STATEMENT
(CONT'D)

WASTE MANAGEMENT (CONT'D)

Our Performance

Hazardous Waste

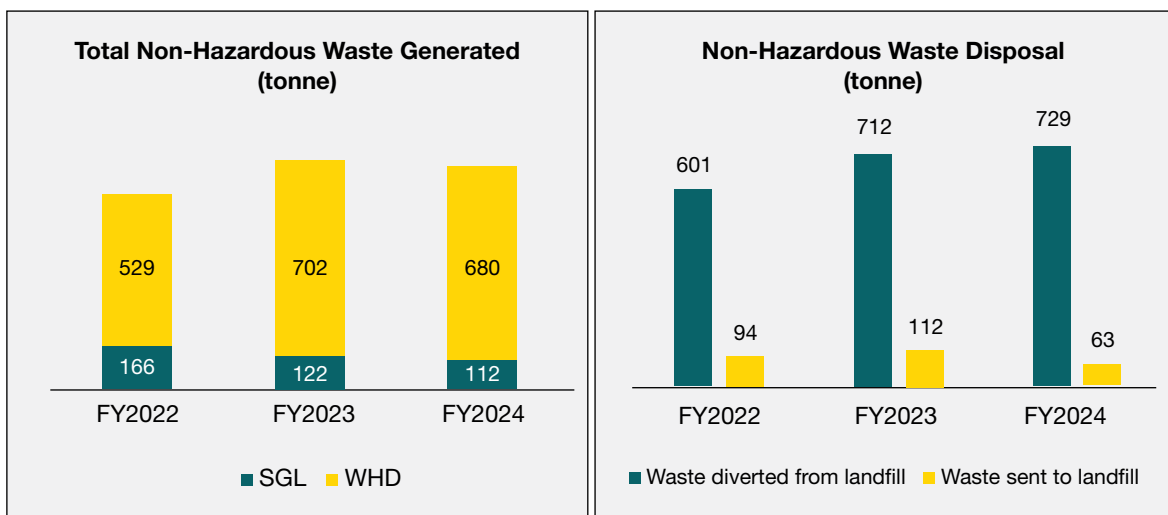
In FY2024, WHD generated a total of 35 tonnes of hazardous waste, representing an increase of 85% from the previous year which can be attributed to our disposal computers, spare parts, air-conditioners, forklift, forklift charger and auto-cutter this year. We are proud to disclose that 87% of the hazardous waste was diverted from landfills, while only 14% was sent to landfills. It is noteworthy that SGL did not generate any hazardous waste during this period.



Non-Hazardous Waste

Our non-hazardous waste comprises carton paper, poly bags, broken steel and leftover fabric cut pieces. In FY2024, the total non-hazardous waste generated amounted to 792 tonnes, with WHD contributing 86% while SGL contributed the remaining 14%. This represents a 4% reduction compared to the previous year, potentially due to the decrease in our production output at both SGL and WHD.

We are pleased to report that we have effectively recycled 729 tonnes of our non-hazardous waste, accounting for 92% of the total non-hazardous waste diverted from landfill. The remaining 8% of our non-hazardous waste was sent to landfill.



SUSTAINABILITY STATEMENT
(CONT'D)

MATERIAL CONSUMPTION

Why it's Important

Optimising material usage throughout our production process is instrumental in reducing our environmental footprint. Responsible manufacturing practices, such as the utilisation of recycled fabric, minimises waste generation from our operations and contributes to the establishment of a circular economy.

Our Approach

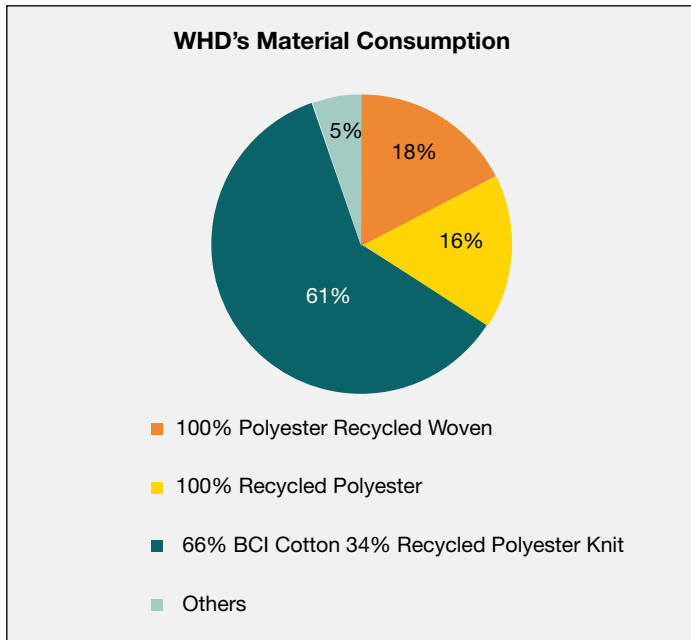
We embrace circular design principles by prioritising the use of recycled materials, such as 100% recycled polyester and Better Cotton Initiative (“BCI”) certified cotton, in the manufacture of our products.

BCI-certified cotton originates from farms employing sustainable farming practices such as optimised water usage, minimised pesticide and fertiliser application, as well as fair labour practices, leading to positive social and environmental impacts. By utilising BCI-certified cotton, we minimise PCCS’ environmental footprint and contribute to a more ethical supply chain for cotton.

Our Performance

In FY2024, WHD consumed 54,565,345 yards of material. 90% of this was recycled materials, with the remaining 10% consisting of non-recycled materials.

The primary recycled material utilised in our operations comprises a blend of 66% BCI Cotton and 34% Recycled Polyester Knit, representing 61% of the total consumption. Subsequently, 18% of the total consumption is attributed to 100% Polyester Recycled Woven. Moreover, 16% of the total consists of 100% Recycled Polyester, while the remaining 6% is sourced from other recycled materials.



Material Used (Yards)	FY2022	FY2023	FY2024
Recycled	884,045	812,787	49,016,483
Non-Recycled	–	–	5,548,862
Total	884,045	812,787	54,565,345

SUSTAINABILITY STATEMENT
(CONT'D)

WATER CONSUMPTION

Why it's Important

Water plays a critical role in numerous garments manufacturing processes, notably dyeing and washing, making our production procedures highly water-intensive. Therefore, implementing efficient water management practices is essential to mitigate our environmental impact by minimising water usage, optimising our production process, and reducing operational costs.

Our Approach

We have implemented a comprehensive water management programme to reduce consumption and promote responsible usage across our operations. We track water usage and identify areas for improvement through stringent monitoring. Periodic inspections are conducted to promptly detect and address leaks or faulty appliances, thereby minimising water loss. Additionally, we have enhanced water consumption efficiency across our subsidiaries by installing water-efficient faucets at WHD and low-flow water fixtures at SGL.

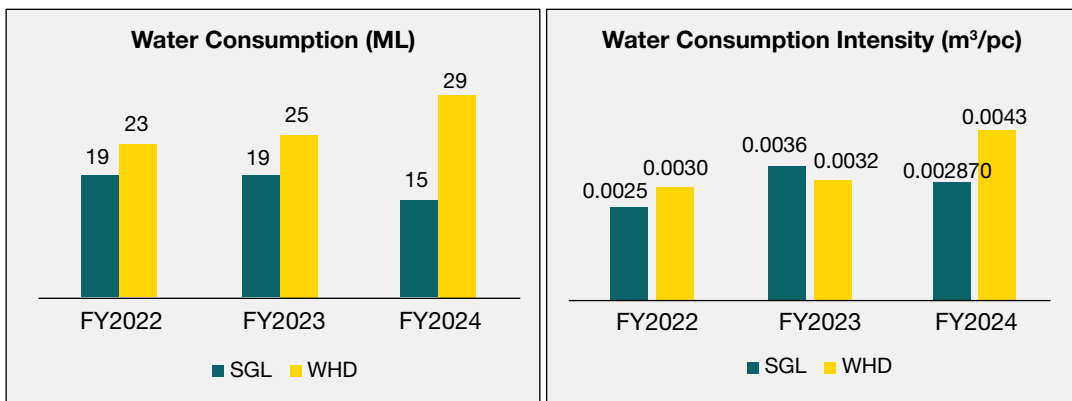
In order to mitigate the pressure on our potable water resources, rainwater harvesting systems have been installed at WHD. The collected rainwater is utilised for non-potable purposes, specifically in lavatories. There are plans to bolster WHD's water harvesting capacity this year by enlarging the rainwater tank to 9m³ by installing three rain storage tanks.

Furthermore, we have implemented educational initiatives to enhance employee awareness regarding water conservation. These initiatives utilise informative posters to promote water-saving practices among our workforce.

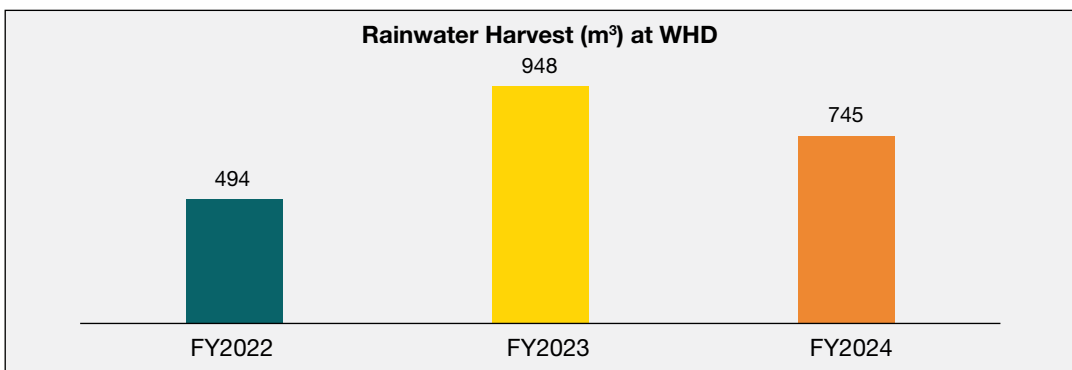
Our Performance

In FY2024, our total water consumption amounted to 44ML, with WHD accounting for 67% of the consumption. At SGL, we observed a reduction of 21% from the previous year which may be attributed to lower production levels at our plant.

Conversely, WHD experienced an increase of 19% in water consumption this year, reflecting the growth of our workforce.



WHD harvested 745m³ of rainwater, a 21% reduction from the previous year.



SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY

As a responsible garment manufacturer, we acknowledge our social responsibility to uphold the rights of all individuals impacted by our operations. At PCCS, we proactively address the effects of our activities by cultivating strong relationships with our employees and communities. This commitment fosters an inclusive culture that promotes continual growth for both individuals and society.

Material Sustainability Matters

- Occupational Health and Safety
- Human Rights and Labour Standards
- Diversity and Talent Management
- Customer Privacy and Data Protection
- Product Quality and Innovation
- Community Engagement

Key Performance Highlights:



5,447,945 manhours with zero fatalities



Zero incidents of discrimination, forced or child labour



Increase in training hours by 117%

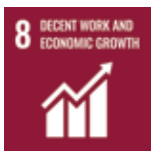


Achieved zero substantiated incidents of product mislabelling



Zero verified incidents of customer data breach

Alignment with the UN SDGs



SUSTAINABILITY STATEMENT
(CONT'D)

OCCUPATIONAL HEALTH AND SAFETY

Why it's Important

Prioritising Occupational Health and Safety (“OHS”) is of utmost importance in our garment manufacturing operations. Given the inherent risks associated with machinery operation and chemical handling, maintaining a safe work environment is essential to ensure the well-being of our employees. This dedication to OHS not only safeguards our valued workforce but also minimises operational disruptions, thereby ensuring long-term efficiency.

Our Approach

PCCS rigorously upholds the highest workplace safety standards in our daily operations to proactively mitigate potential OHS risks. We diligently strive for compliance with all applicable local laws and regulations in the countries where we operate, maintaining a consistent standard of corporate responsibility across borders.

 <p>Occupational Safety and Health Act 1997</p>	 <p>Work Safety Law of the People's Republic of China (2019 Amendment)</p>	 <p>Health and Safety of Workers – Labour Law (2021)</p>
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At WHD, we implement a comprehensive set of OHS Policies and Procedures throughout all phases of our manufacturing processes to ensure adherence to and enforcement of stringent safety protocols.

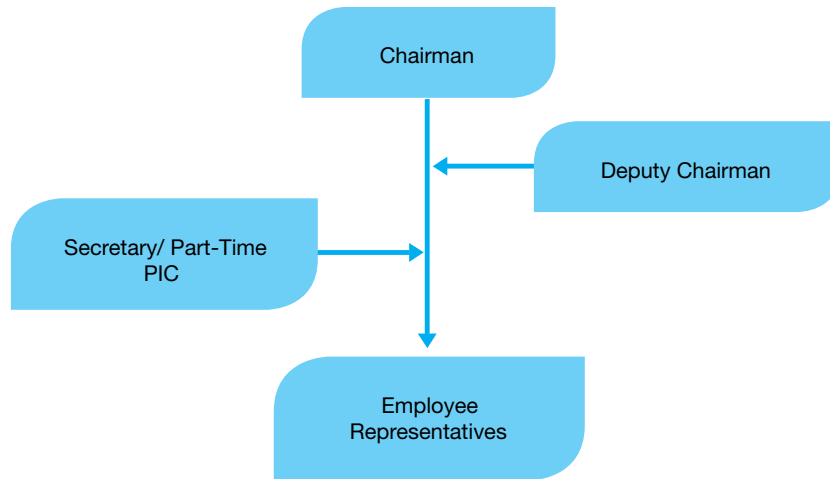
WHD's OHS Policies and Procedures	
<ul style="list-style-type: none"> Accident Investigation Procedure Chemical Storage and Handling Procedure Fire Fighting Procedure First Aid Replacement Procedure Electricity Safety Inspection Policy and Procedure Noice and Light Control Procedure Handling Glass and Hard Clear Plastic Breakages Cleaning Procedure 	<ul style="list-style-type: none"> Health, Safety and Environment Policy Hot Work Policy Machines Safety Guard Policy Policy on Safe Drinking Water Workplace Housekeeping Policy and Procedure Work Instruction for Using Forklift Personal Protective Equipment Management Procedure

SGL and WHD have established a dedicated OHS Committee with the primary objective of promoting workplace safety. Led by the Chairman and comprised of safety officers and employee representatives, the committee convenes on a bimonthly basis to collaboratively address safety concerns through a range of proactive measures

Developing OHS Guidelines and Procedures	Conducting Health Protection Facility Inspection
Providing Protective Equipment	Raise Awareness about OHS Issues in workplace

OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

OHS Committee Structure



SGL and WHD employ an OHS management system to facilitate hazard identification across various workplace scenarios. This system enables the committee to assess risk levels and prioritise critical areas effectively. Our Health Assessment Team conducts regular risk assessments to systematically identify, document, and categorise potential work-related hazards. Each identified risk undergoes assessment to determine its severity and likelihood of occurrence before being recorded in our risk register.

Under the oversight of the OHS Committee, WHD’s Safety Officers and Health, Safety, and Environment (“**HSE**”) team perform biannual risk assessments. Similarly, SGL’s Administrative Department conducts annual risk assessments, supplemented by periodic evaluations that address potential concerns related to Occupational Disease and Hazards.

Key OHS Risks	
Accident and Incident Reporting	Emergency Rescue Plans
Emergency Response Plans	Fire Prevention
Hazardous Material Management	Healthcare and Hygiene
Safety Audits	Heatstroke Prevention
Monitoring & Detection of Disease and Safety Hazards	Noise Control
Occupational Health Conditions	OHS Discipline Programme
Proper Waste Disposal	OHS Reporting Procedure
Health Protection System for Pregnant & Breastfeeding Workers and Other Female Employees	Roles and Responsibilities of Management, Employees and Contractors in OHS Matters

SGL’s management of workplace incidents entails preparing event reports and conducting accident investigations. Similarly, WHD adheres to its Accident Investigation Policy, which mandates the reporting and investigation of all incidents. This policy is accompanied by incident reports detailing corrective measures. These systematic processes expedite accident resolution and contribute to enhanced prevention efforts.

Furthermore, employees at SGL and WHD are provided medical insurance coverage, ensuring they have access to excellent healthcare and improving their overall quality of life.

We further prioritise their health and safety by establishing an infirmary room at WHD to promptly treat minor injuries onsite as required.

SUSTAINABILITY STATEMENT
(CONT'D)

OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

Our Performance

In FY2024, we provided over 36 health and safety training programmes with a total of 12,481 attendees.



SGL Fire Equipment Training



SGL Fire Fighting Training



SGL Fire Aid Training



WHD Drugs, HIV & AIDS Awareness Training



WHD Health, Food & Hygiene for Pregnant Employees

SGL		
Programme Title	Purpose of Training	No. of Attendees
Forklift Safety Training	Forklift Safety Operating Procedures	8
Good Lift Safety Training	Goodlift Safety Operating Procedures	17
Work Safety Laws and Regulations	Learn work safety laws & regulations	211
Fire Drill and Use of Fire Extinguishers	Evacuation procedures and how to use fire extinguishers.	405
Fire Safety	How to use fire facilities & evacuate	212
Risk Identification and Hazard Source Management	Risk identification and control measures for different production processes	213
Red Cross First Aid	Emergency rescue practise – CPR	19

SUSTAINABILITY STATEMENT
(CONT'D)

OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

Our Performance (Cont'd)

SGL		
Programme Title	Purpose of Training	No. of Attendees
Emergency Rescue	The purpose and the significance of emergency rescue & emergency response	208
Accident Reporting, Investigation and Handling Training	Methods of accident reporting, investigation and handling	225
Company Safety Production Rules and Regulations	Learn company safety production rules and regulations	271
Equipment Operation and Maintenance	The correct method of using and maintaining the machine	269
Field Management Training	Safety inspection and rectification	217
Fire Drill and Use of Fire Extinguishers	Evacuate and practice how to use fire extinguishers	430
Safety Culture Construction	The main content and approach of steam safety culture construction	230
Basic Knowledge of Safety Production and Operation Skills	Basic knowledge of safety production & operation skills	244
Chemical Safe	Safe handling and chemical spillage	162
Electricity Safety	Proper usage of electricity	11
Fire Evacuation Drill	How to evacuate during a fire	3,531
Firefighting Training	Training for the firefighting team	105
Forklift Safety	How to operate a forklift	22
High and Hot Work Permits	Safety precautions when working under high heat	13
HIV/AIDS	Stress management, drug, and HIV & AIDS	624
Lockout/Tagout Training Training	Procedural training for electrician staff members.	12
Machinery Training	Machine operations	38
Orientation	Health and safety-related training to new employees	524
Personal protective equipment (“PPE”)	Proper usage of PPE	134
The Rights & Benefits and Health, Food, Hygiene	Awareness for pregnant employees	173
First Aid Training	Appropriate methods of providing first aid.	76
Anti-harassment Policies and Procedure Training	How to recognising and report workforce harassment	150
Disciplinary Procedure and Anti-Corruption Procedure	Procedure for handling any employee misconduct	150

SUSTAINABILITY STATEMENT
(CONT'D)

OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

Our Performance (Cont'd)

Programme Title	Purpose of Training	No. of Attendees
WHD		
Grievance Policy and Procedure training	How to voice and address concerns fairly	150
HSE Policy Training	HSE-related practices	150
Code of Conduct Training	Improving employees' comprehension of the Group's values and expected conduct.	150
Policy and Procedure Training	Awareness and understanding of the Group's guidelines	150
Accident Prevention and Reporting	Methods for accident prevention and proper reporting	1,617
Roles and Responsibilities of the employers, unions and shop stewards	Improve employees' comprehension of their role within the union	1,617

Number of Employees Trained on Health and Safety Standards			
Entity	FY2022	FY2023	FY2024
SGL	167	483	432
WHD	54	82	89

In FY2024, SGL maintained a record of no work-related injuries, fatalities or illnesses reported, whereas WHD documented zero fatalities and 3 cases of work-related injuries and 8,680 cases of recordable ill-health.

	FY2022	FY2023	FY2024
Total number of hours worked	5,491,150	6,371,301	5,447,495
Total number of work-related fatalities	0	0	0
Total number of recordable work-related injuries	4	3	3
Total number of work-related ill health	3,870	7,715	8,680
Lost time incident rate ("LTIR")	0.15	0.09	0.11

Note:

LTIR is calculated as per Bursa Sustainability Reporting Guideline, per 200,000 hours worked per year.

SUSTAINABILITY STATEMENT
(CONT'D)

HUMAN RIGHTS AND LABOUR STANDARDS

Why it's Important

Our workforce serves as the cornerstone of our daily operations and is essential to our long-term viability. Understanding this, PCCS places a high priority on our responsibility as an employer, ensuring the protection of our employees' rights. By honouring the fundamental rights of our workforce, the Group exemplifies the principles of a responsible employer and fosters the well-being of our employees, nurturing a committed team that actively contributes to our sustained success.

Our Approach



Malaysia
Employment (Amendment) Act 2022



China
Labour Contract Law



Cambodia
Labour Law 2021

Ensuring compliance with local laws in all operating locations is one of our top priorities. In addition to protecting the rights of our employees, this commitment cultivates a positive workplace environment characterised by fairness, which in turn enhances employee morale and promotes talent retention.

SGL

Our Labour Department conducts an annual audit to identify and address any potential non-compliance with the Labour Contract Law throughout the year. In addition to meeting the legal minimum requirements, we prioritise fostering a respectful working environment for our employees. This includes implementing measures such as suggestion boxes and grievance handling procedures, which empower our employees to voice concerns about workplace conditions and compensation without fear of harassment or retaliation. Furthermore, we enforce various labour rights policies to uphold the highest standards.

Anti-Discrimination
and Harassment
Policy

Zero tolerance for discrimination, bullying, harassment, or unfair employment practices.

Freedom
of Association
Policy

The Group respects the rights of our employees to participate in worker unions or any organisations not involved in criminal activity without fear or repercussion.

Child Labour
and Juvenile
Worker Policy

Protects human rights through the prevention of child labour or employment of underage workers at the factories

Production
Working Hours and
Compensation
Policy

Ensure fair wages and benefits for all employees, complying with legal wage and hour requirements.

SUSTAINABILITY STATEMENT
(CONT'D)

HUMAN RIGHTS AND LABOUR STANDARDS (CONT'D)

WHD

WHD is dedicated to upholding human rights across our operations, in accordance with the UN Guiding Principles on Business and Human Rights. We proactively engage in due diligence throughout our entire value chain to identify and address potential human rights risks. These practices enable us to maintain the highest ethical standards and ensure fair and equitable remediation in the event of any violations within our operational chain. Additionally, we have developed remediation, grievance, and dispute resolution mechanisms specifically designed to address emerging concerns.



Building upon our commitment to the UN Guiding Principles, we have implemented an Anti-Harassment Policy aimed at fostering an inclusive workplace environment that values and empowers all individuals, regardless of race, religion, disability, or political affiliation. This policy addresses various forms of harassment, including physical, verbal, sexual, visual, non-verbal, and written, and is supported by other relevant policies and procedures.

Human Rights Related Polices

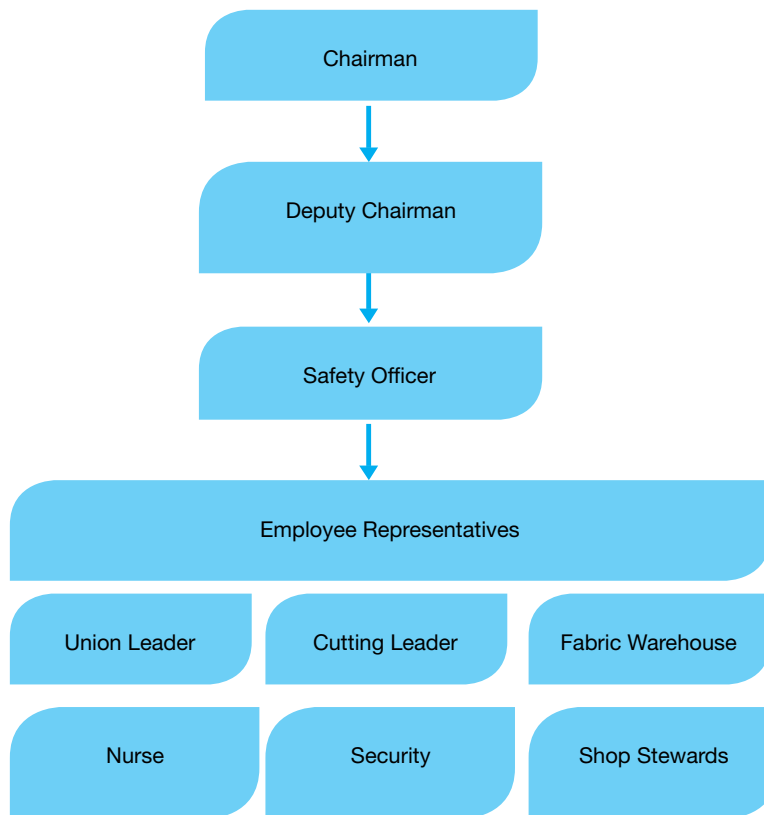
- 1 Internal Rules and Regulation
- 2 Anti-Discrimination Policies
- 3 Freedom of Association
- 4 Grievance Policies and Procedures
- 5 Worker Handbook

HUMAN RIGHTS AND LABOUR STANDARDS (CONT'D)

WHD (Cont'd)

To offer a confidential channel for our employees to report workplace harassment incidents, we have formed a Harassment Prevention Committee. This committee is tasked with addressing any instances of harassment within our operations in accordance with our established policies.

WHD's Harassment Prevention Committee



The Collective Bargaining Agreement at PCCS addresses key areas concerning employee rights and benefits, ensuring equitable treatment and satisfactory compensation for all employees.

Stipulates the payment of wages during maternity leave

Provides deduction and lunch allowance



Outlines procedures for setting individual and collective labour disputes

Outlines procedures for handling strikes and lockouts

We encourage open communication and employee participation within our workforce by initiating a Suggestion Box Opening Policy and a Grievance Procedure. These initiatives provide workers with a platform to raise concerns anonymously or by name.

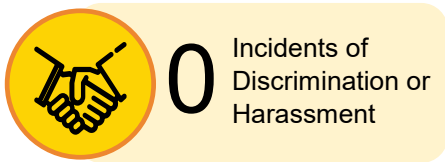
Our HR staff and members of the Grievance Handling Committee convene weekly to review suggestions and meticulously investigate reported issues, ensuring prompt and effective resolution. Throughout this process, confidentiality is maintained to foster an environment where employees feel comfortable expressing their concerns freely.

SUSTAINABILITY STATEMENT
(CONT'D)

HUMAN RIGHTS AND LABOUR STANDARDS (CONT'D)

Our Performance

In FY2024, we are proud to report that we recorded zero substantiated complaints concerning human rights violation in the past three years.



We conducted refresher training sessions for line leaders and supervisors at WHD, focusing on our Anti-Harassment Policies and Procedures, Grievance Policy and Procedure, as well as the roles and responsibilities of employees, unions and shop stewards. These training programmes are designed to empower employees with a clear understanding of their rights, workplace policies and the appropriate channels for reporting any concerns.

Training Programme	No. of attendees
Anti-Harassment Policies and Procedure Training	150
Grievance Policy and Procedure Training	150
Roles and responsibilities of the employers, unions and shop stewards	1,617

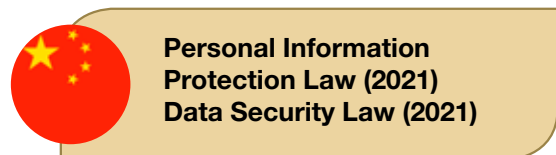
CUSTOMER PRIVACY AND DATA PROTECTION

Why it's Important

Cybersecurity is essential to protect confidential data from increasingly complex and frequent cyber threats. Implementing stringent cybersecurity practices and adhering to data protection regulations fortifies our defences against security risks, safeguarding customer information and mitigating legal risks associated with data breaches

Our Approach

PCCS' Group-wide Data Policy delineates precise protocols for accessing, storing, and safeguarding customer data to uphold its security. We remain abreast of regulatory requirements in the countries where we operate, consistently refining our approach to customer data management to ensure compliance.



SUSTAINABILITY STATEMENT
(CONT'D)

CUSTOMER PRIVACY AND DATA PROTECTION (CONT'D)

Our Approach (Cont'd)

Regular updates and maintenance of our software and firewall systems are conducted in accordance with the regulatory requirements of each operating country. Additionally, we have instituted an internal investigation process for data breaches, overseen by our Management and Management Information System Department. This process aligns with the Management Information System Control procedures implemented across our Group.

Our Performance

We are pleased to report that there were zero verified incidents of customer breaches and leaks in the last three years.

DIVERSITY AND TALENT MANAGEMENT

Why it's Important

A diverse workforce cultivates a wealth of fresh perspectives and ideas, empowering the adaptability of our Group and enabling us to seize emerging opportunities. Diverse workspaces also foster a sense of belonging, improve morale and create a thriving working environment that attracts and retains a broader pool of talented individuals

Our Approach

PCCS values the contributions of all our employees, regardless of gender or background, and is dedicated to providing them equitable compensation. Our benefits package is designed to enhance the quality of life for every member of our diverse workforce, bolstering their productivity and morale.

	SGL	WHD
Health Care (Medical Outpatient Benefits)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Disability and Invalidity Coverage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Parental Leave	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Retirement Provision	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Annual Leave	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Stock Ownership	<input type="checkbox"/>	<input checked="" type="checkbox"/>

We offer parental leave, benefits as well as breastfeeding facilities to support working mothers within our workforce and their family planning needs. At WHD, our Pregnant Employee Policy specifically outlines guidelines aimed at fostering a supportive working environment for pregnant employees.

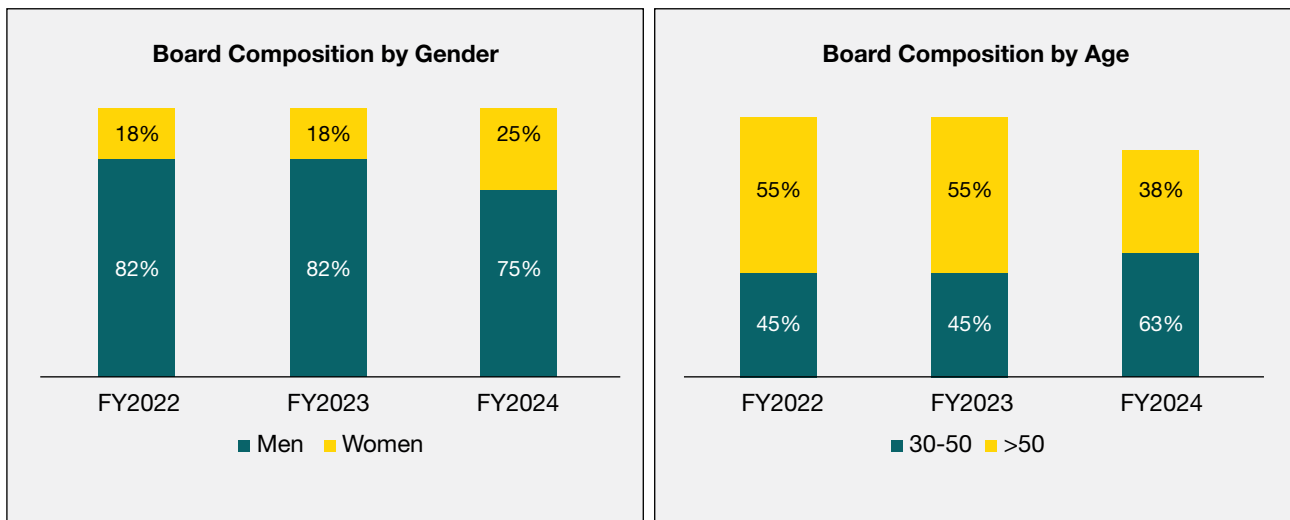
SUSTAINABILITY STATEMENT
(CONT'D)

DIVERSITY AND TALENT MANAGEMENT (CONT'D)

Our Performance

Board Diversity

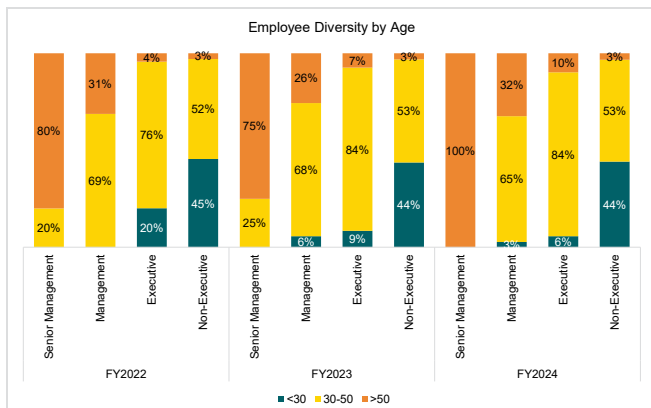
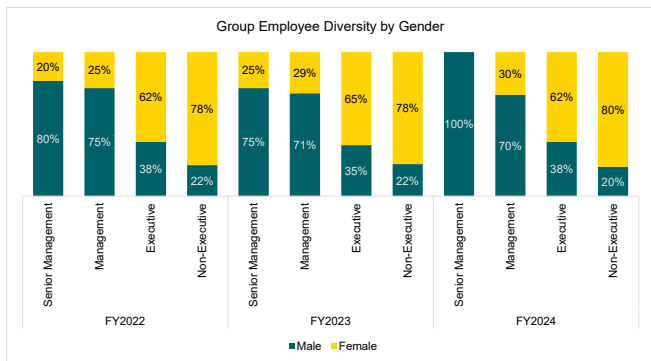
In FY2024, 25% of our Board Members are women and 75% men. Additionally, 63% of our Board members were between 30 to 50 years old, while the remaining 38% were above 50 years old.



Workforce Diversity

We acknowledge the significance of diversity in maintaining continued operational success. As of FY2024, our total headcount across both subsidiaries stand at 2,523. Female representation comprises 78% of our workforce, while male employees constitute 22% of the total. We recorded the highest number of female employees in non-executive roles this year at 1,825. Meanwhile, management positions are predominantly held by men, accounting for 73% of these roles.

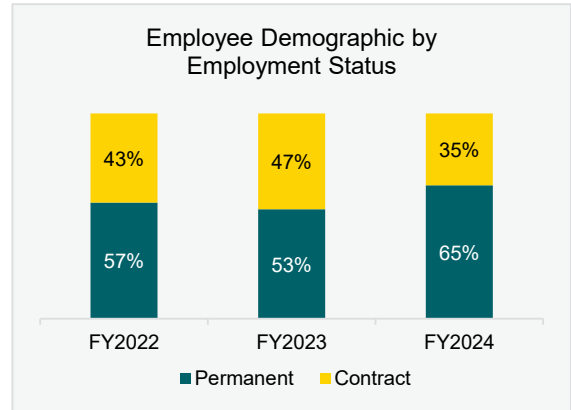
PCCS has a workforce spanning diverse age groups. The largest demographic comprises employees between 30 and 50 years old, particularly among the non-executive-level staff, totalling 1204 individuals. We have a significant representation of younger employees, with 1,010 individuals under the age of 30 in non-executive roles.



SUSTAINABILITY STATEMENT
(CONT'D)

DIVERSITY AND TALENT MANAGEMENT (CONT'D)

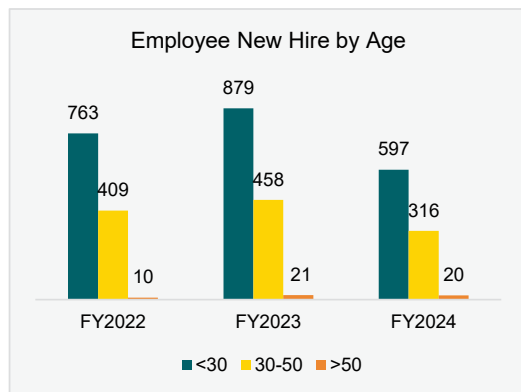
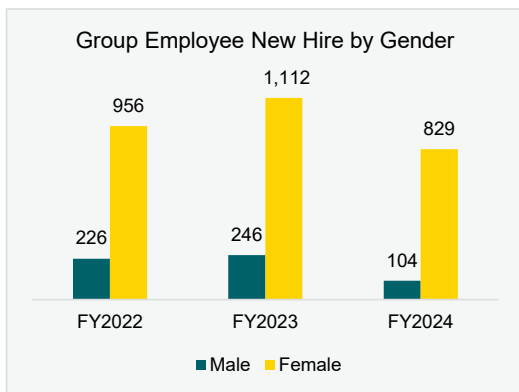
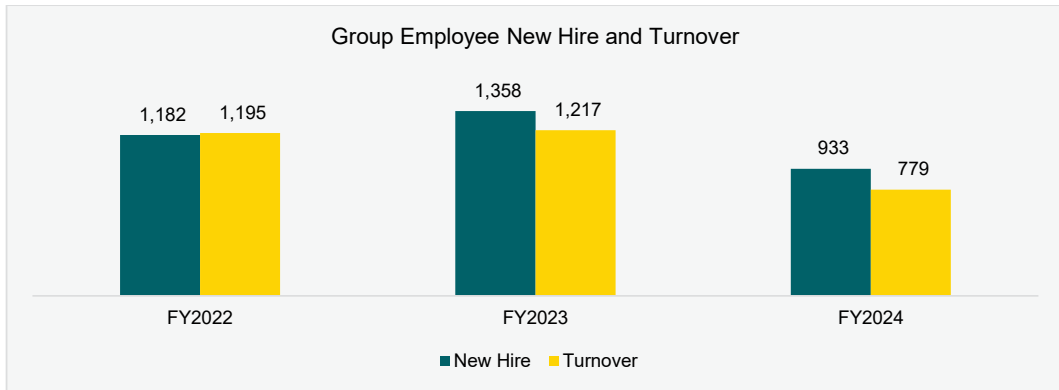
In FY2024, PCCS has recorded a workforce composition, with 65% of employees in permanent roles and 35% in contract roles. We recognise the importance of both permanent and contract positions in fulfilling our business requirements and remain committed to supporting local communities by offering valuable employment opportunities.



Note: Employee Demographic data for FY2023 has been restated

Employees New Hires and Turnover

In FY2024, we observed a net increase in our workforce, driven by 933 new hires and 779 turnovers.

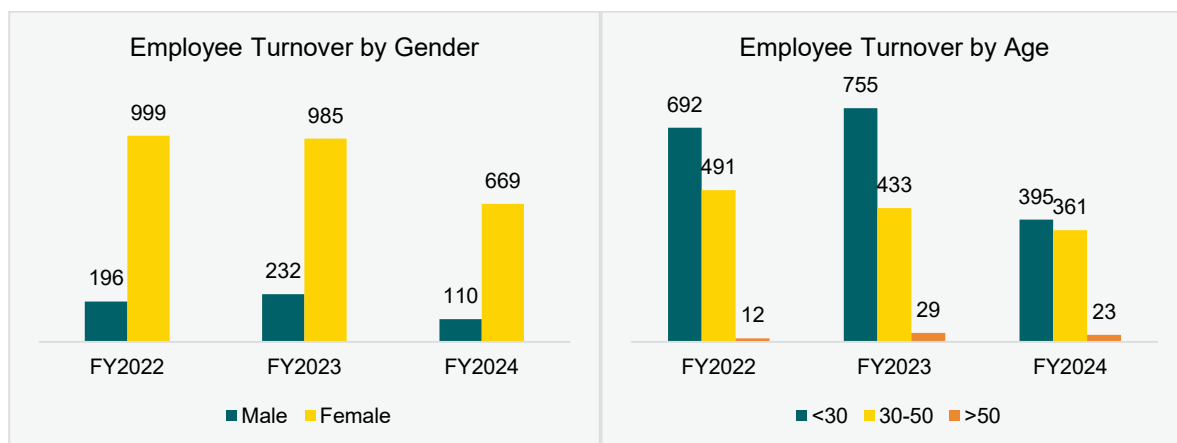


Of the new hires, 89% were women, with the remaining 11% being men. Among these new hires, 64% were below the age of 30, followed by 34% in the 30-50 age range, and the remaining 2% above 50 years old.

SUSTAINABILITY STATEMENT
(CONT'D)

DIVERSITY AND TALENT MANAGEMENT (CONT'D)

Employees New Hires and Turnover



Meanwhile, among the 779 employee turnovers, women accounted for 86%, while men accounted for 14%. The majority of employee departures were from the age group below 30.

Group Turnover by Employee Category	FY2022	FY2023	FY2024
Senior Management	0	1	1
Management	2	2	1
Executive	35	26	33
Non-Executive	1,158	1,188	744

Parental Leave

Both SGL and WHD documented a 54% return-to-work rate among the 118 female and 2 male employee who took parental leave in FY2024. Twelve months after their return from parental leave, 47% remained employed.

Parental Leave	Gender	FY2022	FY2023	FY2024
Number of employees that took Parental Leave	Male	5	1	2
	Female	11	99	118
Number of employees that returned after Parental Leave	Male	3	2	1
	Female	4	41	64
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	3	2	0
	Female	4	72	56

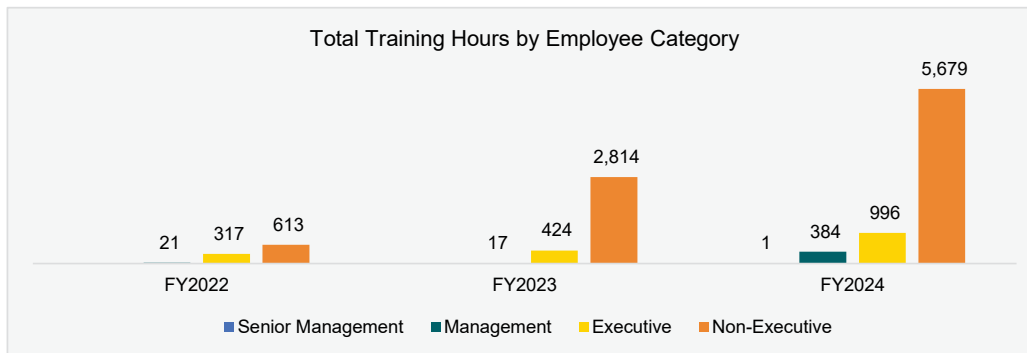
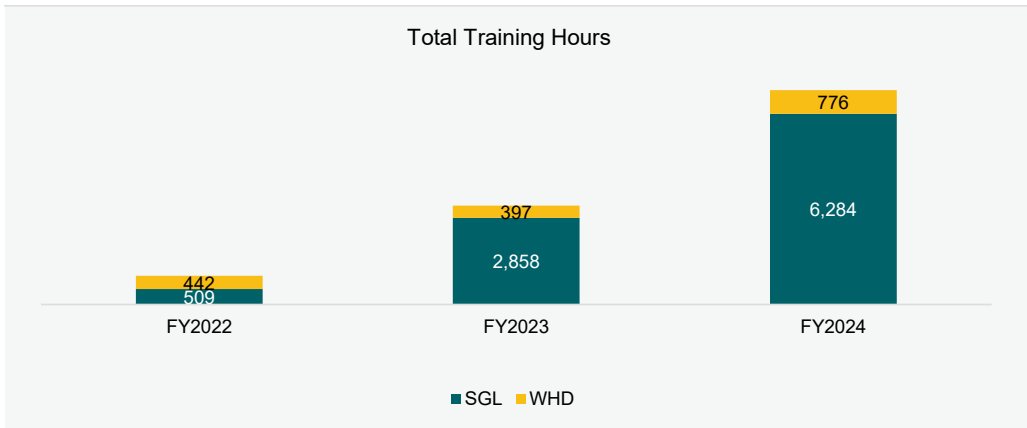
Training and Development

Investing in our workforce cultivates a competitive organisation. Recognising this, we allocated resources to provide training programmes aimed at equipping our employees with the necessary skills to remain adaptable in their field. In FY2024, a total of 7,060 training hours were recorded across the Group, with 11% allocated to WHD employees and 89% to SGL employees. At SGL, the total training hours provided increased by 120% due to customer and government authorities' requirements for more training, especially in health and safety for workers.

SUSTAINABILITY STATEMENT
(CONT'D)

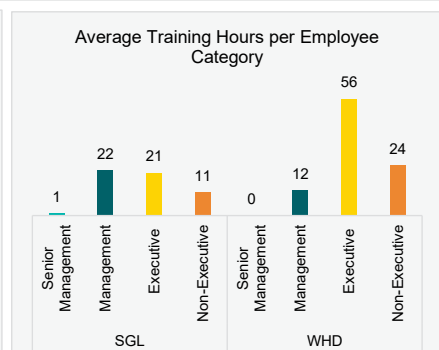
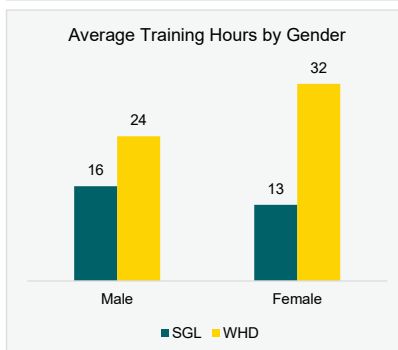
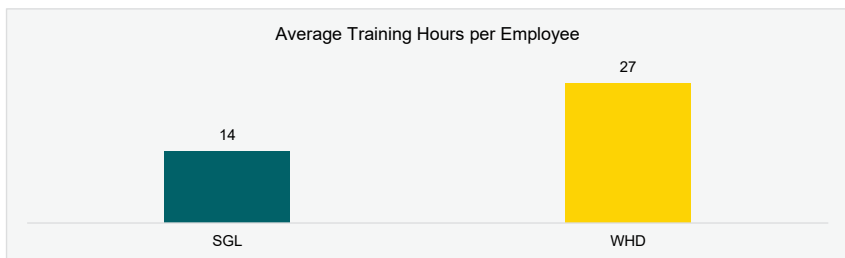
DIVERSITY AND TALENT MANAGEMENT (CONT'D)

Training and Development (Cont'd)



In total, we conducted 42 training programmes covering topics categorised under Occupational Health and Safety, Human Resources and Employment, Management and Professional Development, and Technical and Skills.

On average, SGL employees received 14 hours of training, while WHD employees received 27 training hours this year.



SUSTAINABILITY STATEMENT (CONT'D)

Employee Engagement

Corporate Office



▲ Annual Dinner

To show appreciation for the hard work and dedication of our employees, we organised a celebratory annual dinner for all Corporate Office employees.



◀ Chinese New Year Lion Dance

We fostered a joyful working environment during the Chinese New Year festivities by organising a vibrant Lion Dance performance, celebrating the occasion together.

SGL



◀ Annual Dinner

To commemorate our employees' significant contributions to the company, SGL hosted an annual dinner.

SUSTAINABILITY STATEMENT
(CONT'D)

Employee Engagement (Cont'd)

WHD



▲ Celebration of Khmer Year

In celebration of the Khmer New Year, we held a celebratory lunch event where we presented gifts to our valued employees at WHD.



▲ No Plastic Awareness Programme

In collaboration with the Cambodian Ministry of Environment, WHD organised an awareness campaign aimed at fostering habits to reduce daily plastic consumption among our employees



▲ VETHIC Project

Through an EU-SWITCH-Asia grant, we engage and conduct training session with our factory committees in WHD on promoting textile industry sustainability.

SUSTAINABILITY STATEMENT (CONT'D)

PRODUCT QUALITY AND INNOVATION

Why it's Important

Ensuring product quality and fostering innovation are foundational elements of our operations. By maintaining an unwavering commitment to quality and innovation, we build trust with our customers, thereby reinforcing our standing as a responsible leader in the garment manufacturing industry.

Our Approach

Our Quality Assurance Department conducts rigorous inspections to ensure every garment meets the highest standards before reaching our valued customers. These quality inspections extend beyond initial production, with meticulous inspections performed before product distribution to ensure accurate labelling.

WHD conducted a Quality Management System Competition aimed at recognising and rewarding the quality performance of our employees. The initiative allowed us to identify top performers and foster a culture of quality across the organisation, transforming our employees into Quality Ambassadors.

Our Performance

We are pleased to report that there have been zero substantiated incidents of product mislabelling recorded in the past year, showcasing our positive investment and our meticulous attention on the quality of our products.



COMMUNITY ENGAGEMENT

Why it's Important

Fulfilling our corporate social responsibilities enhances the relationship between our business and the community. By investing in socially responsible programmes, we have the opportunity to improve the lives of the communities where we operate, leaving a lasting positive impact for future generations. In doing so, we enhance our corporate image and ensure our continued social license to operate for the long term.

Our Approach

We cultivate a collaborative and inclusive environment by implementing engaging programmes tailored to address specific community needs. These initiatives focus on vital areas such as addressing the needs of less fortunate and underprivileged families.

SUSTAINABILITY STATEMENT
(CONT'D)

PRODUCT QUALITY AND INNOVATION (CONT'D)

Our Performance

Charity and Environmental Programme



WHD spearheaded a Charity and Environmental Programme at the Branch Centre Orphanage in Cambodia, aiming to cultivate environmental awareness and a passion for stewardship among the children. The programme focused on promoting the importance of having a clean and green environment coincided with the "Today No Use Plastic Bag" campaign. As part of the initiative, we donated food, materials, clothing and construction materials worth RM8,914 to ensure the success of the programme and support the orphanage.

Batu Pahat Basketball Association 26th PCCS Cup/ BPBA Open Basketball



PCCS Group Berhad sponsored RM 6,000 for a basketball competition event held from April 10 to May 14, 2023, at Batu Pahat Basketball Association ("BPBA") Stadium Chan Kok Hiang, benefiting 20,000 individuals.

Kelab Amal Batu Pahat - Sponsorship for BPCH Flag Project 2023

PCCS sponsored RM 12,000 to Batu Pahat Commercial House ("BPCH"), supporting their efforts to alleviate hardships through education, healthcare, and social activities. BPCH operates as a fully-registered free learning centre for 100 underprivileged students from nearby schools in Batu Pahat which is supervised by a principal, an administrator, and five teachers, and operates five days a week.

JCI BPE - Sponsorship for "We are the same - Happy EM Ball"

PCCS contributed RM 1,000 to the "We Are the Same - Happy EM (Effective Microorganism) Ball" programme, organised by The Junior Chamber International Batu Pahat Entrepreneur ("JCI BPE"), this programme aims to raise awareness about water quality and empower children. The programme utilises EM Balls which have proven effective in breaking down biological waste and purifying water sources. It benefited 180 students and teachers from various special education schools in Batu Pahat.

SUSTAINABILITY STATEMENT
(CONT'D)

PRODUCT QUALITY AND INNOVATION (CONT'D)

Our Performance (Cont'd)

Group Community Investment	FY2022	FY2023	FY2024
Total Donations/Contributions (RM)	69,375	49,830	27,914
Number of beneficiaries impacted	140	21,300	20,462

WEAVING A CONTINUOUS FUTURE

PCCS is fully committed to fulfilling our corporate responsibility to local communities and the environment. As we navigate the garment manufacturing sector, our resilience and innovative strength serve as the driving force propelling us towards an equitable future.

Across the countries where we operate, we uphold ethical business practices by complying with local regulatory laws, prioritising the well-being of our workers and actively working to reduce our carbon footprint across borders. Through our collaborative efforts, we continuously elevate these ESG initiatives to optimise our operations, allowing us to remain responsive to emerging challenges and contribute towards sustainable growth that span generations.

SUSTAINABILITY STATEMENT
(CONT'D)

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-Corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
SGL-Senior Management	Percentage	0.00	0.00	0.00
SGL-Management	Percentage	0.00	0.00	0.00
SGL-Executive	Percentage	5.00	5.00	6.00
SGL-Non Executive	Percentage	31.00	27.00	18.00
WHD-Senior Management	Percentage	100.00	100.00	100.00
WHD-Management	Percentage	100.00	100.00	100.00
WHD-Executive	Percentage	100.00	100.00	100.00
WHD-Non Executive	Percentage	100.00	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Supply Chain Management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	0.00	64.00	69.00
Bursa S6(b) Number of suppliers assessed for environmental impacts	Number	18	3	0
Bursa S7(b) Number of suppliers assessed for social impacts	Number	1	5	2
Bursa (Energy Management)				
Bursa C4(a) Total energy consumption	Megawatt	0.00	0.00	0.00
Bursa C4(a) Total energy consumption	Megawatt hour	4,088.00	4,613.00	5,457.00
Bursa (Emissions Management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	210.00	203.00	239.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	1,587.00	1,672.00	1,678.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00	460.00	560.00
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	709.00	843.00	827.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	602.00	719.00	759.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	107.00	123.00	68.00
Bursa (Materials)				
Bursa S5(a) Total weight or volume of materials that are used to produce and package products and services	Yards	884,045	812,787	54,565,345
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	42.000000	44.000000	44.000000
Bursa (Occupational Health and Safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.15	0.09	0.11
Bursa C5(c) Number of employees trained on health and safety standards	Number	221	565	521
Bursa (Human Rights and Labour Standards)				
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Customer Privacy and Data Protection)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Diversity and Talent Management)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	20.00	25.00	0.00
Senior Management Above 50	Percentage	80.00	75.00	100.00
Management Under 30	Percentage	0.00	6.00	3.00
Management Between 30-50	Percentage	69.00	68.00	65.00
Management Above 50	Percentage	31.00	26.00	32.00
Executive Under 30	Percentage	20.00	9.00	6.00
Executive Between 30-50	Percentage	76.00	84.00	84.00
Executive Above 50	Percentage	4.00	7.00	10.00

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2022	2023	2024
Bursa (Diversity and Talent Management)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Non-Executive Under 30	Percentage	45.00	44.00	44.00
Non-Executive Between 30-50	Percentage	52.00	53.00	53.00
Non-Executive Above 50	Percentage	3.00	3.00	3.00
Gender Group by Employee Category				
Senior Management Male	Percentage	80.00	75.00	100.00
Senior Management Female	Percentage	20.00	25.00	0.00
Management Male	Percentage	75.00	71.00	70.00
Management Female	Percentage	25.00	29.00	30.00
Executive Male	Percentage	38.00	35.00	38.00
Executive Female	Percentage	62.00	65.00	62.00
Non-Executive Male	Percentage	22.00	22.00	20.00
Non-Executive Female	Percentage	78.00	78.00	80.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	82.00	82.00	75.00
Female	Percentage	18.00	18.00	25.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	45.00	45.00	63.00
Above 50	Percentage	55.00	55.00	38.00
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	0	0	1
Management	Hours	21	17	384
Executive	Hours	317	424	996
Non-Executive	Hours	613	2,814	5,679
Bursa C6(b) Percentage of employees that are contractors or temporary staff				
	Percentage	43.00	47.00	35.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0	1	1
Management	Number	2	2	1
Executive	Number	35	26	33
Non-Executive	Number	1,158	1,188	744
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer				
	MYR	69,375.00	49,830.00	27,914.00
Bursa C2(b) Total number of beneficiaries of the investment in communities				
	Number	140	21,300	20,462

Internal assurance

External assurance

No assurance

(*) Restated

SUSTAINABILITY STATEMENT
(CONT'D)

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 2: General Disclosures 2021	2-1 Organisational details	54
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	2-3 Reporting period, frequency and contact point	54-55
	2-7 Employees	102-103
	2-9 Governance structure and composition	62
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GRI 3: Material Topics 2021	3-2 List of material topics	65
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GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	79
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	78
	205-2 Communication and training about anti-corruption policies and procedures	77
	205-3 Confirmed incidents of corruption and actions taken	78
GRI 301: Materials 2016	301-2 Recycled input materials used	89
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	82-84
GRI 303: Water and Effluents 2018	303-5 Water consumption	90
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	87
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	103-104
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GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	92-93
	403-2 Hazard identification, risk assessment, and incident investigation	93
	403-5 Worker training on occupational health and safety	94-95
	403-9 Work-related injuries	96
	403-10 Work-related ill health	96

SUSTAINABILITY STATEMENT
(CONT'D)

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	105
	404-2 Programmes for upgrading employee skills and transition assistance programmes	101
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	102
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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries include manufacturing and sale of apparels, manufacturing of embroidery, seamless bond, sublimation and silk screen products, provision of agency, handling and design services for garments, trading of garments, labels and stickers, financial leasing activities, research and development, manufacturing, import and export of medical and healthcare products, wholesale of medical, professional, scientific and precision equipment and investment holding.

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

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	3,805	(839)
Attributable to:		
Owners of the Company	6,435	(839)
Non-controlling interests	(2,630)	–
	3,805	(839)

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial year were as follows:

	RM'000
Single interim dividend of RM0.01 per ordinary share in respect of the financial year ended 31 March 2024, paid on 2 October 2023	2,206

On 31 May 2024, the directors declared a second interim dividend of RM0.01 per ordinary share in respect of the financial year ended 31 March 2024, which was paid on 5 July 2024. This second interim dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2025.

The directors do not recommend the payment of the final dividend in respect of the financial year ended 31 March 2024.

RESERVES OR PROVISIONS

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

DIRECTORS' REPORT
(CONT'D)

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that 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 all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

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

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT (CONT'D)

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) 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.

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial year were RM450,000 and RM114,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 31 March 2024, the Company held 2,430,900 treasury shares out of its 223,021,000 issued and paid-up ordinary shares. Such treasury shares are held at the carrying amount of RM1,161,000.

DIRECTORS' REPORT
(CONT'D)**OPTIONS GRANTED OVER UNISSUED SHARES**

No options were granted to any person to take up the unissued shares of the Company during the financial year other than the issue of options pursuant to the ESOS.

At an Extraordinary General Meeting held on 26 August 2019, the Company's shareholders approved the establishment of an ESOS for directors and employees who meet the criteria of eligibility for participation.

The share options are granted to eligible directors and employees. The options granted are vested immediately and settlement is by issuance of fully paid ordinary shares. The exercise price in each grant is set 10% below the weighted average of the market prices of the Company's ordinary shares in the last five trading days before the grant date. The contractual term of each option granted is two years. There are no cash settlement alternatives. The options carry neither rights to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

The details of the options over ordinary shares of the Company are as follows:

Option price	Balance as at 1.4.2023	Lapsed	Balance as at 31.3.2024	Exercisable as at 31.3.2024
RM0.46	420,000	(420,000)	–	–
RM0.39	300,000	–	300,000	300,000
	720,000	(420,000)	300,000	300,000

DIRECTORS

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

Chan Chow Tek *
Dato' Chan Chor Ngiak
Chan Chor Ang
Piong Yew Peng
Chan Wee Kiang *
Chan Wee Boon *
Joyce Wong Ai May
Goh Wen Ling
Chan Choo Sing *
Julian Lim Wee Liang

(Resigned on 26 May 2023)
(Resigned on 26 May 2023)

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Chan Choo Sing
Abdul Muttalib Bin Jasmani
Tan Kwee Kee
Lim Hock Beng
Chen TianSheng
Tang Lai Huat
Shi XiaoQun
Wang WenJun
Hooi Toong Wan
See Kok Wah
Daniel Pua Kian Boon
Sim Sian Ling
Ong Hwee Mean

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares and share option granted under ESOS in the Company and its related corporations during the financial year were as follows:

Interests in the Company

	At 1 April 2023	Number of ordinary shares		At 31 March 2024
		Bought	Sold/ Transferred	
Direct interests:				
Chan Chow Tek	11,536,142	–	–	11,536,142
Dato' Chan Chor Ngiak	5,089,026	–	–	5,089,026
Chan Chor Ang	4,607,969	–	–	4,607,969
Chan Wee Kiang	2,211,964	–	–	2,211,964
Piong Yew Peng	250,000	–	–	250,000
Chan Wee Boon	440,000	–	–	440,000
Joyce Wong Ai May	60,000	–	–	60,000
Indirect interests:				
Dato' Chan Chor Ngiak [#]	4,665	–	–	4,665
Chan Chor Ang [#]	100,000	–	–	100,000
Chan Wee Kiang [*]	92,347,928	1,177,000	–	93,524,928

* Shares held through Company in which the directors have substantial financial interest

Shares held through spouse

	At 1 April 2023	Number of ESOS		At 31 March 2024
		Exercised	Lapsed	
Direct interests:				
Chan Wee Kiang	340,000	–	(210,000)	130,000

By virtue of his interest in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Chan Wee Kiang is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the directors in office at the end of the financial year had any interest in ordinary shares and options over ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

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

The directors' benefits of the Group and of the Company are as follows:

	2024	
	Group RM'000	Company RM'000
Directors of the Company		
- Fees	517	517
- Other emoluments	1,837	17
	2,354	534

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, other than those arising from the share options granted under the ESOS.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company were RM1,000,000 and RM4,500 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of Company	Country of incorporation	Principal activities	Effective equity interest (%)	
			2024	2023
Subsidiaries of the Company				
La Prima Medtech Sdn. Bhd.	Malaysia	Research and development, manufacturing, import and export of medical and healthcare products	100	100
Keza Sdn. Bhd.	Malaysia	Investment holding	100	100
Mega Labels & Stickers Sdn. Bhd.	Malaysia	Temporarily ceased operations	100	100
PCCS Garments Limited	Cambodia	Temporarily ceased operations	100	100
JIT Textiles Limited	Cambodia	Temporarily ceased operations	100	100
Beauty Apparels (Cambodia) Ltd.	Cambodia	Temporarily ceased operations	100	100

DIRECTORS' REPORT
(CONT'D)

SUBSIDIARIES (CONT'D)

Name of Company	Country of incorporation	Principal activities	Effective equity interest (%)	
			2024	2023
Subsidiaries of the Company (Cont'd)				
Perfect Seamless Garments (Cambodia) Limited	Cambodia	Manufacturing of seamless bond and silk screen products	100	100
PCCS Garments (Suzhou) Ltd.	The People's Republic of China	Manufacturing and sale of apparels	100	100
PCCS (Hong Kong) Limited	Hong Kong	Provision of agency and handling services and manufacturing and trading of garments	100	100
Thirty Three (Hong Kong) Limited	Hong Kong	Investment holding	100	100
La Prima Medicare Pte. Ltd.	Singapore	Wholesale of medical, professional, scientific and precision equipment	70	70
Southern Auto Capital Sdn. Bhd.	Malaysia	Financial leasing activities	95	80
Beauty Silk Screen (M) Sdn. Bhd.	Malaysia	Temporarily ceased operations	100	100
Subsidiaries of Beauty Silk Screen (M) Sdn. Bhd.				
Beauty Silk Screen Limited	Cambodia	Manufacturing of embroidery, sublimation and silk screen products	100	100
Subsidiaries of PCCS Garments (Suzhou) Ltd.				
PCCS Garments (Shandong) Ltd.	The People's Republic of China	Manufacturing and sale of apparels	51	51
Subsidiary of Thirty Three (Hong Kong) Limited				
Thirty Three (Shanghai) Limited	The People's Republic of China	Trading of brand apparels and provide design service	100	100

DIRECTORS' REPORT
(CONT'D)**SUBSIDIARIES (CONT'D)**

Name of Company	Country of incorporation	Principal activities	Effective equity interest (%)	
			2024	2023
Subsidiary of Mega Labels & Stickers Sdn. Bhd.				
Mega Labels & Stickers (Cambodia) Co., Ltd.	Cambodia	Trading of labels and stickers	100	100
Subsidiaries of Keza Sdn. Bhd.				
Keza (Cambodia) Limited	Cambodia	Temporarily ceased operations	100	100
Wan He Da Manufacturing Company Limited	Cambodia	Provision of garment manufacturing and services	100	100
Subsidiaries of Wan He Da Manufacturing Company Limited				
Thirty Three Apparels (Cambodia) Co., Ltd.	Cambodia	Provision of garment manufacturing and services	100	100

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 16 July 2024, the Company acquired an additional 1,200,000 ordinary shares representing remaining 5% equity interest in Southern Auto Capital Sdn. Bhd. ("SAC") for a total cash consideration of RM1,290,000. The Company's ownership interest in SAC increased from 95% to 100% as a result of the additional shares purchased.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....
DATO' CHAN CHOR NGIAK
Director

.....
CHAN CHOW TEK
Director

Date: 26 July 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	74,123	74,663	786	797
Investment properties	6	15,688	16,022	–	–
Intangible assets	7	10	14	–	–
Investment in subsidiaries	8	–	–	61,229	45,349
Lease receivables	9	33,423	26,060	–	–
Other receivables	11	–	–	7,999	20,380
Deferred tax assets	22	2,440	614	–	–
Total non-current assets		125,684	117,373	70,014	66,526
Current assets					
Inventories	10	105,933	58,486	–	–
Trade and other receivables	11	57,246	52,656	25,355	13,336
Lease receivables	9	8,088	4,756	–	–
Contract assets	12	4,400	1,868	–	–
Other current assets	13	6,522	6,960	42	36
Tax assets	14	1,213	105	–	–
Short-term funds	15	4,357	5,293	693	668
Deposits, cash and bank balances	16	45,371	60,618	3,504	21,777
Total current assets		233,130	190,742	29,594	35,817
TOTAL ASSETS		358,814	308,115	99,608	102,343

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2024
(CONT'D)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	18	91,453	91,453	91,453	91,453
Treasury shares	19	(1,161)	(1,161)	(1,161)	(1,161)
Foreign exchange reserve	20	8,160	8,202	–	–
Legal reserve fund	20	4,633	3,890	–	–
Share option reserve	20	40	110	40	110
Retained earnings		68,468	64,912	2,871	5,846
		171,593	167,406	93,203	96,248
Non-controlling interests		3,765	2,241	–	–
TOTAL EQUITY		175,358	169,647	93,203	96,248
Non-current liabilities					
Loans and borrowings	21	12,366	9,039	470	469
Total non-current liabilities		12,366	9,039	470	469
Current liabilities					
Loans and borrowings	21	66,450	47,474	146	110
Trade and other payables	23	102,570	78,922	5,704	5,407
Tax liabilities		2,070	3,033	85	109
Total current liabilities		171,090	129,429	5,935	5,626
TOTAL LIABILITIES		183,456	138,468	6,405	6,095
TOTAL EQUITY AND LIABILITIES		358,814	308,115	99,608	102,343

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Continuing operations					
Revenue	24	377,847	463,433	1,914	9,071
Cost of sales	25	(303,914)	(386,531)	–	–
Gross profit		73,933	76,902	1,914	9,071
Other income	26	10,119	7,585	1,780	1,974
Administrative expenses		(62,903)	(56,246)	(4,900)	(5,186)
Net (impairment losses)/reversal of impairment losses on:					
- trade and other receivables		(214)	7	(989)	(66)
- lease receivables		(2,201)	(1,919)	–	–
Selling and marketing expenses		(9,816)	(12,045)	–	–
Other expenses		–	–	(20)	–
		(75,134)	(70,203)	(5,909)	(5,252)
Profit/(Loss) from operations		8,918	14,284	(2,215)	5,793
Finance income	27	1,079	755	1,609	1,908
Finance costs	28	(5,355)	(4,804)	(33)	(6)
Profit/(Loss) before tax	29	4,642	10,235	(639)	7,695
Tax expense	31	(837)	(2,912)	(200)	(384)
Profit/(Loss) for the financial year from continuing operations		3,805	7,323	(839)	7,311
Profit for the financial year from discontinued operation, net of tax	17	–	6,018	–	–
Profit/(Loss) for the financial year		3,805	13,341	(839)	7,311
Other comprehensive income/(loss), net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		57	(3,071)	–	–
Total comprehensive income/(loss) for the financial year		3,862	10,270	(839)	7,311

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
(CONT'D)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(Loss) attributable to:					
Owners of the Company					
- From continuing operations		6,435	10,211	(839)	7,311
- From discontinued operations		-	6,122	-	-
		6,435	16,333	(839)	7,311
Non-controlling interests					
- From continuing operations		(2,630)	(2,888)	-	-
- From discontinued operations		-	(104)	-	-
		3,805	13,341	(839)	7,311
Total comprehensive income/(loss) attributable to:					
Owners of the Company					
- From continuing operations		6,393	7,129	(839)	7,311
- From discontinued operations		-	6,122	-	-
		6,393	13,251	(839)	7,311
Non-controlling interests					
- From continuing operations		(2,531)	(2,877)	-	-
- From discontinued operations		-	(104)	-	-
		3,862	10,270	(839)	7,311
Basic earnings per share (sen): 32					
- From continuing operations		2.88	4.66		
- From discontinued operations		-	2.79		
		2.88	7.45		
Diluted earnings per share (sen): 32					
- From continuing operations		2.88	4.66		
- From discontinued operations		-	2.79		
		2.88	7.45		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Note	Attributable to owners of the Company							Total equity RM'000	
	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Foreign exchange reserve RM'000	Legal reserve fund RM'000	Retained earnings RM'000	Total RM'000		Non-controlling interests RM'000
Group									
At 1 April 2023	91,453	(1,161)	110	8,202	3,890	64,912	167,406	2,241	169,647
Total comprehensive income for the financial year	-	-	-	-	-	6,435	6,435	(2,630)	3,805
Profit for the financial year	-	-	-	-	-	6,435	6,435	(2,630)	3,805
Other comprehensive income for the financial year	-	-	-	(42)	-	-	(42)	99	57
Total comprehensive income	-	-	-	(42)	-	6,435	6,393	(2,531)	3,862
Transactions with owners									
Subscription of shares by non-controlling interests in a subsidiary	-	-	-	-	-	-	-	4,080	4,080
Lapsed share option	-	-	(70)	-	-	70	-	-	-
Legal reserve fund	-	-	-	-	743	(743)	-	-	-
Dividend paid on shares	-	-	-	-	-	(2,206)	(2,206)	(25)	(2,231)
Total transactions with owners	-	-	(70)	-	743	(2,879)	(2,206)	4,055	1,849
At 31 March 2024	91,453	(1,161)	40	8,160	4,633	68,468	171,593	3,765	175,358

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
(CONT'D)

	Attributable to owners of the Company										Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Warrants reserve RM'000	Foreign exchange reserve RM'000	Legal reserve fund RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000	
Group											
At 1 April 2022	86,270	-	321	6,383	11,284	3,890	55,821	163,969	5,336	169,305	
Total comprehensive income for the financial year	-	-	-	-	-	-	16,333	16,333	(2,992)	13,341	
Profit for the financial year	-	-	-	-	-	-	16,333	16,333	(2,992)	13,341	
Other comprehensive loss for the financial year	-	-	-	-	(3,082)	-	-	(3,082)	11	(3,071)	
Total comprehensive income	-	-	-	-	(3,082)	-	16,333	13,251	(2,981)	10,270	
Transactions with owners											
Issue of ordinary shares pursuant to:											
- ESOS	1,449	-	(380)	-	-	-	-	1,069	-	1,069	
- exercise of warrants	3,734	-	-	(395)	-	-	-	3,339	-	3,339	
Share option issued	-	-	169	-	-	-	-	169	-	169	
Lapsed warrants	-	-	-	(5,988)	-	-	5,988	-	-	-	
Dividend paid on shares	-	-	-	-	-	-	(13,230)	(13,230)	-	(13,230)	
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(114)	(114)	
Shares repurchased	-	(1,161)	-	-	-	-	-	(1,161)	-	(1,161)	
Total transactions with owners	5,183	(1,161)	(211)	(6,383)	-	-	(7,242)	(9,814)	(114)	(9,928)	
At 31 March 2023	91,453	(1,161)	110	-	8,202	3,890	64,912	167,406	2,241	169,647	

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
(CONT'D)

	Attributable to owners of the Company				Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Retained earnings RM'000	
Company					
At 1 April 2023	91,453	(1,161)	110	5,846	96,248
Total comprehensive loss for the financial year				(839)	(839)
Loss for the financial year, representing total comprehensive loss	-	-	-	(839)	(839)
Transactions with owners					
Lapsed share options	-	-	(70)	70	-
Dividends paid on shares	-	-	-	(2,206)	(2,206)
Total transactions with owners	-	-	(70)	(2,136)	(2,206)
At 31 March 2024	91,453	(1,161)	40	2,871	93,203
	Attributable to owners of the Company				Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Retained earnings RM'000	
Company					
At 1 April 2022	86,270	-	321	5,777	98,751
Total comprehensive income for the financial year				7,311	7,311
Profit for the financial year, representing total comprehensive income	-	-	-	7,311	7,311
Transactions with owners					
Issue of ordinary shares pursuant to:					
- ESOS	1,449	-	(380)	-	1,069
- exercise of warrants	3,734	-	(395)	-	3,339
Share option issued	-	-	169	-	169
Lapsed warrants	-	-	(5,988)	5,988	-
Dividends paid on shares	-	-	-	(13,230)	(13,230)
Shares repurchased	-	(1,161)	-	-	(1,161)
Total transactions with owners	5,183	(1,161)	(211)	(7,242)	(9,814)
At 31 March 2023	91,453	(1,161)	110	5,846	96,248

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax					
- Continuing operations		4,642	10,235	(639)	7,695
- Discontinued operations	17(a)	-	6,018	-	-
		4,642	16,253	(639)	7,695
Adjustments for:					
Amortisation of intangible assets		4	-	-	-
Bad debts recovered		(5)	-	-	-
Bad debts written off		-	-	19	-
Depreciation on investment properties		915	880	-	-
Depreciation on property, plant, and equipment		9,550	8,651	208	101
Fair value gain on short-term funds		(118)	(171)	(7)	(39)
Gain on lease modification		(28)	(151)	-	-
Gain on disposal of a subsidiary		-**	(6,212)	-**	(900)
Income distribution from short-term funds		(65)	(13)	(26)	(3)
Interest expense		5,355	5,436	33	6
Interest income		(1,079)	(769)	(1,609)	(1,908)
Inventories written down/(back)		74	(6)	-	-
Loss/(Gain) on disposal of property, plant and equipment		97	(197)	(15)	(82)
Net impairment losses/(reversal of impairment losses) on:					
- investment in subsidiaries		-	-	2,120	2,453
- lease receivables		4,091	1,919	-	-
- trade and other receivables		214	(7)	-	-
- amounts owing by subsidiaries		-	-	989	66
Property, plant and equipment written off		292	-	-***	-
Share-based payments		-	169	-	118
Unrealised (gain)/loss on foreign exchange		(3,997)	(2,815)	(435)	222
Waiver of debts		(3)	(991)	-	-
		15,297	5,723	1,277	34
Operating cash flows before changes in working capital, carried forward		19,939	21,976	638	7,729

** represents gain on disposal of subsidiary of RM2

*** represents written off of property, plant and equipment of RM421.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
(CONT'D)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities					
(Cont'd)					
Operating cash flows before changes in working capital, brought down					
		19,939	21,976	638	7,729
Changes in working capital:					
Contract assets		(2,532)	97	–	–
Inventories		(47,521)	36,428	–	–
Lease receivables		(14,782)	(23,609)	–	–
Other current assets		438	(3,458)	(6)	(3)
Trade and other receivables		(2,294)	9,651	1	(16)
Trade and other payables		13,432	(23,984)	300	(3,050)
		(53,259)	(4,875)	295	(3,069)
Net cash (used in)/generated from operations					
		(33,320)	17,101	933	4,660
Interest paid		(5,355)	(5,436)	(33)	(6)
Tax paid		(4,715)	(3,879)	(224)	(218)
Net cash (used in)/from operating activities					
		(43,390)	7,786	676	4,436
Cash flows from investing activities					
Additional investment in a subsidiary		–	–	(18,000)	–*
Advances to subsidiaries		–	–	(212)	(7,212)
Disposal of a subsidiary, net of cash disposed	8(f)	–	6,820	–**	8,500
Income distribution from short-term funds		65	13	26	3
Interest received		1,079	769	1,609	1,908
Net change in short-term funds	(c)	1,054	14,093	(19)	12,601
Purchase of property, plant and equipment	5(a)	(5,738)	(5,333)	(34)	(186)
Purchase of investment properties		(9)	–	–	–
Proceeds from disposal of property, plant and equipment		262	282	20	155
Net cash (used in)/from investing activities					
		(3,287)	16,644	(16,610)	15,769

* represents the investment in subsidiary of RM2.

** represents net cash inflow of RM2 from disposal of a subsidiary.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
(CONT'D)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from financing activities	(a)				
Advances from/(Repayments to) directors		1,362	(359)	–	–
Advances from/(Repayments to) related parties		5,547	(310)	(2)	2
Dividends paid to:					
- non-controlling interests		(25)	–	–	–
- owners of the Company		(2,206)	(13,230)	(2,206)	(13,230)
Net drawdown of block discounting borrowings		5,633	–	–	–
Net drawdown of short-term borrowings		17,559	8,135	–	–
Proceeds from ordinary shares issued pursuant to:					
- ESOS		–	1,069	–	1,069
- exercise of warrants		–	3,339	–	3,339
Purchase of treasury shares	19	–	(1,161)	–	(1,161)
Repayments of hire purchase payables		(131)	(442)	(131)	(28)
Repayments of lease liabilities		(1,822)	(1,688)	–	–
Repayment to a subsidiary		–	–	–	(476)
Subscription of shares in a subsidiary by non-controlling interests		4,080	–	–	–
Net cash from/(used in) financing activities		29,997	(4,647)	(2,339)	(10,485)
Net (decrease)/increase in cash and cash equivalents		(16,680)	19,783	(18,273)	9,720
Cash and cash equivalents at the beginning of the financial year		60,618	40,749	21,777	12,057
Effects of foreign exchange rate changes		1,433	86	–	–
Cash and cash equivalents at the end of the financial year	16	45,371	60,618	3,504	21,777

(a) Changes in liabilities arising from financing activities:

	Note	1.4.2023 RM'000	Cash flows RM'000	Acquisition RM'000	Lease modification RM'000	31.3.2024 RM'000
Group						
Amounts owing to directors	23	2,833	1,362	–	–	4,195
Amounts owing to related parties	23	10,015	5,547	–	–	15,562
Block discounting borrowings	21	–	5,633	–	–	5,633
Lease liabilities	21	10,669	(1,822)	1,448	(552)	9,743
Hire purchase payables	21	579	(131)	168	–	616
Short-term borrowings	21	45,265	17,559	–	–	62,824
		69,361	28,148	1,616	(552)	98,573

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
(CONT'D)

(a) Changes in liabilities arising from financing activities (Cont'd):

	Note	1.4.2022 RM'000	Cash flows RM'000	Acquisition RM'000	Lease modification RM'000	Disposal of a subsidiary RM'000	31.3.2023 RM'000
Group							
Amounts owing to directors	23	3,192	(359)	-	-	-	2,833
Amounts owing to related parties	23	10,325	(310)	-	-	-	10,015
Lease liabilities	21	11,031	(1,688)	2,416	(1,020)	(70)	10,669
Hire purchase payables	21	5,195	(442)	601	-	(4,775)	579
Term loans	21	39,631	-	-	-	(39,631)	-
Short-term borrowings	21	53,041	8,135	-	-	(15,911)	45,265
		122,415	5,336	3,017	(1,020)	(60,387)	69,361

	Note	1.4.2023 RM'000	Cash flows RM'000	Acquisition RM'000	31.3.2024 RM'000
Company					
Amount owing to a related party	23	2	(2)	-	-
Hire purchase payables	21	579	(131)	168	616
		581	(133)	168	616

	Note	1.4.2022 RM'000	Cash flows RM'000	Acquisition RM'000	31.3.2023 RM'000
Company					
Amounts owing to subsidiaries	23	476	(476)	-	-
Amount owing to a related party	23	-	2	-	2
Hire purchase payables	21	6	(28)	601	579
		482	(502)	601	581

(b) Total cash outflows for leases

During the financial year, the Group and the Company had total cash outflows for leases of RM3,950,000 (2023: RM4,047,000) and RM120,000 (2023: RM90,000) respectively.

(c) The short-term funds are integral part of the Group's and the Company's capital management as disclosed in Note 39 to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

PCCS Group Berhad (“the Company”) is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Lot 1376, GM127, Mukim Simpang Kanan, Jalan Kluang, 83000 Batu Pahat, Johor.

The principal place of business of the Company is located at Lot 1376, GM127, Mukim Simpang Kanan, Jalan Kluang, 83000 Batu Pahat, Johor.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are as disclosed in Note 8. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 July 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of new MFRS and amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

New MFRS

MFRS 17 Insurance Contracts

Amendments/Improvements to MFRSs

MFRS 101 Presentation of Financial Statements

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 112 Income Taxes

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies, except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

- (a) The Group and Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without public Accountability: Disclosure	1 January 2027
<u>Amendments/Improvements to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

- (b) The Group and Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Group and the Company are summarised below:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces *MFRS 101 Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity’s financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.4 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 they operate (“**the functional currency**”). The consolidated financial statements are presented in Ringgit Malaysia (“**RM**”), which is also the Company’s functional currency and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

(a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets.

3.2 Separate financial statements

In the Company’s statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company’s investment in the subsidiaries.

3.3 Financial instruments

Financial assets – subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Financial instruments (Cont'd)

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

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

All property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Buildings	20-50 years
Plant and machinery, air-conditioners, factory equipment and electrical installation	10 years
Renovation, furniture and fittings and office equipment	5-10 years
Motor vehicles	5 years

3.5 Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

All investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives of 50 years.

3.6 Leases

(a) Lessee accounting

The Group and the Company present right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 5 and lease liabilities as loans and borrowings in Note 21.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Leases (Cont'd)

(a) Lessee accounting (Cont'd)

Right-of-use asset

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(b) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties which recognise as other income.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a weighted average cost basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on weighted average cost basis.

3.8 Intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The amortisation methods used and the estimated useful lives are as follows:

	Method	Useful lives (years)
Trademark	Straight-line	10 years

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.9 Revenue and other income

(a) Sale of goods – manufacturing

The Group manufactures and sells a range of garments, labels and stickers to local and foreign customers. Revenue from sale of manufactured goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with credit terms of 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts where applicable. The Group uses the expected value method because it is the method that the Group expects to better predict the estimated volume discounts to which it will be provided to the customers.

(b) Lease interest income

Lease interest income is recognised upon commencement of the lease agreement using a constant periodic rate of return over the period of the agreement.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

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

(e) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(f) Others

Rental from insurance commission and handling and processing fees are recognised at a point in time when the services have been rendered to the customers and coincide with the delivery of services acceptance by customers.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Valuation of inventories

The review of saleability and valuation of inventories at the lower of cost and net realisable value are an area of significant judgement and estimate. The Group writes down its obsolete or slow-moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Group analyses expected sales trend when making a judgement to evaluate the adequacy of the write-down of obsolete or slow-moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amounts of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 10.

(b) Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The directors use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history and existing market conditions at the end of each reporting period.

The information about the impairment losses on the Group's and the Company's financial assets are disclosed in Note 36(b)(iv).

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group 2024	Buildings RM'000	Plant and machinery, air-conditioners, factory equipment and electrical installation RM'000	Renovation, furniture and fittings and office equipment RM'000	Motor vehicles RM'000	Right-of- use assets RM'000	Capital work- in-progress RM'000	Total RM'000
Cost							
At 1 April 2023	47,907	61,625	31,683	5,929	22,054	32	169,230
Additions	143	2,843	2,130	790	1,448	-	7,354
Disposals	-	(349)	(818)	(545)	-	-	(1,712)
Written off	-	(32)	(292)	-	-	(32)	(356)
Derecognition	-	-	-	-	(2,367)	-	(2,367)
Reclassification	797	(797)	-	-	-	-	-
Exchange differences	1,322	1,350	724	111	987	-	4,494
At 31 March 2024	50,169	64,640	33,427	6,285	22,122	-	176,643
Accumulated depreciation							
At 1 April 2023	14,561	43,329	26,713	3,555	4,457	-	92,615
Depreciation charge for the financial year (Note 29)	2,250	2,636	1,183	721	2,760	-	9,550
Disposals	-	(239)	(732)	(382)	-	-	(1,353)
Written off	-	(5)	(59)	-	-	-	(64)
Derecognition	-	-	-	-	(1,842)	-	(1,842)
Reclassification	444	(444)	-	-	-	-	-
Exchange differences	264	617	471	84	226	-	1,662
At 31 March 2024	17,519	45,894	27,576	3,978	5,601	-	100,568
Accumulated impairment loss							
At 1 April 2023/31 March 2024	-	1,575	377	-	-	-	1,952
Net carrying amount							
At 31 March 2024	32,650	17,171	5,474	2,307	16,521	-	74,123

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

Group 2023	Buildings RM'000	Plant and machinery, air-conditioners, factory equipment and electrical installation RM'000	Renovation, furniture and fittings and office equipment RM'000	Motor vehicles RM'000	Right-of- use assets RM'000	Capital work- in-progress RM'000	Total RM'000
Cost							
At 1 April 2022	48,525	58,955	30,087	5,173	20,857	159	163,756
Additions	-	2,891	1,948	1,098	2,413	-	8,350
Disposals	-	(299)	(37)	(386)	-	-	(722)
Written off	-	-	(12)	-	-	-	(12)
Derecognition	-	-	-	-	(1,487)	-	(1,487)
Reclassification	-	(73)	141	56	-	(124)	-
Exchange differences	(618)	151	(444)	(12)	271	(3)	(655)
At 31 March 2023	47,907	61,625	31,683	5,929	22,054	32	169,230
Accumulated depreciation							
At 1 April 2022	12,788	41,092	26,358	3,238	2,509	-	85,985
Depreciation charge for the financial year (Note 29)	2,145	2,441	910	593	2,562	-	8,651
Disposals	-	(214)	(22)	(304)	-	-	(540)
Written off	-	-	(12)	-	-	-	(12)
Derecognition	-	-	-	-	(619)	-	(619)
Reclassification	-	(26)	(11)	37	-	-	-
Exchange differences	(372)	36	(510)	(9)	5	-	(850)
At 31 March 2023	14,561	43,329	26,713	3,555	4,457	-	92,615
Accumulated impairment loss							
At 1 April 2022	-	1,659	390	-	-	-	2,049
Disposals	-	(84)	(13)	-	-	-	(97)
31 March 2023	-	1,575	377	-	-	-	1,952
Net carrying amount							
At 31 March 2023	33,346	16,721	4,593	2,374	17,597	32	74,663

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

Company 2024	Air-conditioners RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 April 2023	37	11	152	820	1,020
Additions	2	–	9	191	202
Disposals	–	–	(5)	(48)	(53)
Written off	–	–	(13)	–	(13)
At 31 March 2024	39	11	143	963	1,156
Accumulated depreciation					
At 1 April 2023	37	1	99	86	223
Depreciation charge for the financial year (Note 29)	–*	1	19	188	208
Disposals	–	–	(3)	(45)	(48)
Written off	–	–	(13)	–	(13)
At 31 March 2024	37	2	102	229	370
Net carrying amount					
At 31 March 2024	2	9	41	734	786

* represents the depreciation charge during the year of RM111.

Company 2023	Air-conditioners RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 April 2022	37	11	142	310	500
Additions	–	–	14	773	787
Disposals	–	–	(4)	(263)	(267)
At 31 March 2023	37	11	152	820	1,020
Accumulated depreciation					
At 1 April 2022	34	–	77	205	316
Depreciation charge for the financial year (Note 29)	3	1	22	75	101
Disposals	–	–	–	(194)	(194)
At 31 March 2023	37	1	99	86	223
Net carrying amount					
At 31 March 2023	–	10	53	734	797

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

- (a) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM7,354,000 (2023: RM8,350,000) and RM202,000 (2023: RM787,000) respectively which are satisfied by the following:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Lease arrangements	1,616	3,017	168	601
Cash payments	5,738	5,333	34	186
	7,354	8,350	202	787

- (b) The Group and the Company lease several assets including land use rights and premises.

	Land use rights RM'000	Land RM'000	Premises RM'000	Total RM'000
Group				
Carrying amount				
1 April 2023	7,067	6,344	4,186	17,597
Additions	–	–	1,448	1,448
Depreciation	(164)	(138)	(2,458)	(2,760)
Derecognition	–	–	(525)	(525)
Exchange differences	110	428	223	761
At 31 March 2024	7,013	6,634	2,874	16,521

	Land use rights RM'000	Land RM'000	Premises RM'000	Total RM'000
Group				
Carrying amount				
1 April 2022	7,454	6,123	4,771	18,348
Additions	–	–	2,413	2,413
Depreciation	(164)	(132)	(2,266)	(2,562)
Derecognition	–	–	(868)	(868)
Exchange differences	(223)	353	136	266
At 31 March 2023	7,067	6,344	4,186	17,597

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

6. INVESTMENT PROPERTIES

	Group	
	2024 RM'000	2023 RM'000
At cost		
At beginning of the financial year	21,594	21,512
Additions	9	–
Exchange differences	799	82
At end of the financial year	22,402	21,594
Accumulated depreciation		
At beginning of the financial year	5,572	4,681
Depreciation charge during the financial year (Note 29)	915	880
Exchange differences	227	11
At end of the financial year	6,714	5,572
Carrying amount	15,688	16,022

(a) The following are recognised in the profit or loss in respect of investment properties:

	Group	
	2024 RM'000	2023 RM'000
Rental income	1,273	982
Direct operating expenses	(369)	(352)

Fair value information

The fair value of investment properties of the Group is categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024				
Freehold buildings	–	–	2,986	2,986
Leasehold building	–	–	8,619	8,619
Leasehold office lot	–	–	26,450	26,450
	–	–	38,055	38,055
2023				
Freehold buildings	–	–	3,125	3,125
Leasehold building	–	–	8,707	8,707
Leasehold office lot	–	–	13,950	13,950
	–	–	25,782	25,782

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**6. INVESTMENT PROPERTIES (CONT'D)****Fair value information (Cont'd)**

The valuation of Level 3 of certain investment properties of the Group as at 31 March 2024 and 31 March 2023 were determined by directors' estimation based on indicative market price of similar properties in the vicinity.

There are no Level 1 investment properties during the financial years ended 31 March 2024 and 31 March 2023. There was no transfer between Level 2 and Level 3 during the financial years ended 31 March 2024 and 31 March 2023.

7. INTANGIBLE ASSETS

	Goodwill RM'000	Trademark RM'000	Total RM'000
Group			
Cost			
At 1 April 2022	1,250	13	1,263
Exchange differences	–	1	1
At 31 March 2023	1,250	14	1,264
Exchange differences	–	1	1
At 31 March 2024	1,250	15	1,265
Accumulated amortisation and impairment losses			
At 1 April 2022/31 March 2023	(1,250)	–	(1,250)
Amortisation charge for the financial year (Note 29)	–	(4)	(4)
Exchange differences	–	(1)	(1)
At 31 March 2024	(1,250)	(5)	(1,255)
Carrying amount			
At 31 March 2024	–	10	10
At 31 March 2023	–	14	14

The trademark relates to “La Prima” brand name with logo for the Group. An amortisation amounting to RM4,000 has been recognised during the financial year based on estimated useful life of 10 years.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost		
At beginning of the financial year	90,135	97,735
Additions	18,000	–*
Disposals	(1,615)	(7,600)
Voluntary winding up	(3,313)	–
At end of the financial year	103,207	90,135
Equity contribution in respect of ESOS	6	6
	6	6
Less: Accumulated impairment losses		
At beginning of the financial year	(44,792)	(42,339)
Impairment losses during the financial year (Note 29)	(2,120)	(2,453)
Disposals	1,615	–
Voluntary winding up	3,313	–
At end of the financial year	(41,984)	(44,792)
	61,229	45,349

* represent investment in Beauty Silk Screen (M) Sdn. Bhd. for a total cash consideration of RM2.

During the financial year, an impairment loss of RM2,120,000 (2023: RM2,453,000) is provided for in the cost of investment in subsidiaries as the carrying amount of the cost of investment in the subsidiaries are higher than their recoverable amounts.

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation	Principal activities	Effective equity interest (%)	
			2024	2023
Subsidiaries of the Company				
La Prima Medtech Sdn. Bhd.	Malaysia	Research and development, manufacturing, import and export of medical and healthcare products	100	100
Beauty Electronic Embroidering Centre Sdn. Bhd. @	Malaysia	Temporarily ceased operations	–	100
Keza Sdn. Bhd.	Malaysia	Investment holding	100	100
Mega Labels & Stickers Sdn. Bhd.	Malaysia	Temporarily ceased operations	100	100

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**8. INVESTMENT IN SUBSIDIARIES (CONT'D)**

Details of the subsidiaries are as follows (Cont'd):

Name of Company	Country of incorporation	Principal activities	Effective equity interest (%)	
			2024	2023
Subsidiaries of the Company (Cont'd)				
Thirty Three Trading Sdn. Bhd.	Malaysia	Temporarily ceased operations	–	100
PCCS Garments Limited^	Cambodia	Temporarily ceased operations	100	100
JIT Textiles Limited^	Cambodia	Temporarily ceased operations	100	100
Beauty Apparels (Cambodia) Ltd.^	Cambodia	Temporarily ceased operations	100	100
Perfect Seamless Garments (Cambodia) Limited**	Cambodia	Manufacturing of seamless bond and silk screen products	100	100
PCCS Garments (Suzhou) Ltd.*	The People's Republic of China	Manufacturing and sale of apparels	100	100
PCCS (Hong Kong) Limited*	Hong Kong	Provision of agency and handling services and manufacturing and trading of garments	100	100
Thirty Three (Hong Kong) Limited*	Hong Kong	Investment holding	100	100
La Prima Medicare Pte. Ltd.*	Singapore	Wholesale of medical, professional, scientific and precision equipment.	70	70
Southern Auto Capital Sdn. Bhd.	Malaysia	Financial leasing activities	95	80
Beauty Silk Screen (M) Sdn. Bhd.	Malaysia	Temporarily ceased operations	100	100
Subsidiary of Beauty Silk Screen (M) Sdn. Bhd.				
Beauty Silk Screen Limited	Cambodia	Manufacturing of embroidery, sublimation and silk screen products	100	100
Subsidiary of PCCS Garments (Suzhou) Ltd.				
PCCS Garments (Shandong) Ltd.*	The People's Republic of China	Manufacturing and sale of apparels	51	51
Subsidiary of Thirty Three (Hong Kong) Limited				
Thirty Three (Shanghai) Limited*	The People's Republic of China	Trading of brand apparels and provide design service	100	100

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (Cont'd):

Name of Company	Country of incorporation	Principal activities	Effective equity interest (%)	
			2024	2023
Subsidiary of Mega Labels & Stickers Sdn. Bhd.				
Mega Labels & Stickers (Cambodia) Co., Ltd.**	Cambodia	Trading of labels and stickers	100	100
Subsidiaries of Keza Sdn. Bhd.				
Keza (Cambodia) Limited^	Cambodia	Temporarily ceased operations	100	100
Wan He Da Manufacturing Company Limited**	Cambodia	Provision of garment manufacturing and services	100	100
Subsidiary of Wan He Da Manufacturing Company Limited				
Thirty Three Apparels (Cambodia) Co., Ltd.**	Cambodia	Provision of garment manufacturing and services	100	100

* Audited by auditors other than Baker Tilly Monteiro Heng PLT.

** Audited by an independent member firm of Baker Tilly International.

^ Consolidated using unaudited management financial statements, no statutory requirement for the financial statements to be audited at financial year end.

@ The subsidiary is consolidated using unaudited management financial statements as it was struck off during the financial year.

2024

(a) On 1 June 2023, the Company has subscribed for additional 18,800,000 ordinary shares, representing additional 15% equity interest in the share capital of a subsidiary, Southern Auto Capital Sdn. Bhd. (“**SAC**”) by way of:

- (i) capitalising the amount owing by a subsidiary of RM18,000,000; and
- (ii) bonus issue of 800,000 new ordinary shares in SAC on the basis of one bonus share for every five existing ordinary shares held.

Upon the subscription, the equity interest of the Company in SAC has increased from 80% to 95%.

(b) On 21 August 2023, a subsidiary of the Company, PCCS Garments (Suzhou) Ltd. and non-controlling interests of PCCS Garments (Shandong) Ltd. (“**SDL**”) further injected RM4,243,000 and RM4,080,000 respectively to SDL for working capital purposes.

(c) **Disposal of a subsidiary**

On 17 January 2024, the Company had disposed of its entire equity investment in Thirty Three Trading Sdn. Bhd. (“**TTSB**”) for a total cash consideration of RM2. Consequently, the Company incurred a gain on disposal of a subsidiary of RM2 and net cash inflow of RM2.

(d) **Voluntary winding up**

On 20 March 2024, the Company’s wholly owned subsidiary, Beauty Electronic Embroidering Centre Sdn. Bhd. had been voluntarily wound up from the Companies Commission of Malaysia (“**CCM**”).

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**8. INVESTMENT IN SUBSIDIARIES (CONT'D)****2023**

(e) On 31 March 2023, the Company acquired 200,000 shares of Beauty Silk Screen (M) Sdn. Bhd. from a subsidiary, namely Thirty Three Trading Sdn. Bhd., for a total consideration of RM2.

(f) Disposal of a subsidiary

On 21 December 2021, the Company entered into a conditional share sale agreement (“SSA”) with Chan Capital Sdn. Bhd. (“CCSB”) for disposal of entire equity interest held by the Company in Mega Label (Malaysia) Sdn. Bhd. (“MEGAM”), a wholly-owned subsidiary of the Company, together with Mega Label (Penang) Sdn. Bhd. (“MEGAP”), a 51% owned subsidiary of MEGAM to CCSB for a total cash consideration of RM8,500,000.

On 21 June 2022, the Company announced that all conditions precedent as set out in Clause 3.1 of the SSA have been satisfied and/or waived as at 21 June 2022. On 23 June 2022, the SSA is deemed completed, marking the completion of the disposal.

Effect of disposal on the financial position and cash flows of the Group:

	2023 RM'000
Assets:	
Property, plant and equipment	45,797
Deferred tax assets	1,533
Inventories	4,030
Trade and other receivables	11,604
Other current assets	2,123
Tax assets	2,804
Deposits, cash and bank balances	1,680
	69,571
Liabilities:	
Bankers' acceptances	(8,420)
Term loan	(47,122)
Lease liabilities	(71)
Hire purchase payables	(4,774)
Trade and other payables	(6,782)
	(67,169)
Net assets disposed	2,402
Fair value of consideration received	8,500
Less: Net assets disposed	(2,402)
Add: Non-controlling interests	114
Gain on disposal of a subsidiary	6,212

The cash flows attributable to the disposal are as follows:

	2023 RM'000
Cash consideration received	8,500
Less: Cash and cash equivalents of the subsidiary disposed of	(1,680)
Net cash inflows on disposal	6,820

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

2023 (Cont'd)

(g) **Non-controlling interests (“NCI”) in subsidiaries**

The financial information of the Group’s and the Company’s subsidiaries that have material NCI are as follows:

Equity interest held by NCI:

Name of company	Country of incorporation	Equity interest	
		2024 %	2023 %
PCCS Garments (Shandong) Ltd.	China	49	49
La Prima Medicare Pte. Ltd.	Singapore	30	30
Southern Auto Capital Sdn. Bhd.	Malaysia	5	20

	PCCS Garments (Shandong) Ltd. RM'000	La Prima Medtech Pte. Ltd. RM'000	Southern Auto Capital Sdn. Bhd. RM'000	Total RM'000
2024				
NCI percentage of ownership interest and voting interest	49%	30%	5%	
Carrying amount of NCI	2,721	(247)	1,291	3,765
(Loss)/Profit allocated to NCI	(1,559)	(1,186)	115	(2,630)

	Continuing operations			Discontinued operations	Total
	PCCS Garments (Shandong) Ltd. RM'000	La Prima Medtech Pte. Ltd. RM'000	Southern Auto Capital Sdn. Bhd. RM'000	Mega Label (Penang) Sdn. Bhd. RM'000	Total RM'000
2023					
NCI percentage of ownership interest and voting interest	49%	30%	20%	0%	
Carrying amount of NCI	145	894	1,202	–	2,241
(Loss)/Profit allocated to NCI	(3,040)	(36)	188	(104)	(2,992)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**8. INVESTMENT IN SUBSIDIARIES (CONT'D)****(h) Summarised financial information of material NCI**

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material NCI are as follows:

	PCCS Garments (Shandong) Ltd. RM'000	La Prima Medtech Pte. Ltd. RM'000	Southern Auto Capital Sdn. Bhd. RM'000	Total RM'000
Summarised statements of financial position				
As at 31 March 2024				
Non-current assets	22,962	10	34,713	57,685
Current assets	6,187	1,229	9,196	16,612
Non-current liabilities	–	–	(12,366)	(12,366)
Current liabilities	(24,847)	(2,061)	(6,208)	(33,116)
	4,302	(822)	25,335	28,815
Summarised statements of comprehensive income				
Financial year ended 31 March 2024				
Revenue	18,528	323	9,303	28,154
(Loss)/Profit for the financial year representing total comprehensive (loss)/income	(3,183)	(3,953)	1,829	(5,307)
Summarised cash flow information				
Financial year ended 31 March 2024				
Net cash flows (used in)/from operating activities	(7,630)	(2,914)	(5,258)	(15,802)
Net cash flows (used in)/from investing activities	61	1	(1,256)	(1,194)
Net cash flows from financing activities	8,450	1,110	6,563	16,123
Net (decrease)/increase in cash and cash equivalent	881	(1,803)	49	(873)
Dividends paid to NCI	–	–	25	–

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(h) Summarised financial information of material NCI (Cont'd)

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material NCI are as follows (Cont'd):

	← PCCS Garments (Shandong) Ltd. RM'000	Continuing operations La Prima Medtech Pte. Ltd. RM'000	Southern Auto Capital Sdn. Bhd. RM'000	Discontinued operations Mega Label (Penang) Sdn. Bhd. RM'000	Total RM'000
Summarised statements of financial position					
As at 31 March 2023					
Non-current assets	25,210	14	26,709	1,024	52,957
Current assets	4,670	3,686	5,701	684	14,741
Non-current liabilities	–	–	(20,381)	–	(20,381)
Current liabilities	(30,830)	(712)	(6,023)	(1,476)	(39,041)
	(950)	2,988	6,006	232	8,276
Summarised statements of comprehensive income					
Financial year ended 31 March 2023					
Revenue	25,596	21	5,521	449	31,587
(Loss)/Profit for the financial year representing total comprehensive (loss)/income	(6,205)	(121)	941	(212)	(5,597)
Summarised cash flow information					
Financial year ended 31 March 2023					
Net cash flows (used in)/from operating activities	937	(1,051)	(20,854)	64	(20,904)
Net cash flows used in investing activities	(202)	–	(30)	–	(232)
Net cash flows (used in)/from financing activities	–	(163)	21,418	(50)	21,205
Net (decrease)/increase in cash and cash equivalent	735	(1,214)	534	14	69
Dividends paid to NCI	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9. LEASE RECEIVABLES

	Group	
	2024 RM'000	2023 RM'000
Gross lease receivables		
- not later than 1 year	16,377	10,689
- later than 1 year but not later than 5 years	44,558	34,323
- later than 5 years	3,248	3,059
	47,806	37,382
Less: Unearned lease interest income	64,183 (18,311)	48,071 (15,095)
Net lease receivables	45,872	32,976
Less: Allowance for impairment losses	(4,361)	(2,160)
	41,511	30,816
Receivables are as follows:		
Current:		
- not later than 1 year	8,088	4,756
Non-current:		
- later than 1 year but not later than 5 years	30,625	23,340
- later than 5 years	2,798	2,720
	33,423	26,060
	41,511	30,816

- (a) The credit terms of lease receivables of the Group are in accordance with the repayment schedules as contained in the lease agreements.
- (b) The effective interest rates of the leases ranging from 16.68% to 18.17% (2023:16.66% to 18.16%) per annum.
- (c) Certain lease agreements of lease receivables with a carrying amounts of RM9,190,420 are assigned to licensed bank for block discounting facilities as disclosed in Note 21(e) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9. LEASE RECEIVABLES (CONT'D)

- (d) The Group's lease receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of lease receivables are as follows:

	Group	
	2024	2023
	RM'000	RM'000
At the beginning of the financial year	2,160	241
Charge for the financial year		
- Individually assessed	2,906	1,093
- Collectively assessed	1,185	826
Written off	(1,890)	-
At the end of the financial year	4,361	2,160

The information about the credit exposures are disclosed in Note 36(b)(iv).

10. INVENTORIES

	Group	
	2024	2023
	RM'000	RM'000
At lower of cost and net realisable value		
Raw materials	77,755	43,159
Work-in-progress	7,641	5,268
Finished goods	20,537	10,059
	105,933	58,486

Recognised in profit or loss:

	Group	
	2024	2023
	RM'000	RM'000
Inventories recognised as cost of sales	301,309	300,646
Inventories written down/(back)	74	(6)

The inventories written down are in respect of stock obsolescence.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

11. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current:					
Non-trade					
Amounts owing by a subsidiary	(b)	–	–	7,999	20,380
Current:					
Trade					
External parties		54,996	49,971	–	–
Less: Impairment losses		(324)	(100)	–	–
	(a)	54,672	49,871	–	–
Non-trade					
Amounts owing by subsidiaries	(b)	–	–	50,201	37,192
Other receivables	(d)	1,412	1,564	–	1
Deposits		1,791	1,810	25	25
		3,203	3,374	50,226	37,218
Less: Impairment losses	(c)	(629)	(589)	(24,871)	(23,882)
		2,574	2,785	25,355	13,336
Total trade and other receivables (current)		57,246	52,656	25,355	13,336
Total trade and other receivables (non-current and current)		57,246	52,656	33,354	33,716

(a) Trade receivables

The receivables are non-interest bearing and normal credit terms offered by the Group ranging from 15 to 120 days (2023: 15 to 120 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Receivables that are impaired

The Group's and the Company's trade and other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade and other receivables are as follows:

Trade receivables

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	100	102
Charge for financial year		
- Individually assessed	214	-
Reversal of impairment loss	-	(7)
Exchange difference	10	5
At end of the financial year	324	100

The information about the credit exposures are disclosed in Note 36(b)(iv).

(b) Amounts owing by subsidiaries represent advances which are unsecured, interest-free, repayable on demand and are expected to be settled in cash and cash equivalents.

Included in current and non-current of amounts owing by subsidiaries is an amount of RM10,172,000 (2023: RM25,311,000) which is unsecured, subject to interest at a rate of 8.5% (2023: 8.5%) per annum, repayable on demand and is expected to be settled in cash and cash equivalents.

(c) The Group's and the Company's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

Other receivables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At beginning of the financial year	589	585	23,882	23,816
Charge for financial year				
- Individually assessed	-	-	1,096	126
Reversal of impairment loss	-	-	(107)	(60)
Exchange difference	40	4	-	-
At end of the financial year	629	589	24,871	23,882

(d) Included in other receivables is an amount of RM195,000 (2023: RM153,000) owing by a related party in which a director of the Company and a director of subsidiaries have substantial financial interests.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**12. CONTRACT ASSETS**

	2024 RM'000	2023 RM'000
Group		
Contract assets relating to cut, make and trim ("CMT") contracts	4,400	1,868

Significant changes in contract balances

	2024 Contract assets increased/(decreased) RM'000	2023 Contract assets increased/(decreased) RM'000
Group		
Increase due to revenue recognised for unbilled goods	4,400	1,868
Transfers from contract assets recognised at the beginning of the period to receivables	(1,868)	(1,965)

13. OTHER CURRENT ASSETS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current				
Prepayments	1,539	1,919	42	36
Value added tax recoverable	4,049	3,980	-	-
Less: Impairment losses	-	(397)	-	-
	4,049	3,583	-	-
Advances to suppliers	934	1,458	-	-
	6,522	6,960	42	36

14. TAX ASSETS

This is in respect of tax recoverable from the Inland Revenue Board.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

15. SHORT-TERM FUNDS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial assets at fair value through profit or loss ("FVPL")				
At fair value:				
Short-term cash investments				
- Money market funds	4,357	5,293	693	668

Short-term funds are funds invested in money market which is managed by investment bank and is redeemable at any point in time.

It is an integral part of the Group's and the Company's capital management as disclosed in Note 39.

16. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	36,420	34,389	2,556	1,709
Deposits placed with licensed banks	8,951	26,229	948	20,068
	45,371	60,618	3,504	21,777

The deposits placed with licensed banks bear interests at rates ranging from 2.10% to 3.10% (2023: 0.01% to 4.70%) and mature within 3 months.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

17. DISCONTINUED OPERATIONS

(a) Discontinued operations

The statements of comprehensive income have been presented by separating discontinued operations from continuing operations.

(i) Analysis of the result of discontinued operations are as follows:

	2023 RM'000
Revenue	14,229
Cost of sales	(12,603)
<hr/>	
Gross profit	1,626
Other income	312
Gain on disposal of a subsidiary	6,212
Administrative expenses	(1,174)
Selling and marketing expenses	(340)
<hr/>	
Profit from operations	6,636
Finance income	14
Finance costs	(632)
<hr/>	
Profit before tax of discontinued operations	6,018
Tax expense	-
<hr/>	
Profit for the financial year from discontinued operations, net of tax	6,018

(ii) The following items have been charged in arriving profit before tax

	2023 RM'000
Directors' remuneration	125
Employee benefits expense:	
- Salaries, wages and bonus	2,576
- Defined contribution plan	305
- Other staff related expenses	384
Expenses relating to lease of low value assets	1
Gain on disposal of a subsidiary	(6,212)
<hr/>	

(iii) Cash flows generated from/(used in) discontinued operations:

	2023 RM'000
Net cash from operating activities	553
Net cash from financing activities	(1,916)
<hr/>	
	(1,363)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. SHARE CAPITAL

	Group/Company		Amounts	
	Number of ordinary shares 2024 Unit'000	2023 Unit'000	2024 RM'000	2023 RM'000
Issued and fully paid (no par value):				
At beginning of the financial year	223,021	214,970	91,453	86,270
Issued pursuant to				
- ESOS	–	2,486	–	1,449
- exercise of warrants	–	5,565	–	3,734
At end of the financial year	223,021	223,021	91,453	91,453

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

In the previous financial year, the Company:

- (i) issued 2,485,600 new ordinary shares pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") amounting to RM1,449,000; and
- (ii) issued 5,564,900 new ordinary shares pursuant to the exercise of warrants amounting to RM3,734,000.

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

19. TREASURY SHARES

	Group/Company		Amounts	
	Number of treasury shares 2024 Unit'000	2023 Unit'000	2024 RM'000	2023 RM'000
At 1 April	2,431	–	1,161	–
Shares repurchased	–	2,431	–	1,161
At 31 March	2,431	2,431	1,161	1,161

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 28 August 2023, renewed their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company believe that the repurchase plan is applied in the best interests of the Company and its shareholders. The share repurchases made to date were financed by internally generated funds and are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

In the previous financial year, the Company repurchased 2,430,900 shares of its issued shares from the open market. The average price paid for the shares repurchased was RM0.46.

There were no resale, cancellation or distribution of treasury shares during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

20. OTHER RESERVES

(a) Foreign exchange reserve

The foreign exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Legal reserve fund

This represents a general reserve provided for in respect of subsidiaries incorporated in Cambodia and The People's Republic of China.

Under the Company Statute of subsidiaries in Cambodia, 5% of the net profit after tax in each financial year must be credited to this reserve, until it reaches 10% of the paid up capital.

In The People's Republic of China, a portion of the profit must be credited to this reserve, until the amount of reserve funds equals to 50% of the registered capital of the subsidiaries.

(c) Share option reserve

The share option reserve comprises the cumulative value of services received from directors and employees for the issue of share options. The reserve is recorded over the vesting period commencing from the grant date and is reduced by the expiry or exercise of the share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

Share options are granted to eligible directors and employees. The options granted are vested immediately and settlement is by issuance of fully paid ordinary shares. The exercise price in each grant is set 10% below the weighted average of the market prices of the Company's ordinary shares in the last five trading days before the grant date. The contractual term of each option granted is two years. There are no cash settlement alternatives. The options carry neither rights to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

The details of the options over ordinary shares of the Company are as follows:

Option price	Balance	Granted	Exercised	Lapsed	Balance	Exercisable
	as at				as at	as at
	1.4.2023				31.3.2024	31.3.2024
RM0.46	420,000	–	–	(420,000)	–	–
RM0.39	300,000	–	–	–	300,000	300,000
	720,000	–	–	(420,000)	300,000	300,000

Option price	Balance	Granted	Exercised	Lapsed	Balance	Exercisable
	as at				as at	as at
	1.4.2022				31.3.2023	31.3.2023
RM0.46	1,920,600	–	(1,500,600)	–	420,000	420,000
RM0.39	–	1,285,000	(985,000)	–	300,000	300,000
	1,920,600	1,285,000	(2,485,600)	–	720,000	720,000

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

20. OTHER RESERVES (CONT'D)

(c) Share option reserve (Cont'd)

The options outstanding at 31 March 2024 have exercise prices of RM0.39 (2023: RM0.39 to RM0.46) and the weighted average remaining contractual life for the share options outstanding as at 31 March 2024 was 1.22 years (2023: 1.12 years).

The fair value of the share options granted were determined using a binomial option pricing model, and the inputs were:

	Granted in 2023
Fair value of share options and assumptions	
Weighted average fair value of share option at grant date (RM)	RM0.1314
Weighted average share price (RM)	0.43
Option life (years)	3
Risk-free rate (%)	3.59
Expected dividends (%)	None
Expected volatility (%)	45.53

The expected volatility reflected the assumption that the historical volatility was an indicative of future trends, which may also not necessarily be the actual outcome.

21. LOANS AND BORROWINGS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Secured:				
Block discounting borrowings (Note 21(e))	4,367	–	–	–
Hire purchase payables (Note 21(f))	470	469	470	469
Unsecured:				
Lease liabilities (Note 21(d))	7,529	8,570	–	–
	12,366	9,039	470	469

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

21. LOANS AND BORROWINGS (CONT'D)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current				
Secured:				
Bill financing	26,100	5,302	-	-
Block discounting borrowings (Note 21(e))	1,266	-	-	-
Hire purchase payables (Note 21(f))	146	110	146	110
Trust receipts	17,302	24,353	-	-
Unsecured:				
Lease liabilities (Note 21(d))	2,214	2,099	-	-
Revolving credits	19,422	15,610	-	-
	66,450	47,474	146	110
Total loans and borrowings				
Bills financing	26,100	5,302	-	-
Block discounting borrowings (Note 21(e))	5,633	-	-	-
Hire purchase payables (Note 21(f))	616	579	616	579
Lease liabilities (Note 21(d))	9,743	10,669	-	-
Revolving credits	19,422	15,610	-	-
Trust receipts	17,302	24,353	-	-
	78,816	56,513	616	579

- (a) Lease liabilities are secured by charges over certain plant and machinery as disclosed in Note 5(b).
- (b) Bill financing and trust receipts are secured by way of corporate guarantee from the Company.
- (c) The interest rates of the loans and borrowings at the reporting date are as follows:

	Group		Company	
	2024	2023	2024	2023
Bills financing	2.25%	2.25%	-	-
Block discounting borrowings	3.47% - 4.19%	-	-	-
Hire purchase payables	2.45% - 3.50%	2.45%	2.45% - 3.50%	2.45%
Lease liabilities	2.75% - 8.00%	2.75% - 8.00%	-	-
Revolving credits	3.65% - 4.15%	3.85% - 4.15%	-	-
Trust receipts	2.00% - 3.95%	2.00% - 4.15%	-	-

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

21. LOANS AND BORROWINGS (CONT'D)

(d) Lease liabilities

Future minimum lease payments together with the present value of the net minimum lease payments are as follows:

	Group	
	2024 RM'000	2023 RM'000
Minimum lease payments		
Not later than 1 year	2,622	2,832
Later than 1 year and not later than 5 years	2,854	4,261
Later than 5 years	24,024	23,028
	29,500	30,121
Less: Future finance charges	(19,757)	(19,452)
Present value of minimum lease payments	9,743	10,669
Present value of minimum lease payments		
Not later than 1 year	2,214	2,099
Later than 1 year and not later than 5 years	644	2,105
Later than 5 years	6,885	6,465
	9,743	10,669
Less: Amounts due within 12 months	(2,214)	(2,099)
Amounts due after 12 months	7,529	8,570

(e) Block discounting borrowings

	Group 2024 RM'000
Gross block discounting borrowings:	
Not later than 1 year	1,655
Later than 1 year and not later than 5 years	4,891
	6,546
Less: Undue block discounting interest expense	(913)
Net block discounting borrowings	5,633
Repayable as follows:	
Current liabilities	
Not later than 1 year	1,266
Non-current liabilities	
Later than 1 year and not later than 5 years	4,367
	5,633

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**21. LOANS AND BORROWINGS (CONT'D)**

- (e) Block discounting borrowings (Cont'd)
- (i) Block discounting borrowings of the Group are secured by:
- the assignments of certain lease agreements as disclosed in Note 9(c);
 - assignment of Hire-Purchase/Non-Act/Lease Agreement through the power of attorney in favour of Maybank; and
 - corporate guarantee by the Company.
- (ii) The tenure of the block discounting borrowings of the Group are repayable by equal monthly instalments of 44 to 60 months.
- (f) Hire purchase payables

Future minimum lease payments together with the present value of the net minimum lease payments are as follows:

	Group/Company	
	2024	2023
	RM'000	RM'000
Minimum lease payments		
Not later than 1 year	174	135
Later than 1 year but not later than 5 years	506	512
	680	647
Less: Future finance charges	(64)	(68)
Present value of minimum lease payments	616	579
Present value of minimum lease payments		
Not later than 1 year	146	110
Later than 1 year but not later than 5 years	470	469
	616	579
Less: Amounts due within 12 months	(146)	(110)
Amounts due after 12 months	470	469

22. DEFERRED TAX ASSETS

	Group	
	2024	2023
	RM'000	RM'000
Deferred tax assets		
At beginning of the financial year	614	283
Recognised in profit or loss (Note 31)	1,807	331
Exchange differences	19	-
At end of the financial year	2,440	614

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

22. DEFERRED TAX ASSETS (CONT'D)

(a) Presented after appropriate off-setting as follows:

	Group	
	2024	2023
	RM'000	RM'000
Deferred tax assets	3,743	1,915
Deferred tax liabilities	(1,303)	(1,301)
	2,440	614

(b) The components of deferred tax assets/(liabilities) prior to offsetting are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Deferred tax assets		
Unutilised tax losses	1,136	39
Unabsorbed capital allowance	1,265	1,265
Others	1,342	611
	3,743	1,915
Deferred tax liabilities		
Difference between the carrying amount of property, plant and equipment and their tax base	(1,303)	(1,301)
	2,440	614

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities within the Group.

(c) The estimated amounts of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	6,188	5,979	150	150
Unabsorbed capital allowance	305	304	-	-
Others	(10)	(90)	-	-
	6,483	6,193	150	150
Potential deferred tax assets not recognised at 24%	1,556	1,486	36	36

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

22. DEFERRED TAX ASSETS (CONT'D)

- (c) The estimated amounts of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows (Cont'd):

The availability of unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under Income tax Act, 1967 and guidelines issued by the tax authority.

The unutilised tax losses in Malaysia are available for offset against future taxable profits of the Group and the Company which will expire in the following financial years:

	Group 2024 RM'000	Company 2024 RM'000
Malaysia		
2028	3,079	150
2029	296	–
2032	574	–
2033	1,153	–
2034	1,086	–
	6,188	150

23. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current:					
Trade					
Third parties	(a)	58,059	33,412	–	–
Non-trade					
Amounts owing to directors	(b)	4,195	2,833	–	–
Amounts owing to related parties	(c)	15,562	10,015	–	2
Accruals		15,376	12,690	684	699
Deposits		50	77	–	–
Other payables		9,328	19,895	5,020	4,706
		44,511	45,510	5,704	5,407
Total trade and other payables		102,570	78,922	5,704	5,407

- (a) Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from 30 to 90 days (2023: 30 to 90 days).
- (b) The amounts owing to directors are non-trade in nature, interest free and repayable on demand in cash and cash equivalents.
- (c) The amounts owing to related parties in which the directors of subsidiaries have financial interest are non-trade in nature, interest free and repayable on demand in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

24. REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Continuing operations				
Revenue from contract customers:				
At a point in time:				
- Sales of goods	368,537	457,906	-	-
- Others	1,164	1,392	-	-
	369,701	459,298	-	-
Revenue from other source:				
- Lease interest income	7,747	4,061	-	-
- Others	399	74	-	-
- Dividend income	-	-	1,914	9,071
	8,146	4,135	1,914	9,071
	377,847	463,433	1,914	9,071
Discontinued operations (Note 17)				
Revenue from contract customers:				
At a point in time:				
- Sales of goods	-	14,229	-	-
	377,847	477,662	1,914	9,071

25. COST OF SALES

Cost of sales represent cost of inventories sold and other costs.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

26. OTHER INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Continuing operations				
Bad debts recovered	5	–	–	–
Gain on foreign exchange				
- realised	2,279	887	1,268	941
- unrealised	3,997	2,815	435	–
Gain on lease modification	28	151	–	–
Gain on disposal of property, plant and equipment	–	197	15	82
Gain on disposal of a subsidiary	–*	–	–*	900
Government grant	193	297	–	–
Fair value gain on short-term funds	118	171	7	39
Rental income	1,271	992	–	–
Sales of materials	955	41	–	–
Income distribution from short-term funds	65	13	26	3
Waiver of debts	3	991	–	–
Others	1,205	1,030	29	9
	10,119	7,585	1,780	1,974
Discontinued operations (Note 17)				
Gain on foreign exchange				
- realised	–	123	–	–
Rental income	–	189	–	–
	–	312	–	–
	10,119	7,897	1,780	1,974

* represents gain on disposal of subsidiary of RM2.

27. FINANCE INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Continuing operations				
Interest income	1,079	755	506	560
Interest income from a subsidiary	–	–	1,103	1,348
	1,079	755	1,609	1,908
Discontinued operations (Note 17)				
Interest income	–	14	–	–
	1,079	769	1,609	1,908

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

28. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Continuing operations				
Interest expense on:				
- loans and borrowings	4,581	3,915	33	6
- lease liabilities	774	889	-	-
	5,355	4,804	33	6
Discontinued operations (Note 17)				
Interest expense on:				
- loans and borrowings	-	629	-	-
- lease liabilities	-	3	-	-
	-	632	-	-
	5,355	5,436	33	6

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**29. PROFIT/(LOSS) BEFORE TAX**

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax:

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Continuing operations					
Auditors' remuneration - statutory audit					
- Baker Tilly Monteiro Heng PLT		149	137	114	108
- Member firms of Baker Tilly International		176	128	-	-
- Other auditors		125	127	-	-
Other services					
- Baker Tilly Monteiro Heng PLT		5	5	5	5
- Member firms of Baker Tilly International		43	-	4	-
Bad debts written off		-	-	19	-
Depreciation and amortisation:					
- property, plant and equipment	5	9,550	8,651	208	101
- investment properties	6	915	880	-	-
- intangible asset	7	4	-	-	-
Employee benefits expense	30	109,233	109,581	1,593	1,634
Expenses relating to:					
- short-term leases		897	892	120	90
- low value assets		457	530	-	-
Inventories written down/(back)		74	(6)	-	-
Loss on disposal of property, plant and equipment		97	-	-	-
Net impairment losses/(reversal of impairment losses) on:					
- lease receivables		4,091	1,919	-	-
- trade and other receivables		214	(7)	-	-
- investment in subsidiaries	8	-	-	2,120	2,453
- amounts owing by subsidiaries		-	-	989	66
Property, plant and equipment written off	5	292	-	-*	-

* represents written off of property, plant and equipment of RM421.

30. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Continuing operations				
Salaries, wages and bonus	100,775	100,638	1,441	1,329
Defined contribution plan	3,654	3,106	104	89
Other staff related expenses	4,804	5,668	48	98
Share-based payments	-	169	-	118
	109,233	109,581	1,593	1,634

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

30. EMPLOYEE BENEFITS EXPENSE (CONT'D)

Included in employee benefits expense are:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors of the Company				
Continuing operations				
Executive directors:				
- fees	165	217	165	217
- other emoluments	1,159	2,057	-	-
- share-based payments	-	51	-	51
	1,324	2,325	165	268
Non-executive directors:				
- fees	352	345	352	345
- other emoluments	678	672	17	19
- share-based payments	-	50	-	50
	1,030	1,067	369	414
	2,354	3,392	534	682
Discontinued operations				
Executive directors:				
- other emoluments	-	125	-	-
Total directors' remuneration	2,354	3,517	534	682

31. TAX EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current income tax:				
Current income tax charge				
- Malaysian income tax	1,346	1,142	210	391
- Foreign income tax	1,300	2,096	-	-
- (Over)/Under provision in prior financial years	(2)	5	(10)	(7)
	2,644	3,243	200	384
Deferred tax (Note 22):				
Origination of temporary differences	(1,814)	(288)	-	-
Under/(Over) provision in prior financial years	7	(43)	-	-
	(1,807)	(331)	-	-
Total tax expense recognised in profit or loss	837	2,912	200	384

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

31. TAX EXPENSE (CONT'D)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdiction is calculated at the rate prevailing in the respective jurisdictions.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(loss) before tax from continuing operations	4,642	10,235	(639)	7,695
Profit before tax from discontinued operations	-	6,018	-	-
	4,642	16,253	(639)	7,695
Tax at Malaysian statutory income tax rate of 24%	1,114	2,456	(153)	1,847
Effect of different tax rates in other countries	189	(1,346)	-	-
Income not subject to tax	(3,805)	(4,628)	(1,165)	(2,650)
Expenses not deductible for tax purposes	3,264	7,231	1,528	1,194
Utilisation of previously unrecognised deferred tax assets	(211)	(1,010)	-	-
Deferred tax assets not recognised during the financial year	281	247	-	-
(Over)/Under provision in prior financial years				
- income tax	(2)	5	(10)	(7)
- deferred tax	7	(43)	-	-
Tax expense	837	2,912	200	384

32. EARNINGS PER SHARE

(a) Basic earnings per share amounts are based on profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year, calculated as follows:

	Group	
	2024 RM'000	2023 RM'000
Profit attributable to the owners of the Company		
- Continuing operations	6,435	10,211
- Discontinued operations	-	6,122
	6,435	16,333
Weighted average number of ordinary shares for basic earnings per share	223,021	218,906
Basic earnings per share (sen)		
- Continuing operations	2.88	4.66
- Discontinued operations	-	2.79
	2.88	7.45

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

32. EARNINGS PER SHARE (CONT'D)

- (b) Diluted earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	2024 RM'000	2023 RM'000
Profit attributable to the owners of the Company		
- Continuing operations	6,435	10,211
- Discontinued operations	-	6,122
	6,435	16,333
Weighted average number of ordinary shares for basic earnings per share	223,021	218,906
Effect of dilution from ESOS	16	113
Weighted average number of ordinary shares for diluted earnings per share	223,037	219,019
Diluted earnings per ordinary share (sen)		
- Continuing operations	2.88	4.66
- Discontinued operations	-	2.79
	2.88	7.45

33. DIVIDENDS

	Company	
	2024 RM'000	2023 RM'000
Single tier interim dividend of RM0.01 per ordinary share in respect of the financial year ended 31 March 2024, paid on 2 October 2023	2,206	-
Single tier special dividend of RM0.06 per ordinary share in respect of the financial year ended 31 March 2023, paid on 29 November 2022	-	13,230

34. CAPITAL COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	2024 RM'000	2023 RM'000
In respect of capital expenditure approved but not contracted for:		
- Property, plant and equipment	274	254

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

35. RELATED PARTIES

(a) Identity of related parties

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

Related parties of the Group and the Company include:

- (i) Subsidiaries;
- (ii) Entities in which certain directors have substantial financial interests; and
- (iii) Key management personnel of the Group's and the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Transactions with subsidiaries are as follows:				
Dividend received	–	–	(1,914)	(9,071)
Interest income	–	–	(1,103)	(1,348)
Transactions with related parties are as follows:				
Sales of goods	–	(4,708)	–	–
Purchase of goods and services	575	431	–	–
Purchase of property, plant and equipment	110	–	–	–
Rental expense	808	804	–	90

(c) Compensation of key management personnel

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any director of the Group and of the Company.

Compensation of key management personnel which includes directors' remuneration as disclosed in Note 30 are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short-term employees benefits	3,971	5,119	534	562
Post-employment benefit	16	21	–	19
Share-based payments	–	141	–	101
	3,987	5,281	534	682

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**36. FINANCIAL INSTRUMENTS****(a) Categories of financial instruments**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Amortised cost (“AC”)
(ii) Fair value through profit or loss (“FVPL”)

	Carrying amount RM'000	AC RM'000	FVPL RM'000
At 31 March 2024			
Financial assets			
Group			
Lease receivables	41,511	41,511	–
Trade and other receivables	57,246	57,246	–
Short-term funds	4,357	–	4,357
Deposits, cash and bank balances	45,371	45,371	–
	148,485	144,128	4,357
Company			
Trade and other receivables	33,354	33,354	–
Short-term funds	693	–	693
Deposits, cash and bank balances	3,504	3,504	–
	37,551	36,858	693
Financial liabilities			
Group			
Trade and other payables	102,570	102,570	–
Loans and borrowings, excluding lease liabilities	69,073	69,073	–
	171,643	171,643	–
Company			
Trade and other payables	5,704	5,704	–
Loans and borrowings	616	616	–
	6,320	6,320	–

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**36. FINANCIAL INSTRUMENTS (CONT'D)****(a) Categories of financial instruments (Cont'd)**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (Cont'd):

	Carrying amount RM'000	AC RM'000	FVPL RM'000
At 31 March 2023			
Financial assets			
Group			
Lease receivables	30,816	30,816	–
Trade and other receivables	52,656	52,656	–
Short-term funds	5,293	–	5,293
Deposits, cash and bank balances	60,618	60,618	–
	149,383	144,090	5,293
Company			
Trade and other receivables	33,716	33,716	–
Short-term funds	668	–	668
Deposits, cash and bank balances	21,777	21,777	–
	56,161	55,493	668
Financial liabilities			
Group			
Trade and other payables	78,922	78,922	–
Loans and borrowings, excluding lease liabilities	45,844	45,844	–
	124,766	124,766	–
Company			
Trade and other payables	5,407	5,407	–
Loans and borrowings	579	579	–
	5,986	5,986	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing their interest rate risk, foreign exchange risk, liquidity risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

(i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group and the Company have no significant interest-bearing financial assets, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in deposits with licensed banks.

The Group's and the Company's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group and the Company to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group and the Company to fair value interest rate risk. The Group and the Company manage their interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Sensitivity analysis

As at the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM52,000 (2023: RM35,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment.

(ii) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exposure to the risk of changes in foreign exchange rates relates primarily to the operating activities when revenue or expense is denominated in a foreign currency other than the functional currency of the operations to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**36. FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial risk management (Cont'd)****(ii) Foreign exchange risk (Cont'd)**

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	Cambodian Riel RM'000	United States Dollars RM'000	Total RM'000
Functional Currency of the Group			
At 31 March 2024			
Ringgit Malaysia	–	2,762	2,762
Chinese Renminbi	–	17,956	17,956
United States Dollars	137	–	137
Hong Kong Dollars	–	(45,915)	(45,915)
Singapore Dollars	–	104	104
	137	(25,093)	(24,956)
Functional Currency of the Group			
At 31 March 2023			
Ringgit Malaysia	–	18,056	18,056
Chinese Renminbi	–	20,011	20,011
United States Dollars	181	–	181
Hong Kong Dollars	–	(13,008)	(13,008)
Singapore Dollars	–	1,298	1,298
	181	26,357	26,538
			United States Dollars RM'000
Functional Currency of the Company			
At 31 March 2024			
Ringgit Malaysia			2,685
At 31 March 2023			
Ringgit Malaysia			18,055

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Foreign exchange risk (Cont'd)

Sensitivity analysis

The following table illustrates the hypothetical sensitivity of the Group's and the Company's profit/(loss) before tax to a reasonably possible change in the USD and KHR exchange rates at the reporting date against the functional currency of the Group entities, with all other variables held constant.

	Change in rate	Effect on profit/(loss) before tax for the financial year			
		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
USD/RM	+ 5%	138	903	134	903
	- 5%	(138)	(903)	(134)	(903)
USD/RMB	+ 5%	898	1,001	–	–
	- 5%	(898)	(1,001)	–	–
USD/HKD	+ 5%	(2,296)	(650)	–	–
	- 5%	2,296	650	–	–
USD/SGD	+ 5%	5	65	–	–
	- 5%	(5)	(65)	–	–
KHR/USD	+ 5%	7	9	–	–
	- 5%	(7)	(9)	–	–

(iii) Liquidity risk

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group and the Company are committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Liquidity risk (Cont'd)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM'000	On demand within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
Group					
2024					
Financial liabilities:					
Trade and other payables	102,570	102,570	–	–	102,570
Loans and borrowings	78,816	67,275	8,251	24,024	99,550
	181,386	169,845	8,251	24,024	202,120
2023					
Financial liabilities:					
Trade and other payables	78,922	78,922	–	–	78,922
Loans and borrowings	56,513	48,236	4,773	23,023	76,032
	135,435	127,158	4,773	23,023	154,954
Company					
2024					
Financial liabilities:					
Trade and other payables		5,704	5,704	–	5,704
Hire purchase payables		616	174	506	680
Financial guarantee contracts		–	49,035	–	49,035
		6,320	54,913	506	55,419
2023					
Financial liabilities:					
Trade and other payables		5,407	5,407	–	5,407
Hire purchase payables		579	135	512	647
Financial guarantee contracts		–	29,655	–	29,655
		5,986	35,197	512	35,709

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Credit risk

The Group's and the Company's credit risk is primarily attributable to trade and other receivables. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policies that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's and the Company's exposure to bad debts is not significant.

The credit risk of the Group's and of the Company's other financial assets, which comprise deposit, cash and bank balances arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group and the Company do not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is a credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

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

Trade receivables and contract assets

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position; and
- An amount of RM49,035,000 (2023: RM29,655,000) relating to a corporate guarantee provided by the Company to bank for subsidiaries' loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit risk concentration profile

At the reporting date, the Group has significant concentration of credit risk that may arise from exposure two (2023: two) customers who accounted for 73% (2023: 71%) of total trade receivables. The directors believe that this will not create significant credit risk for the Group in view of the length of relationship with these customers and the Group works closely with its customers to provide customer satisfaction through timely delivery and the provision of high quality products and services at competitive cost.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the security pledged by the subsidiaries and it is unlikely that the subsidiaries will default within the guarantee provided.

The Group and the Company apply the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's trade receivables using the provision matrix are as follows:

	Gross carrying amount at default RM'000
Group	
At 31 March 2024	
Contract assets	4,400
Trade receivables	
Current	51,815
1-30 days past due	2,014
31-60 days past due	273
61-90 days past due	558
91-120 days past due	12
	54,672
Impaired - individually	324
	54,996
	59,396

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit risk concentration profile (Cont'd)

The information about the credit risk exposure on the Group's trade receivables using the provision matrix are as follows (Cont'd):

	Gross carrying amount at default RM'000
Group	
At 31 March 2023	
Contract assets	1,868
Trade receivables	
Current	27,619
1-30 days past due	6,776
31-60 days past due	13,501
61-90 days past due	287
91-120 days past due	124
More than 120 days past due	1,564
	49,871
Impaired - individually	100
	49,971
	51,839

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date are disclosed in Note 11(a).

Other receivables and other financial assets

For other receivables and other financial assets (including deposits, cash and bank balances and short-term funds), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Credit risk (Cont'd)

Other receivables and other financial assets (Cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Lease receivables

The credit risk associated with lease receivables is mitigated by way of obtaining security over the leased equipment. At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amounts recognised in the statements of financial position.

The following table provides information about the expected credit losses for lease receivables as at the end of the reporting period:

	Contractually Undue RM'000	Due RM'000	Gross carrying amount- RM'000	Impaired collectively- RM'000	Impaired individually RM'000	Net carrying amount RM'000
Group						
31 March 2024						
Not pass due	24,189	-	24,189	(1,117)	-	23,072
Past due:						
- 1 to 90 days	18,492	841	19,333	(894)	-	18,439
- more than 90 days	1,946	404	2,350	-	(2,350)	-
	20,438	1,245	21,683	(894)	(2,350)	18,439
	44,627	1,245	45,872	(2,011)	(2,350)	41,511

	Contractually Undue RM'000	Due RM'000	Gross carrying amount- RM'000	Impaired collectively- RM'000	Impaired individually RM'000	Net carrying amount RM'000
Group						
31 March 2023						
Not pass due	21,034	-	21,034	(549)	-	20,485
Past due:						
- 1 to 90 days	10,307	409	10,716	(277)	(108)	10,331
- more than 90 days	1,016	210	1,226	-	(1,226)	-
	11,323	619	11,942	(277)	(1,334)	10,331
	32,357	619	32,976	(826)	(1,334)	30,816

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Credit risk (Cont'd)

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM49,035,000 (2023: RM29,655,000) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 36(b)(iii). As at reporting date, there was no loss allowance for expected credit losses as determined by the Company for the financial guarantee.

(c) Fair value measurement

The carrying amounts of deposit, cash and bank balances, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amount of long-term and short-term floating rate borrowings approximates their fair values as the borrowings will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1 and Level 2 during the financial year (2023: no transfer in either directions).

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (Cont'd)

The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments:

Group	Carrying amount RM	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total RM
		Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	
31 March 2024								
Financial assets								
Short-term funds	4,357	4,357	-	-	-	-	4,357	-
Financial liabilities								
Hire purchase payables	(616)	-	-	-	-	-	(627)	(627)
31 March 2023								
Financial assets								
Short-term funds	5,293	5,293	-	-	-	-	5,293	-
Financial liabilities								
Hire purchase payables	(579)	-	-	-	-	-	(589)	(589)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (Cont'd)

The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments: (Cont'd)

	Carrying amount RM	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total RM
		Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	
Company								
31 March 2024								
Financial assets								
Short-term funds	693	693	-	-	-	-	-	-
Financial liabilities								
Hire purchase payables	(616)	-	-	-	-	-	(627)	(627)
31 March 2023								
Financial assets								
Short-term funds	668	668	-	-	-	-	-	-
Financial liabilities								
Hire purchase payables	(579)	-	-	-	-	-	(589)	(589)

Level 3 fair value

Fair value of financial instruments not carried at fair value

The fair value of hire purchase payable is determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**37. SEGMENT INFORMATION**

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- i) Apparel - manufacturing and marketing of apparels, manufacturing of seamless bonding, embroidering of logos and emblems, printing and marketing of silk screen printing products.
- ii) Label and packaging - printing of labels and stickers.
- iii) Credit financing - provision of financial services, including money lending, loan negotiation and various financing solutions.
- iv) Others - investment holding, provision for management services and medical businesses.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal ordinary course of business and have been established on negotiated and mutually agreed basis.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

37. SEGMENT INFORMATION (CONT'D)

	Apparel RM'000	Label and packaging RM'000	Credit financing RM'000	Others RM'000	Adjustments and elimination RM'000	Note	Total RM'000
31 March 2024							
Revenue:							
External sales	367,811	185	9,303	548	-	(a)	377,847
Inter-segment sales	89,932	82	-	1,914	(91,928)		-
Total revenue	457,743	267	9,303	2,462	(91,928)		377,847
Results:							
Bad debts recovered	-	-	5	-	-		5
Depreciation and amortisation:							
- property, plant and equipment	9,646	-	48	245	(389)		9,550
- investment properties	259	644	-	12	-		915
- intangible assets	-	-	-	4	-		4
Expenses relating to:							
- short term leases	777	-	-	120	-		897
- low value assets	453	-	3	1	-		457
Finance costs	5,067	-	1,372	37	(1,121)		5,355
Interest income	(561)	-	(11)	(1,610)	1,103		(1,079)
Inventories written down	74	-	-	-	-		74
Gain/(Loss) on disposal of property, plant and equipment	150	(37)	-	(16)	-		97
Net impairment losses on:							
- lease receivables	-	-	4,091	-	-		4,091
- trade and other receivables	214	-	-	-	-		214
Rental income	(716)	(388)	-	(167)	-		(1,271)
Waiver of debts	-	-	-	(35)	32		(3)
Segment profit/(loss)	5,190	(603)	2,443	(4,351)	1,963	(b)	4,642
Tax expense	(226)	-	(614)	(200)	203		(837)
Profit/(Loss) for the financial year	4,964	(603)	1,829	(4,551)	2,166		3,805
Assets:							
Additions to non-current assets	6,982	-	163	209	-	(c)	7,354
Segment assets	364,186	7,257	43,910	114,483	(171,022)	(d)	358,814
Segment liabilities	(274,387)	(17,093)	(18,574)	(15,019)	141,617	(e)	(183,456)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

37. SEGMENT INFORMATION (CONT'D)

	Apparel RM'000	Label and packaging RM'000	Credit financing RM'000	Others RM'000	Discontinued operations RM'000	Adjustments and elimination RM'000	Note	Total RM'000
31 March 2023								
Revenue:								
External sales	457,422	425	5,521	65	14,060	(14,060)	(a)	463,433
Inter-segment sales	103,877	160	-	9,071	169	(113,277)		-
Total revenue	561,299	585	5,521	9,136	14,229	(127,337)		463,433
Results:								
Depreciation and amortisation:								
- property, plant and equipment	8,650	-	32	237	-	(268)		8,651
- investment properties	253	615	-	12	-	-		880
Expenses relating to:								
- short term leases	789	-	-	103	-	-		892
- low value assets	526	-	3	1	1	(1)		530
Finance costs	4,777	-	1,349	26	632	(1,980)		4,804
Interest income	(194)	-	-	(1,909)	(14)	1,362		(755)
Inventories written (back)/down	(6)	-	-	-	-	-		(6)
Gain on disposal of property, plant and equipment	(24)	(108)	-	(83)	-	18		(197)
Gain on disposal of a subsidiary	-	-	-	-	(6,212)	6,212		-
Net impairment losses/(reversal of impairment losses) on:								
- lease receivables	-	-	1,919	-	-	-		1,919
- trade and other receivables	(7)	-	-	-	-	-		(7)
Rental income	(631)	(392)	-	(122)	-	153		(992)
Waiver of debts	-	-	-	(6,830)	-	5,839		(991)
Segment profit/(loss)	6,991	(710)	1,194	24,686	6,018	(27,944)	(b)	10,235
Tax expense	(2,065)	-	(253)	(385)	-	(209)		(2,912)
Profit/(Loss) for the financial year	4,926	(710)	941	24,301	6,018	(28,153)		7,323
Assets:								
Additions to non-current assets	8,053	-	30	787	-	(520)	(c)	8,350
Segment assets	290,335	8,476	32,410	126,751	75,139	(224,996)	(d)	308,115
Segment liabilities	(213,250)	(17,112)	(26,404)	(18,019)	(68,359)	204,676	(e)	(138,468)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

37. SEGMENT INFORMATION (CONT'D)

- (a) Reconciliation of reportable revenue to the corresponding amounts of the Group are as follow:

	Group	
	2024	2023
	RM'000	RM'000
Total revenue for reportable segments	377,847	477,662
Discontinued operations (Note 17)	–	(14,229)
<hr/>		
Revenue of the Group per consolidated statements of profit or loss and other comprehensive income	377,847	463,433
<hr/>		

- (b) The following items are added to/(deducted from) segment profit/(loss) to arrive at profit before tax presented in the statements of comprehensive income.

	2024	2023
	RM'000	RM'000
Impairment loss on investment in subsidiaries	2,120	2,453
Profit from inter-segment sales	(157)	(30,397)
<hr/>		
	1,963	(27,944)
<hr/>		

- (c) Additions to non-current assets consist of:

	Group	
	2024	2023
	RM'000	RM'000
Property, plant and equipment	7,354	8,350
<hr/>		

- (d) Inter-segment assets are deducted from segment assets to arrive at total assets reported in the statements of financial position.

- (e) Inter-segment liabilities are deducted from segment liabilities to arrive at total liabilities reported in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**37. SEGMENT INFORMATION (CONT'D)**Geographical Information

- (i) The following table provides an analysis of the Group's revenue and non-current assets other than deferred tax assets by geographical segment:

	Revenue		Non-current assets	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Continuing operations				
Malaysia	9,529	5,565	35,214	28,305
Cambodia	27,924	21,205	39,560	38,690
The People's Republic of China	157,997	190,185	47,852	49,225
Hong Kong	182,074	246,457	608	526
Singapore	323	21	10	13
	377,847	463,433	123,244	116,759
Discontinued operations				
Malaysia	–	14,229	–	–
	377,847	477,662	123,244	116,759

- (ii) Non-current assets information (other than deferred tax assets) presented above consist of the following items as presented in the statements of financial position:

	2024 RM'000	2023 RM'000
Property, plant and equipment	74,123	74,663
Investment properties	15,688	16,022
Intangible assets	10	14
Lease receivables	33,423	26,060
Total non-current assets	123,244	116,759

Information about major customers

Revenue from three (2023: four) major customers amounted to RM284,037,000 (2023: RM403,508,000), arising from sales by the apparel segment.

38. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 16 July 2024, the Company acquired an additional 1,200,000 ordinary shares representing remaining 5% equity interest in Southern Auto Capital Sdn. Bhd. ("SAC") for a total cash consideration of RM1,290,000. The Company's ownership interest in SAC increased from 95% to 100% as a result of the additional shares purchased.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2024 and 31 March 2023.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings and trade and other payables, less deposits, cash and bank balances and short-term fund whereas total capital comprises the equity attributable to equity holders of the Group and of the Company.

Other than those disclosed in Note 20(b), the Group and the Company are not subject to any externally imposed capital requirements.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loans and borrowings	78,816	56,513	616	579
Trade and other payables	102,570	78,922	5,704	5,407
Short-term funds	(4,357)	(5,293)	(693)	(668)
Deposits, cash and bank balances	(45,371)	(60,618)	(3,504)	(21,777)
Net debts	131,658	69,524	2,123	(16,459)
Equity attributable to the owners of the Company	171,593	167,406	93,203	96,248
Capital and net debt	303,251	236,930	95,326	79,789
Gearing ratio	43%	29%	2%	*

* Not meaningful as the Company is in net cash position.

STATEMENT BY DIRECTORS

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

We, **DATO' CHAN CHOR NGIAK** and **CHAN CHOW TEK**, being two of the directors of PCCS Group Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 124 to 196 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of their financial performance and cash flows for the financial year then ended.

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

.....
DATO' CHAN CHOR NGIAK

Director

.....
CHAN CHOW TEK

Director

Date: 26 July 2024

STATUTORY DECLARATION

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

I, **DATO' CHAN CHOR NGIAK**, being the director primarily responsible for the financial management of PCCS Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 124 to 196 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.

.....
DATO' CHAN CHOR NGIAK

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 26 July 2024.

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PCCS GROUP BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PCCS Group Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 124 to 196.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with the 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*.

Key Audit Matters

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

Group

Inventories (Notes 4(a) and 10 to the financial statements)

The Group has significant inventories amounting to RM105,933,000 as at 31 March 2024. The accounting policy for the inventories of the Group is to state inventories at lower of cost and net realisable value. The review of saleability and valuation of inventories at the lower of cost and net realisable value are an area of significant judgement and estimate. The Group writes down its obsolete or slow-moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Group analyses expected sales trend when making a judgement to evaluate the adequacy of the write-down of obsolete or slow-moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amounts of inventories.

We focused on the inventories due to significance of the value of inventories as part of the total assets.

INDEPENDENT AUDITORS' REPORT
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Group (Cont'd)

Inventories (Notes 4(a) and 10 to the financial statements) (Cont'd)

Our response:

Our audit procedures included, among others:

- observing year end physical inventory count to examine the physical existence and condition of the inventories;
- understanding the Group's assessment on estimated net realisable values on selected inventory items; and
- discussing with the directors whether the inventories have been written down to their net realisable values for inventory items, if any, with net realisable values lower than their costs.

Trade receivables and lease receivables (Notes 4(b), 9 and 11 to the financial statements)

The Group has significant trade receivables and lease receivables as at 31 March 2024. In making the assumptions about risk of default and expected loss rate of the trade receivables and lease receivables, the directors selected inputs to the impairment calculation, based on the Group's past history and existing market conditions at the end of the reporting period. We focused on this area because the directors made significant judgements over assumptions in this area.

Our response:

Our audit procedures included, among others:

- understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondence, discussing with management and understanding their explanation on recoverability of selected receivables with significantly past due balances; and
- discussing with management the reasonableness and calculation of impairment loss as at the end of the reporting period.

Company

We have determined that there are no key audit matters to be communicated in our report which arise from the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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 the 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.

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

INDEPENDENT AUDITORS' REPORT
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 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 responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Zu Wei
No. 03545/12/2024 J
Chartered Accountant

Kuala Lumpur

Date: 26 July 2024

GROUP PROPERTIES

AS AT 31 MARCH 2024

No.	Location	Description and Existing Use	Tenure	Land Area (build-up area) sq. ft.	Age of Building No. of Years	Net Book Value RM'000	Date of Acquisition/ Revaluation*
La Prima Medtech Sdn. Bhd.							
1.	No. 18, Jalan Keris Naga, Taman Pasifik Selatan, 83000 Batu Pahat, Johor, Malaysia.	4 Storey Building Complex	Freehold	6,056 (13,946)	31	629	04/04/1994*
Keza Sdn Bhd							
2.	No. 11A, Jalan 3, Taman Perindustrian Sinaran, 86000 Kluang, Johor, Malaysia.	Factory Building	Freehold	2,002 (2,000)	25	93	04/09/2007
PCCS Garments (Suzhou) Ltd							
3.	North Side of Road 318, Jin Xing Village, Zhen Ze Town Development Zone, 215231 Zhen Ze ,Wu Jiang City, Jiang Su Province, China.	Office and Factory Building	Leasehold expiring 3/11/2052	162,497 (128,325)	22	8,690	28/08/2008
		1 Block of Dormitory	Leasehold expiring 27/7/2058	23,509 (28,710)	16	1,493	21/8/2008
4.	Room 203, 205 & 206, 2nd Floor, Shanghai Western Business District C-2, No.31, Lot 1555, Jing Sha Jiang Xi Road, Jia Ding Area, Shanghai, China 201803	3 units Office Lot cum 3 units car park	Leasehold expiring 13/9/2056	10,570 (9,462)	11	6,656	30/4/2013
5.	Room 3, 28th Floor, 1st Block, Time Square, Yan Jiang Road No. 159, Jiang An Area, Wuhan City, Hubei Province, China.	1 unit Office Lot	Leasehold expiring 01/03/2053	1,939 (1,939)	20	1,914	09/09/2010
Mega Labels & Stickers (Cambodia) Co., Ltd.							
6.	P2-067, Phnom Penh Special Economic Zone, Sangkat Kantouk, Sangkat Phleung Chhe Rotes, and Sangkat Beung Thom, Khan Por Senchey, Phnom Penh, Cambodia.	2 Blocks of 2 Storey Office and Factory Building	Leasehold expiring 22/7/2062	61,785 (42,614)	12	4,234	23/07/2012
7.	P2-068, Phnom Penh Special Economic Zone, Sangkat Kantouk, Sangkat Phleung Chhe Rotes, and Sangkat Beung Thom, Khan Por Senchey, Phnom Penh, Cambodia.	Factory Building	Leasehold expiring 12/9/2062	56,145 (25,663)	9	2,162	12/09/2012

GROUP PROPERTIES
(CONT'D)

No.	Location	Description and Existing Use	Tenure	Land Area (build-up area) sq. ft.	Age of Building No. of Years	Net Book Value RM'000	Date of Acquisition/ Revaluation*
PCCS Garments (Shandong) Limited							
8.	ShanDong Province, Shan County YuanYi Street, Lao DingDang Road Off TianYuan Primary School 274300 China.	3 Blocks of 1 Storey Production Floor; 1 Block of 2 Storey Multimedia Room; 1 Block of 1 Storey Staff Canteen; 2 Blocks of 1 Storey Warehouses; 1 Block of 3 Storey Administrative Office; 2 Blocks of 2 Storey Warehouses and 2 Blocks of 3 Storey Hostel	Leasehold Expiring 16/12/2068	496,076 (252,629)	13	18,683	03/09/2019
Wan He Da Manufacturing Company Limited							
9.	National Road No. 4, Phum Ang, Sangkat Chaom Chau, Khan Pou Senchey, Phnom Penh City, Kingdom of Cambodia.	1 Block of 2 Storey Factory Building; 2 Blocks of 4 Storey Factory and Office Building	Leasehold Expiring 31/12/2075	222,425 (225,217)	16	10,797	10/09/2019

ANALYSIS OF SHAREHOLDINGS

AS AT 28 JUNE 2024

Total Issued Share Capital : 223,020,907 shares (including 2,430,900 Treasury Shares)
 Class of Shares : Ordinary Shares
 Voting rights : One (1) vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% ^	No. of Shares	% ^
1 – 99	305	10.99	13,951	0.01
100 – 1,000	307	11.07	187,569	0.09
1,001 – 10,000	1,413	50.94	6,303,992	2.86
10,001 – 100,000	631	22.75	20,325,904	9.21
100,001 and 11,029,499 (*)	114	4.11	82,811,421	37.54
11,029,500 and above (**)	4	0.14	110,947,170	50.30
TOTAL	2,774	100.00	220,590,007 ^	100.00

Remark: * Less than 5% of issued holdings
 ** 5% and above of issued holdings
 ^ Excluding 2,430,900 Treasury Shares

LIST OF SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of PCCS (holding 5% or more of the capital) based on the Register of Substantial Shareholders of the Company are as follows:

Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Share	% ^	No. of Shares	% ^
CCS Capital Sdn. Bhd.	93,734,228	42.49	–	–
Chan Choo Sing	8,376,102	3.80	95,636,328 ⁽¹⁾	43.35
Tan Kwee Kee	1,902,100	0.86	102,110,330 ⁽²⁾	46.29
Chan Wee Kiang	2,211,964	1.00	93,734,228 ⁽³⁾	42.49
Federlite Holdings Sdn. Bhd.	15,776,800	7.15	–	–
Soh Chak Boo	702,500	0.32	15,776,800 ⁽⁴⁾	7.15
Mok Puay Kang	300,000	0.14	15,776,800 ⁽⁴⁾	7.15
Chan Chow Tek	11,536,142	5.23	–	–

Notes:

- ^ Calculated based on the total number of issued shares of 220,590,007 ordinary shares excluding Treasury Shares of 2,430,900 ordinary shares
- (1) Deemed interested by virtue of his spouse, Madam Tan Kwee Kee's shareholding in the Company and his direct interest of 40% in the equity of CCS Capital Sdn. Bhd.
- (2) Deemed interested by virtue of her spouse, Mr. Chan Choo Sing's shareholding in the Company and her direct interest of 20% in the equity of CCS Capital Sdn. Bhd.
- (3) Deemed interested by virtue of his direct interest of 30% in the equity of CCS Capital Sdn. Bhd.
- (4) Deemed interested by virtue of the shares held by him/her in Federlite Holdings Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

LIST OF DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings of PCCS based on the Register of Directors' Shareholdings of the Company are as follows:

Directors	Direct Interest		Indirect Interest	
	No. of Share	% ^	No. of Shares	% ^
Chan Wee Kiang	2,211,964	1.00	93,734,228 ⁽¹⁾	42.49
Chan Wee Boon	440,000	0.20	–	–
Chan Chow Tek	11,536,142	5.23	–	–
Dato' Chan Chor Ngiak	5,089,026	2.31	4,665 ⁽²⁾	negligible
Chan Chor Ang	4,607,969	2.09	100,000 ⁽³⁾	0.05
Piong Yew Peng	250,000	0.11	–	–
Joyce Wong Ai May	60,000	0.03	–	–
Goh Wen Ling	–	–	–	–

Notes:

- ^ Calculated based on the total number of issued shares of 220,590,007 ordinary shares excluding Treasury Shares of 2,430,900 ordinary shares
- ⁽¹⁾ Deemed interested by virtue of his direct interest of 30% in the equity of CCS Capital Sdn. Bhd.
- ⁽²⁾ Deemed interested by virtue of his spouse, Datin Mok Gwa Nang's shareholding in the Company.
- ⁽³⁾ Deemed interested by virtue of his spouse, Madam Chia Lee Kean's shareholding in the Company.

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

THIRTY (30) LARGEST SHAREHOLDERS

No.	Shareholders	Number of Shares	% [^]
1	CCS Capital Sdn Bhd	55,034,228	24.95
2	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for CCS Capital Sdn Bhd	28,600,000	12.97
3	Federlite Holdings Sdn Bhd	15,776,800	7.15
4	Chan Chow Tek	11,536,142	5.23
5	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for CCS Capital Sdn. Bhd.	10,100,000	4.58
6	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for See Kok Wah	8,621,400	3.91
7	Chan Choo Sing	8,376,102	3.80
8	Chan Chor Ngiak	5,089,026	2.31
9	Chan Chor Ang	4,607,969	2.09
10	Chan Wee Kiang	2,211,964	1.00
11	Chan Wah Kiang	2,000,000	0.91
12	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kwee Kee	1,902,100	0.86
13	Ching Gek Lee	1,900,000	0.86
14	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Foo Kong	1,602,900	0.73
15	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ooi Keng Thye	1,547,200	0.70
16	Ban Hock Seng Sdn Bhd	1,450,000	0.66
17	Chan Wah Kiang	1,300,000	0.59
18	Low Hing Noi	1,300,000	0.59
19	Gek Lee Enterprise Sdn Bhd	1,250,000	0.57
20	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kong Kok Choy	1,120,000	0.51
21	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim King Hua	1,120,000	0.51
22	PM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kong Kok Choy (B)	1,100,000	0.50
23	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Siew Li	1,070,000	0.49
24	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Seong Liam	1,000,000	0.45
25	Syarikat Rimba Timur (RT) Sdn Bhd	1,000,000	0.45
26	IFAST Nominees (Tempatan) Sdn Bhd Lim Poh Teot	876,866	0.40
27	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Law Goo @ Law Yeow Ching	850,000	0.39
28	Soh Chak Boo	702,500	0.32
29	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ooi Chin Hock	663,350	0.30
30	Tan Tiow Aik	587,000	0.27
		174,295,547	79.01

Note:

[^] Calculated based on the total number of issued shares of 220,590,007 ordinary shares excluding Treasury Shares of 2,430,900 ordinary shares



PCCS GROUP BERHAD
[Registration No. 199301026191 (280929-K)]
(Incorporated in Malaysia)

FORM OF PROXY

NUMBER OF SHARES HELD	CDS ACCOUNT NO.

*I/We, _____
(Full Name as per NRIC/Certificate of Incorporation in Capital Letters)

Registration No./NRIC No./ Passport No. _____ of _____
(Full Address)

being a *Member/Members of PCCS GROUP BERHAD, do hereby appoint _____
NRICNo./PassportNo. _____
(Full Name as per NRIC in Capital Letters)

of _____
(Full Address)

or failing *him/her, _____ NRICNo./PassportNo. _____
(Full Name as per NRIC in Capital Letters)

of _____
(Full Address)

or failing *him/her, the CHAIRMAN OF THE MEETING, as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the Thirtieth Annual General Meeting of the Company to be held at PCCS Group Berhad's Corporate Office, Lot 1376, GM127, Mukim Simpang Kanan, Jalan Kluang, 83000 Batu Pahat, Johor Darul Takzim on Monday, 26 August 2024 at 10:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Resolutions No.	Resolutions	For	Against
1.	To re-elect Mr. Chan Wee Kiang		
2.	To re-elect Mr. Chan Wee Boon		
3.	To re-elect Ms. Joyce Wong Ai May		
4.	To approve the payment of Directors' fees.		
5.	To approve the benefits payable to the Non-Executive Directors.		
6.	To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights.		
8.	Retention of Mr. Piong Yew Peng as Independent Non-Executive Director.		
9.	Proposed Renewal of Share Buy-Back Authority		

* Strike out whichever not applicable

Signed this _____ day of _____ 2024

Signature of Member/Common Seal



Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 August 2024 (“**General Meeting Record of Depositors**”) shall be eligible to attend the Meeting.
2. A member entitled to attend and vote at the Meeting, shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote instead of the member at the Meeting. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to attend, participate, speak and vote at the Meeting and upon appointment, a proxy shall be deemed to confer authority to demand or join in demanding a poll.
3. Where a member appoints more than one (1) proxy in relation to the Meeting, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
4. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. 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 its seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof.
7. Any Notice of Termination of Authority to act as Proxy must be received by the Company before the commencement of the Meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-
 - (a) the constitution of the quorum at such meeting;
 - (b) the validity of anything he/she did as chairman of such meeting;
 - (c) the validity of a poll demanded by him/her at such meeting; or
 - (d) the validity of the vote exercised by him/her at such meeting.

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AFFIX
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PCCS Group Berhad [199301026191 (280929-K)]
Securities Services (Holdings) Sdn. Bhd.

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan

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PCCS GROUP BERHAD

Reg. No. 199301026191 (280929-K)
(Incorporated In Malaysia)

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Mukim Simpang Kanan,
Jalan Kluang, 83000 Batu Pahat,
Johor Darul Takzim
Tel No: +607-456 8871 / +6012-794 0574

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