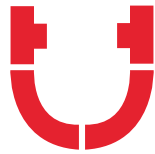


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BUILDING A SUSTAINABLE TOMORROW



UNITRADE

UNITRADE INDUSTRIES BERHAD

(Registration No.: 202101013724 (1414023-X))

ANNUAL REPORT 2024

S

Building A Sustainable Tomorrow

Guided by the unwavering direction of our compass, we remain dedicated to building a sustainable tomorrow. This element symbolises our commitment to navigating the complexity of today's market while consistently focusing on a sustainable future. Regardless of the challenges, our focus remains on creating lasting positive impact for future generations.

This report is available at
www.unitrade.com.my/reports-presentations



To access our Annual Report, please scan the QR code with a QR code reader application on your smartphone.



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Corporate Profile

OUR MISSION

We strive to be the leading supplier and distributor of building materials, specifically pipes fittings and valves.

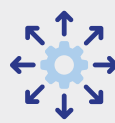
OUR CORE VALUES



Integrity



Reliability



Infinite Possibilities

Unitrade Industries Berhad and its subsidiaries (“Unitrade” or “the Group”) are a leading wholesaler and distributor of building materials. The Group is primarily involved in the wholesale and distribution of building materials, offering an extensive range of products for building and construction activities, specifically in mechanical and electrical (“M&E”) works and civil works. Additionally, Unitrade is engaged in the manufacturing and sale of pre-insulated pipes and rental of temporary structural support equipment for building construction activities. Furthermore, the completion of a 51%-stake acquisition in Intergreen Metals Sdn. Bhd. in January 2024 marks the Group’s foray into the metal recycling business to promote the reuse and recycling of metal resources.

Unitrade has a rich history dating back to its establishment in 1979. Today, it offers a comprehensive catalogue of over 6,000 stock-keeping units (“SKUs”) of pipes, valves, fittings (“PVF”), and accessories for M&E works, as well as steel products and other building materials for civil works. The Group operates from a centralised warehouse in Shah Alam, Selangor, and serves over 1,300 active customers nationwide, including M&E contractors, building contractors, traders, manufacturers, and retailers. Its products are used throughout the lifecycle of buildings and infrastructure, from new building and infrastructure construction to building refurbishments, retrofitting, repair, and maintenance.



Corporate Information

BOARD OF DIRECTORS

Dato' Abdul Majit Bin Ahmad Khan
Independent Non-Executive
Chairman

Sim Keng Chor
Executive Vice Chairman

Nomis Sim Siang Leng
Group Managing Director

Simson Sim Xian Zhi
Executive Director

Dato' Lok Bah Bah @ Loh Yeow Boo
Senior Independent Non-Executive
Director

Cynthia Toh Mei Lee
Independent Non-Executive Director

Ong Soo Chan
Independent Non-Executive Director

Datin Shivajini Sathya Seelan
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Lok Bah Bah @ Loh Yeow Boo
(Chairman)
Senior Independent Non-Executive
Director

Cynthia Toh Mei Lee
Independent Non-Executive Director

Ong Soo Chan
Independent Non-Executive Director

Datin Shivajini Sathya Seelan
Independent Non-Executive Director

REMUNERATION COMMITTEE

Ong Soo Chan (Chairwoman)
Independent Non-Executive Director

Dato' Lok Bah Bah @ Loh Yeow Boo
Senior Independent Non-Executive
Director

Cynthia Toh Mei Lee
Independent Non-Executive Director

Datin Shivajini Sathya Seelan
Independent Non-Executive Director

NOMINATION COMMITTEE

Dato' Lok Bah Bah @ Loh Yeow Boo
(Chairman)
Senior Independent Non-Executive
Director

Cynthia Toh Mei Lee
Independent Non-Executive Director

Ong Soo Chan
Independent Non-Executive Director

Datin Shivajini Sathya Seelan
Independent Non-Executive Director

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Cynthia Toh Mei Lee (Chairwoman)
Independent Non-Executive Director

Ong Soo Chan
Independent Non-Executive Director

Nomis Sim Siang Leng
Group Managing Director

Datin Shivajini Sathya Seelan
Independent Non-Executive Director

REGISTERED OFFICE

Boardroom Corporate Services Sdn. Bhd.
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor
Tel no. : 03-7890 4800
Fax no. : 03-7890 4650
Email : boardroom-kl@
boardroomlimited.com

HEAD OFFICE

2, Jalan Astaka U8/87
Seksyen U8, Bukit Jelutong
40150 Shah Alam
Selangor
Tel no. : 03-7843 2828
Fax no. : 03-7845 6366

CORPORATE WEBSITE

www.unitrade.com.my

INVESTOR RELATIONS

E-mail : IR@unitrade.com.my

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
(SSM PC No. 202008001023)

Tan Ai Ning (MAICSA 7015852)
(SSM PC No. 202008000067)

Nelson Foo Chean Ee (MAICSA 7070316)
(SSM PC No. 202008003986)

AUDITORS

KPMG PLT
Level 10, KPMG Tower
8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor
Tel no. : 03-7721 3388
Fax no. : 03-7721 3399

SPONSOR

M & A Securities Sdn. Bhd.
Level 11, 45 & 47, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel no. : 03-2284 2911
Fax no. : 03-2284 2718

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Al-Rajhi Banking & Investment
Corporation (M) Berhad
AmBank (M) Berhad/AmBank Islamic
Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Bhd

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor
Tel no. : 03-7890 4700
Fax no. : 03-7890 4670
Email : bsr.helpdesk@
boardroomlimited.com

STOCK EXCHANGE LISTING

**ACE Market of Bursa Malaysia
Securities Berhad**
Stock Name: UNITRAD
Stock Code: 0247
Listed on 14 June 2022

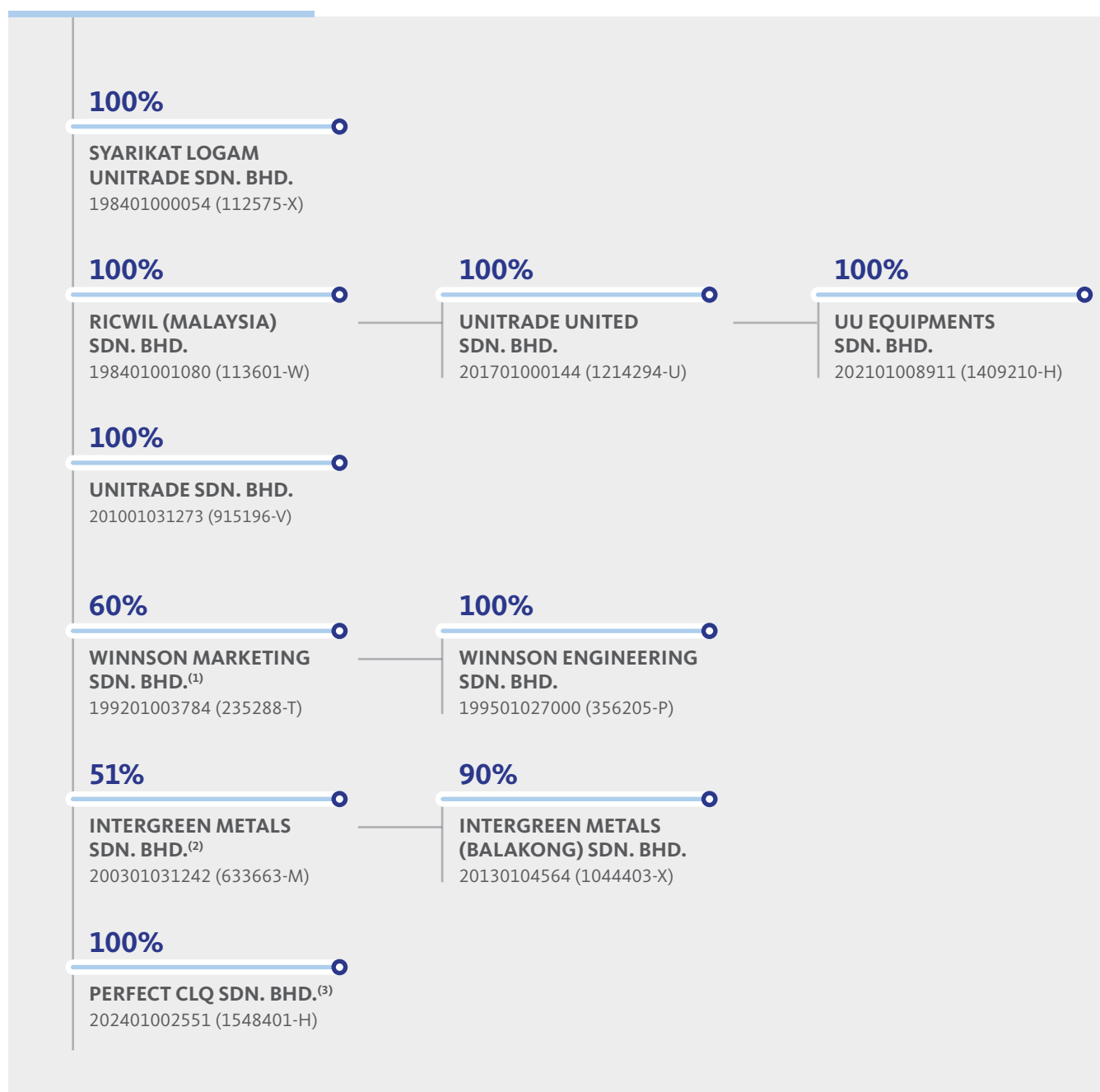
Corporate Structure



UNITRADE

UNITRADE INDUSTRIES BERHAD

202101013724 (1414023-X)



Note:

⁽¹⁾ Acquired on 18 August 2023

⁽²⁾ Acquired on 8 January 2024

⁽³⁾ Incorporated on 17 January 2024

Financial Highlights

Financial Year Ended 31 March

(RM million)	2020 ⁽¹⁾	2021 ⁽¹⁾	2022	2023	2024
Financial Results					
Revenue	1,077.6	1,025.0	1,290.2	1,394.7	1,613.4
Gross Profit	80.9	88.7	113.0	77.2	85.0
Profit Before Tax	29.0	40.1	58.4	20.7	26.8
Profit After Tax and Non-Controlling Interests (PATNCI)	19.1	28.8	43.3	15.4	20.6
Financial Position					
Shareholders' Funds	197.5	218.4	230.4	329.8	338.8
Total Assets	715.2	812.3	879.4	918.8	1,126.9
Net Current Assets	145.3	152.2	149.4	249.8	200.1
Total Borrowings	456.6	489.7	528.8	485.3	546.5
Cash and Bank Balances	37.7	88.4	95.7	96.5	83.4
Financial Ratio					
Basic Earnings per Share (sen)	381.0	523.0 ⁽³⁾	180.2 ⁽²⁾	1.0	1.3
Gross Profit Margin (%)	7.5	8.7	8.8	5.5	5.3
PATNCI Margin (%)	1.8	2.8	3.4	1.1	1.3
Net Gearing Ratio (times)	2.1	1.8	1.9	1.2	1.4

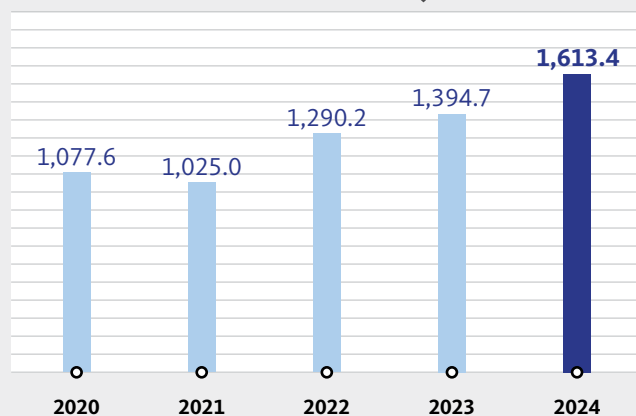
Note:

- ⁽¹⁾ Unitrade Industries Berhad was incorporated on 13 April 2021. We completed the acquisitions of Syarikat Logam Unitrade Sdn. Bhd., Ricwil (Malaysia) Sdn. Bhd. and Unitrade United Sdn. Bhd. on 25 March 2022, and acquisition of Unitrade Sdn. Bhd. on 26 March 2022. As such, the historical financial information of our Group for FY2020 to FY2021 is presented based on the combined audited financial statements of Syarikat Logam Unitrade Sdn. Bhd., Ricwil (Malaysia) Sdn. Bhd. and its subsidiary, Unitrade United Sdn. Bhd. and Unitrade Sdn. Bhd.
- ⁽²⁾ Based on the weighted average number of 23,973,000 ordinary shares as at 31 March 2022 after the completion of the restructuring exercise but before the public issue and issuance of 312,500,000 ordinary shares.
- ⁽³⁾ Based on the weighted average number of 5,500,000 ordinary shares as at 31 March 2021 taking into account the invested equity of Syarikat Logam Unitrade Sdn. Bhd., Ricwil (Malaysia) Sdn. Bhd. and its subsidiary, Unitrade United Sdn. Bhd. and Unitrade Sdn. Bhd. at the end of FY2021.

REVENUE

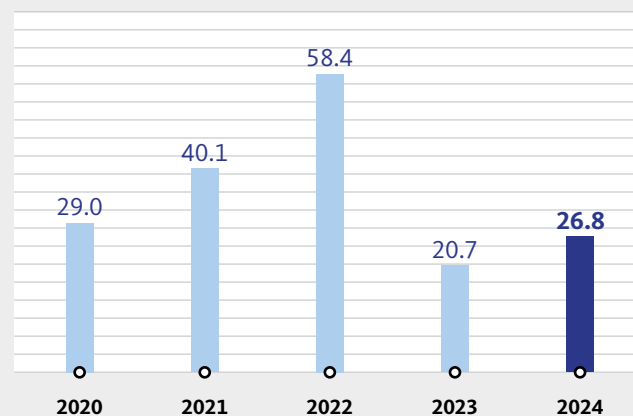
(RM Million)

1,613.4

**PROFIT BEFORE TAX**

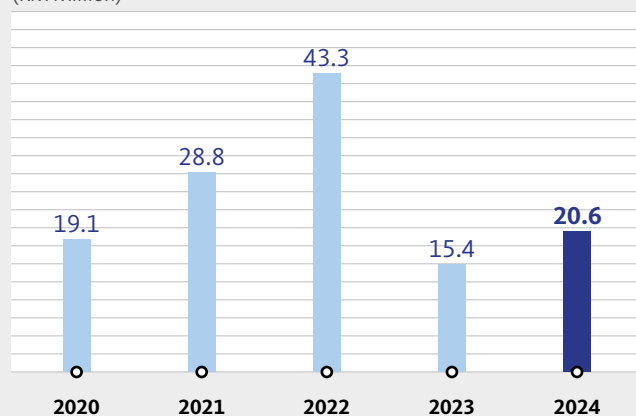
(RM Million)

26.8

**PROFIT AFTER TAX AND
NON-CONTROLLING
INTERESTS (PATNCI)**

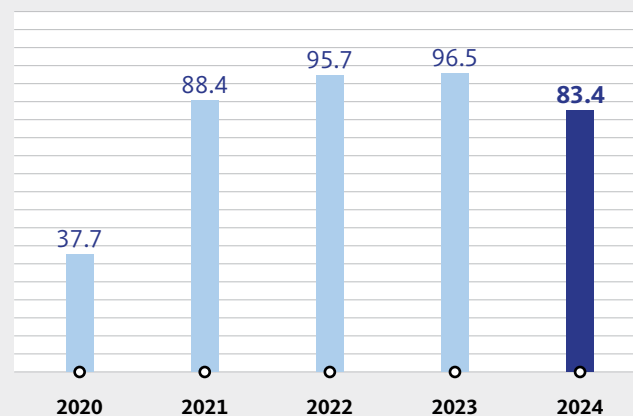
(RM Million)

20.6

**CASH AND BANK
BALANCES**

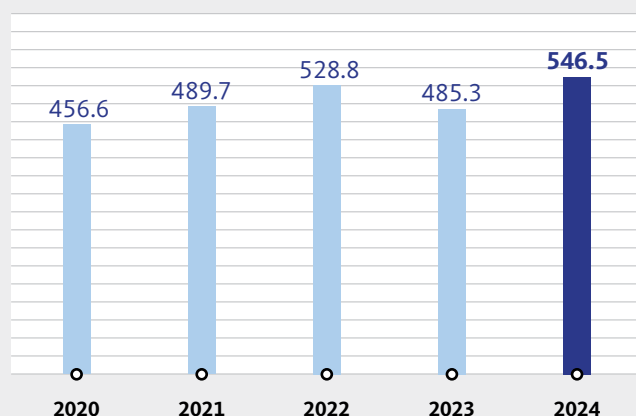
(RM Million)

83.4

**TOTAL BORROWINGS**

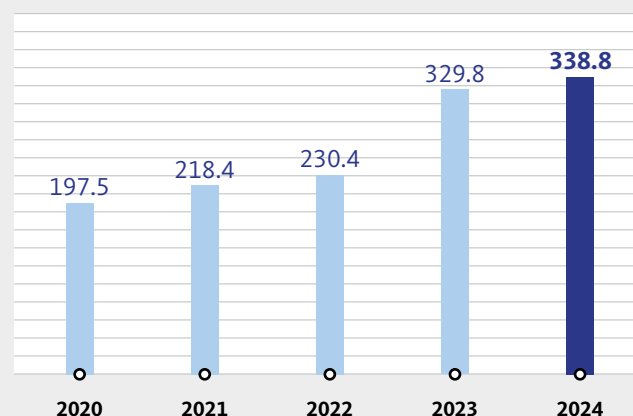
(RM Million)

546.5

**SHAREHOLDERS' FUNDS**

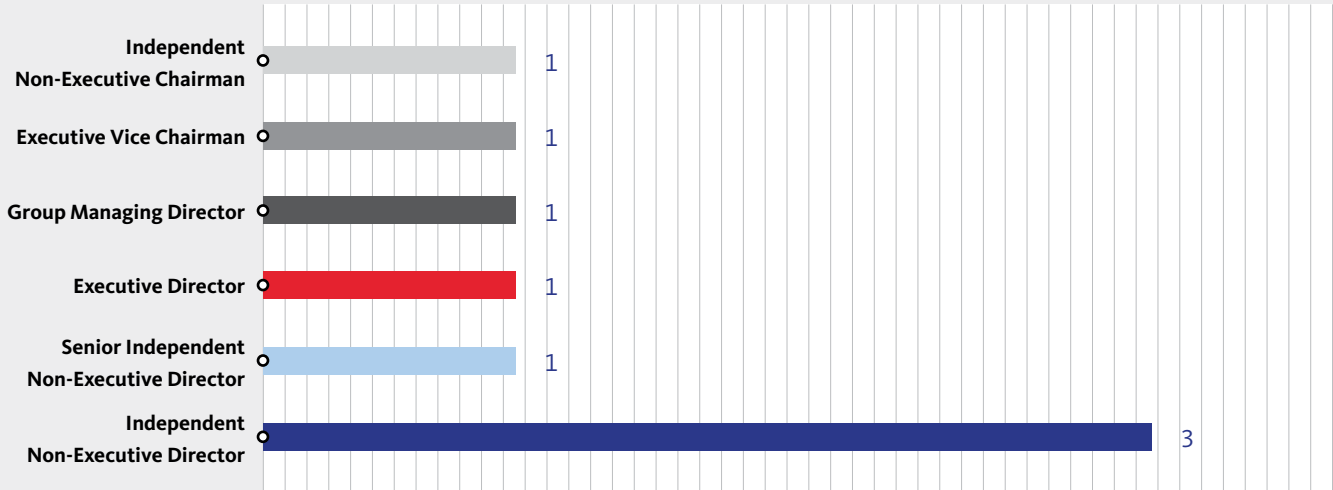
(RM Million)

338.8



Board of Directors

BOARD COMPOSITION



1



2

1. **Dato' Abdul Majit Bin Ahmad Khan**
Independent Non-Executive Chairman

2. **Sim Keng Chor**
Executive Vice Chairman

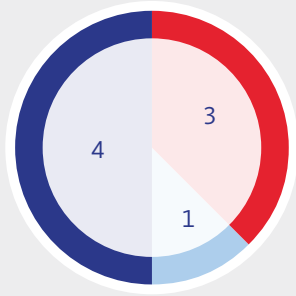
3. **Nomis Sim Siang Leng**
Group Managing Director

4. **Simson Sim Xian Zhi**
Executive Director



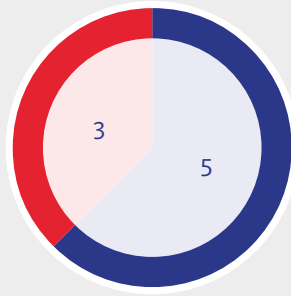
3

BOARD AGE



- < 40 years old
- 41 - 60 years old
- > 60 years old

BOARD GENDER



- Male
- Female



4



5



6

- 5. **Dato' Lok Bah Bah @ Loh Yeow Boo**
Senior Independent Non-Executive Director
- 6. **Cynthia Toh Mei Lee**
Independent Non-Executive Director
- 7. **Ong Soo Chan**
Independent Non-Executive Director
- 8. **Datin Shivajini Sathya Seelan**
Independent Non-Executive Director



7



8

Directors' Profile

DATO' ABDUL MAJIT BIN AHMAD KHAN

Independent Non-Executive Chairman

Age
78

Nationality
Malaysian

Gender
Male

Dato' Abdul Majit Bin Ahmad Khan was appointed to the Board of Unitrade Industries Berhad ("Unitrade" or "the Group") as a Senior Independent Non-Executive Chairman on 15 September 2021 and subsequently re-designated to Independent Non-Executive Chairman on 2 September 2022.

Dato' Abdul Majit holds a Bachelor of Economics (Honours) from University of Malaya. He had served with the Malaysian government for 34 years in various capacities in the Prime Minister's Department and Ministry of Foreign Affairs of Malaysia to strengthen Malaysia's bi-lateral relations. As a diplomat, Dato' Abdul Majit gained wide exposure having served in various countries, namely Laos, Vietnam, USA, Nigeria, as well as the People's Republic of China.

Dato' Abdul Majit also held the positions of Under Secretary of South-East Asia and South Pacific Division, Under Secretary of West Asia and the Organisation in Islamic Cooperation ("OIC"), in addition to being the Director General of the ASEAN Division of the Foreign Ministry. In these capacities, he participated in several Prime Ministerial and Ministerial visits to the respective countries, including to ASEAN and OIC meetings and summits. Furthermore, he had served as the Chairman of Malaysian Investment Development Authority ("MIDA") between April 2019 and April 2021.

Presently, Dato' Abdul Majit is the President of the Malaysia-China Friendship Association, the Honorary President of the Malaysia China Chamber of Commerce, as well as an Adjunct Professor at the Institute of China Studies in University of Malaya. He is also the co-founder of the Cheng He International Peace Foundation.

Dato' Abdul Majit serves as a Director on the board of DutaLand Berhad, and Hong Leong Asset Management Berhad.

Dato' Abdul Majit attended all six (6) Board meetings during the financial year.

SIM KENG CHOR

Executive Vice Chairman

Age
77

Nationality
Malaysian

Gender
Male

Mr. Sim Keng Chor was appointed to the Board of Unitrade as an Executive Vice Chairman on 1 September 2021.

Mr. Sim is the founder of Unitrade. In 1979, with his entrepreneurial spirit and aspiring vision, he established Syarikat Unitrade to undertake the trading of pipes, valves, fittings, and accessories. Since then, he has been instrumental in spearheading the growth and strategic development of the Group. Under his leadership, Unitrade has grown to become one of the largest homegrown wholesalers and distributor of building materials in Malaysia.

Equipped with over 44 years of experience in the business, Mr. Sim holds vast knowledge and in-depth understanding of trends and demands in the industry. At present, he continues to play a major role in charting Unitrade's strategic business direction and expansion.

Mr. Sim Keng Chor is a major shareholder of the Company and his spouse, Ms. Teh Beng Khim is a substantial shareholder of the Company. Mr. Sim is the brother of Sim Aik Chor and Sim Yung Chi, and father of Nomis Sim Siang Leng and Simson Sim Xian Zhi.

Mr. Sim attended all six (6) Board meetings during the financial year.

NOMIS SIM SIANG LENG

Group Managing Director

Age <u>48</u>	Nationality <u>Malaysian</u>	Gender <u>Male</u>
------------------	---------------------------------	-----------------------

Mr. Nomis Sim Siang Leng was appointed to the Board of Unitrade as Group Managing Director on 1 September 2021. He is also a member of the Risk Management and Sustainability Committee of the Group. As Group Managing Director, he is responsible for overseeing and managing the day-to-day operations as well as driving the growth of our Group.

Mr. Nomis Sim holds a Bachelor of Engineering in Mechanical Engineering from Imperial College of Science, Technology and Medicine, University of London, as well as a Master of Science in Analysis, Design & Management of Information Systems from London School of Economics and Political Science, University of London.

Upon graduation, Mr. Nomis Sim was recruited by IBM Malaysia Sdn. Bhd. in April 2000 as an Information Technology (“IT”) Specialist and was involved in programming software for wafer manufacturing machines. Mr. Nomis Sim’s journey with Unitrade started in 2002 when he joined Syarikat Logam Unitrade Sdn. Bhd. (“SLU”) as a Product Development Director. In this capacity, he worked on identifying and sourcing new products to expand the Group’s product offerings. Following Unitrade’s acquisition of Ricwil (Malaysia) Sdn. Bhd. (“Ricwil”), he was appointed as the Chief Executive Officer of Ricwil in December 2007. He gradually took on more responsibilities in strategic planning, as well as overseeing and managing the day-to-day operations in Unitrade across all departments. In 2019, he was redesignated to Chief Executive Officer of SLU, a position he presently holds in addition to being Managing Director of Unitrade.

Mr. Nomis Sim Siang Leng is the son of Sim Keng Chor, nephew of Sim Aik Chor and Sim Yung Chi, and brother of Simson Sim Xian Zhi.

Mr. Nomis Sim attended all six (6) Board meetings during the financial year.

SIMSON SIM XIAN ZHI

Executive Director

Age <u>32</u>	Nationality <u>Malaysian</u>	Gender <u>Male</u>
------------------	---------------------------------	-----------------------

Mr. Simson Sim Xian Zhi was appointed to the Board of Unitrade as Executive Director on 1 September 2021. He is accountable for overseeing the overall operations and business direction of the rental business of our Group. He has also been designated as the key person spearheading the Group’s agenda for Environmental, Social, and Governance (“ESG”).

Mr. Simson Sim holds a Bachelor of Business (Accountancy) in Royal Melbourne Institute of Technology, Australia. He joined SLU in 2014 as an Assistant to Mr. Sim Keng Chor and was responsible for assisting him on the day-to-day management of the company.

Having acquired experience in business development along with deep industry understanding, Mr. Simson Sim was promoted to Business Development Director in April 2018. Prior to that, he was also appointed as a Director of Unitrade United Sdn. Bhd. in January 2017 upon incorporation of the company on the back of his solid track record in yielding strong operational results.

Mr. Simson Sim Xian Zhi is the son of Sim Keng Chor, nephew of Sim Aik Chor and Sim Yung Chi, and brother of Nomis Sim Siang Leng.

Mr. Simson Sim attended all six (6) Board meetings during the financial year.

Directors' Profile

DATO' LOK BAH BAH @ LOH YEOW BOO

Senior Independent Non-Executive Director

Age
75

Nationality
Malaysian

Gender
Male

Dato' Loh Yeow Boo was appointed to the Board of Unitrade as an Independent Non-Executive Director on 15 September 2021 and later on 21 July 2022, he was redesignated to Senior Independent Non-Executive Director. He is the Chairman of the Audit Committee and the Nomination Committee, and a member of the Remuneration Committee.

Dato' Loh holds a Bachelor of Commerce (Accountancy) from Nanyang University, Singapore. He has been a member of the Malaysian Institute of Accountants ("MIA") since June 1980 and was reclassified as Chartered Accountant in June 2001. He is also a member of Certified Practising Accountant ("CPA") Australia since October 1987, and advanced to the status of Fellow of CPA Australia in December 2005.

Dato' Loh has accumulated profound experience spanning across more than four decades, particularly in the field of finance and accounting. He began his career in 1976 as an Accountant at the Eastern & Oriental Hotel Penang. He subsequently gained further experience having worked in different companies across the hospitality and telecommunication industries, serving in various roles that included Assistant Financial Controller, Group Procurement Director, Group Human Resources Director, Financial Controller, and Financial Advisor.

Dato' Loh is currently an Independent Non-Executive Director of Plenitude Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

Dato' Loh attended all six (6) Board meetings during the financial year.

CYNTHIA TOH MEI LEE

Independent Non-Executive Director

Age
51

Nationality
Malaysian

Gender
Female

Ms. Cynthia Toh Mei Lee was appointed to the Board of Unitrade as an Independent Non-Executive Director on 15 September 2021. She is the Chairwoman of the Risk Management and Sustainability Committee, as well as a member of the Audit Committee, the Remuneration Committee, and the Nomination Committee.

Ms. Cynthia Toh holds a double degree in the Bachelor of Commerce and Bachelor of Laws from Monash University. After she completed her pupillage at Presgrave & Matthews in 1997, she was successfully admitted as an Advocate and Solicitor of the High Court of Malaya. In March 2002, she became one of the founding partners of Wong Beh & Toh, a firm in which she presently holds the position of Partner.

Ms. Cynthia Toh has more than 20 years of experience in the legal practices of equity corporate finance, mergers and acquisitions, and joint ventures as well as other corporate and commercial matters.

Ms. Cynthia Toh is currently an Independent Non-Executive Director of QL Resources Berhad, a company listed on the Main Market of Bursa Securities.

Ms. Cynthia Toh attended all six (6) Board meetings during the financial year.

ONG SOO CHAN

Independent Non-Executive Director

Age <u>62</u>	Nationality <u>Malaysian</u>	Gender <u>Female</u>
------------------	---------------------------------	-------------------------

Ms. Ong Soo Chan was appointed to the Board of Unitrade as an Independent Non-Executive Director on 15 September 2021. She is the Chairwoman of the Remuneration Committee, in addition to being a member of the Audit Committee, the Nomination Committee, and the Risk Management and Sustainability Committee.

Ms. Ong graduated with a Bachelor of Arts in Economics from University Malaya in August 1987. She has in-depth knowledge and experience in financial services, having dedicated more than 30 years of her professional life in the industry. From her initial career at Development and Commercial bank as a Management Trainee, she has subsequently served at major local and foreign banks in Malaysia such as RHB Bank and ABN-AMRO Bank, predominantly in treasury operations. After a stint at ABN-AMRO Bank as the Head of Treasury Operations, she joined Citibank Berhad in 1998 in a similar capacity.

Over the next 20 years, Ms. Ong held various leadership roles at Citibank Berhad, including the Head of Corporate Banking Operations and Technology, Head of Consumer Business Operations and Technology, as well as Head of Citigroup Transaction Services Sdn. Bhd. during her secondment to Citigroup Overseas Investments Ltd. Her last role at Citibank Berhad prior to her retirement in December 2020 was as the Head of Country Operations and Technology.

Ms. Ong is currently an Independent Non-Executive Director of CIMB Bank Berhad, a member of CIMB Group Holdings Berhad; and SkyWorld Development Berhad, all of which are companies listed on the Main Market of Bursa Securities.

Ms. Ong attended all six (6) Board meetings during the financial year.

DATIN SHIVAJINI SATHYA SEELAN

Independent Non-Executive Director

Age <u>45</u>	Nationality <u>Malaysian</u>	Gender <u>Female</u>
------------------	---------------------------------	-------------------------

Datin Shivajini Sathya Seelan was appointed to the Board of Unitrade as an Independent Non-Executive Director on 14 June 2023. She is a member of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management and Sustainability Committee.

Datin Shivajini holds a Bachelor of Business & Commerce specialising in Accounting from Monash University. She is a Chartered Accountant of the MIA, a Fellow of CPA Australia, and holds a Company Secretarial Licence from the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), as well as a Tax Agent Licence from the Chartered Tax Institute of Malaysia.

Datin Shivajini brings a wealth of professional experience to the Board. In 2011, she founded JS Partners, an accounting and taxation services firm, where she currently serves as a Partner. Prior to that, she held the positions of Audit Manager and Managing Partner at Inpana & Associates, a professional advisory firm, from 2002 to 2011.

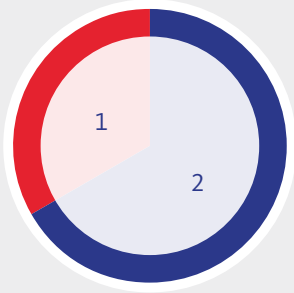
Datin Shivajini attended five (5) out of six (6) Board meetings during the financial year.

Additional information of the Directors:

- Save as disclosed in the Directors' Profile, none of the Directors has:
 - any directorships in other public companies and listed issuers;
 - any family relationships with any Directors and/or major shareholders of Unitrade; and
 - any conflict of interest or potential conflict of interest with Unitrade.
- None of the Directors has:
 - been convicted of any offences within the past five years other than traffic offences; and
 - been imposed with any public sanctions or penalties by the regulatory bodies during the financial year.

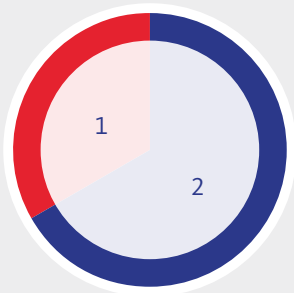
Key Senior Management's Profile

KEY SENIOR MANAGEMENT TENURE



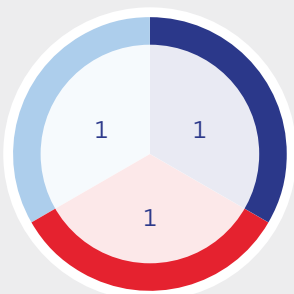
- 5 - 6 years
- > 6 years

KEY SENIOR MANAGEMENT AGE



- 51 - 60 years old
- > 60 years old

KEY SENIOR MANAGEMENT COMPOSITION



- Chief Operating Officer
- Chief Marketing Officer
- Chief Financial Officer



KOH SUI MING

Chief Financial Officer

Age <u>55</u>	Nationality <u>Malaysian</u>	Gender <u>Male</u>
------------------	---------------------------------	-----------------------

Mr. Koh Sui Ming was appointed as SLU's Chief Financial Officer in August 2017. He is currently responsible for overseeing the Group's overall financial matters including accounting, taxation, corporate finance, and treasury functions.

Mr. Koh holds a Bachelor of Business (Accountancy) from Royal Melbourne Institute of Technology, Australia. He has been a member of CPA Australia since January 1992 where he advanced to the status of Certified Practising Accountant in March 1995 and was subsequently awarded a Fellow membership in December 2012. He has also been a Registered Accountant of the MIA since April 1995 and was reclassified as a Chartered Accountant in June 2001.

Mr. Koh has vast experience in the field of auditing and accounting. Adding to his expertise in auditing and accounting is his breadth of exposure, having served as Financial Controller and Chief Financial Officer in a number of companies across various industries including property development, construction, furniture, oil & gas, semiconductor, and manufacturing of sheet metalwork. He assumed the role as the Chief Financial Officer of SLU in August 2017. He is also on the board of Unitrade United Sdn. Bhd., UU Equipments Sdn. Bhd., Winnson Marketing Sdn. Bhd., Winnson Engineering Sdn. Bhd., Intergreen Metals Sdn. Bhd. and Intergreen Metals (Balakong) Sdn. Bhd.



SIM AIK CHOR

Chief Marketing Officer

Age
69

Nationality
Malaysian

Gender
Male

Mr. Sim Aik Chor was appointed as SLU's Chief Marketing Officer in January 2019. He is currently responsible for leading and managing the overall sales and marketing as well as procurement activities of SLU.

Mr. Sim spent most of the first decade of his professional life honing his skills in sales and procurement in the building materials industry before joining SLU in 1988 as General Manager. At SLU, he was accountable for sales, purchasing, and inventory-related matters. Mr. Sim was later redesignated to Marketing Director in January 2000. Over the course of 19 years, having amassed significant experience and expertise in the field of sales and marketing, he was then appointed as Unitrade's Chief Marketing Officer in January 2019, a position he presently holds.

Mr. Sim Aik Chor is the brother of Sim Keng Chor and Sim Yung Chi, as well as the uncle of Nomis Sim Siang Leng and Simson Sim Xian Zhi.



SIM YUNG CHI

Chief Operating Officer

Age
59

Nationality
Malaysian

Gender
Male

Mr. Sim Yung Chi was appointed as SLU Chief Operating Officer in January 2019. He is responsible for managing the operations of the warehouse, logistics, and quality control of SLU.

Mr. Sim holds a Bachelor of Arts in Mathematics and a Master of Business Administration Management from Hawaii Pacific University, USA.

Mr. Sim started his career with SLU as an Assistant General Manager and was overseeing the handling of operational and administrative matters. He was involved in talent and performance management, the planning and execution of business strategies and contingencies, the monitoring and management of the company's order fulfilment and payment collection, as well as the sourcing and negotiation of bank facilities. He was also engaged in the preparation of commercialisation of Alfran products including liaising with suppliers in China and application of certifications with SIRIM Berhad.

Through Mr. Sim's eminent performance, he was redesignated to General Manager and subsequently to Finance and Admin Director in June 2013. Over the years, his scope of responsibilities expanded as the company grew where he led larger teams in the area of the finance, administrative, and operational functions of the company. He was also part of the team which conducted due diligence for the acquisition of Ricwil in 2007.

Mr. Sim Yung Chi is the brother of Sim Keng Chor and Sim Aik Chor, as well as the uncle of Nomis Sim Siang Leng and Simson Sim Xian Zhi.

Save as disclosed in the Key Senior Management's Profile, none of the Key Senior Management personnel has:

- (i) any directorships in other public companies and listed issuers;
- (ii) any family relationships with any Directors and/or major shareholders of Unitrade;
- (iii) any conflict of interest or potential conflict of interest with Unitrade;
- (iv) been convicted of any offences within the past five years other than traffic offences; and
- (v) been imposed with any public sanctions or penalties by the regulatory bodies during the financial year.

Chairman's Statement

“2023 was a year of resilience for Unitrade. Despite a challenging global environment, we leverage this period to strengthen our foundation and implement strategic growth plans. With these initiatives now firmly in place, we are anticipating a brighter future for Unitrade.”

Dear Esteemed Shareholders,

On behalf of the Board of Directors (the “Board”) of Unitrade Industries Berhad (“Unitrade” or the “Group”), it is my honour to present to you our annual report for the financial year ended 31 March 2024 (“FY2024”).

ECONOMIC LANDSCAPE

The global economy continued to face headwinds in 2023, with tight monetary policies, restrictive credit conditions, and geopolitical tensions like the war in Ukraine and conflicts in the Middle East acting as significant dampeners. Underscoring these challenges, the World Bank has projected global growth to slow down for the third consecutive year, from 2.6% in 2023 to an estimated 2.4% in 2024.

Notwithstanding the subdued external environment, the Malaysian economy demonstrated resilience in 2023, achieving a 3.7% expansion according to Bank Negara Malaysia (“BNM”). This growth was supported by sustained domestic demand, a rebound in the tourism sector, and improvements in labour market conditions.

THE BUILDING MATERIALS INDUSTRY

While global commodity prices for iron ore and steel exhibited a stabilising trend in FY2024 compared to the volatility experienced in FY2023, the overall downward price movement in steel presented challenges for Unitrade. As a wholesale distributor of building materials, our business is exposed to fluctuations in steel prices, impacting our cost of sales and inventory carrying costs. Consequently, the decline in prices during FY2024 led to a lower average selling price for our steel-based products.

On a brighter note, BNM reported a healthy 6.1% expansion in the construction sector, supported by development across both residential and industrial segments. Meanwhile, the property market also experienced a surge in activities, driven by pent-up demand and a recovering labour market. Data from the National Property Information Centre (“NAPIC”) further supports this observation, with a 9.9% year-on-year (“YoY”) increase in Malaysia’s property transaction value and a 2.5% YoY increase in the number of transactions, reaching RM196.8 billion with 399,008 transactions in 2023. Additionally, the downward trend in the building material cost index provided a welcome relief for construction and property developers, further propelling industry momentum.

Unitrade remained vigilant in this dynamic market environment, closely monitoring the evolving economic conditions and prevailing market fluctuations. This proactive approach allows us to strategically adapt our strategies to navigate this complex landscape and capitalise on emerging opportunities within the building materials industry.

BUSINESS & FINANCIAL OVERVIEW

FY2024 presented challenges in the supply chain, notably higher procurement costs for raw materials and trading inventories. Despite these hurdles, we remained resourceful in our procurement and distribution processes, ensuring product quality and timely delivery to our customers. Besides, the Group’s previous efforts to streamline our operations into a centralised location also enhanced our efficiency, enabling us to expand product offerings and improve inventory storage.





**PROFIT AFTER TAX AND
NON-CONTROLLING
INTEREST (“PATNCI”)**
(RM million)

20.6



REVENUE
(RM billion)

1.61

Furthermore, the Group seized the opportunity arisen during the year to venture upstream by acquiring a metal recycling business, in addition to rolling out new offerings and solutions targeted at solar renewable energy segment. These new services and products are all geared towards building a holistic business that revolves around sustainability. The metal recycling business is already contributing to Group earnings while we expect to see more meaningful contribution from the solar solutions in the coming financial year.

Financially, Unitrade recorded a 15.7% YoY increase in FY2024 revenue, reaching RM1.61 billion, up from RM1.39 billion in the previous financial year (“FY2023”) on higher contribution from the wholesale and distribution segment, as well as maiden contribution from the new metal recycling segment in the last quarter of FY2024.

Meanwhile, profit after tax and non-controlling interest (“PATNCI”) stood at RM20.6 million in FY2024, compared to RM15.4 million in FY2023. The wholesale and distribution of building materials segment continued to be the primary contributor to Unitrade’s performance, accounting for 85% of the Group’s revenue.

A BRIGHTER OUTLOOK FOR FY2025

While global sentiments remain affected by the geopolitical tensions and macroeconomic uncertainties, the Malaysian economy showed encouraging signs of resilience. The first quarter of the calendar year 2024 (“1QCY24”) witnessed a healthy 4.2% growth in Gross Domestic Product (“GDP”), with BNM projecting the country’s full-year growth to range between 4.0% and 5.0%. Moreover, BNM’s decision to maintain a stable overnight policy rate (“OPR”) of 3.0% thus far in 2024 also provides further optimism for Malaysia’s economic outlook.

Mirroring this positive trend, Malaysia’s construction sector, a key industry for Unitrade, also recorded a strong 11.9% expansion in 1QCY24. The construction sector is poised to sustain its momentum throughout the second half of the year, driven by government-led initiatives under various national master plans and the allocation of RM90 billion for development expenditure under Budget 2024.

Major infrastructure projects, including the Pan-Borneo Highway, East Coast Rail Link (“ECRL”), Light Rail Transit 3 (“LRT3”), and the Penang LRT, are set to play a significant role in this growth. Additionally, the property sector shows an improving outlook with a decline in property overhang and government incentives to boost homeownership. These developments create a promising demand outlook for building materials wholesalers and distributors like Unitrade.

More recently, the market has seen various news regarding investments on data centres by global technology companies such as Nvidia, Microsoft, Google and Amazon, along with a list of other leading companies. The construction of data centre shell and core utilises standard building materials. Apart from data centres, investments into building semiconductor plants are expected to increase too in the coming years with the unveiling of the National Semiconductor Strategy in May 2024.

On balance, Unitrade is well-positioned to capitalise on these upticks in demand for building materials. Moreover, our diverse product portfolio caters to every stage of a building’s lifecycle, from new construction projects to refurbishment and retrofitting, as well as repair and maintenance works. This multi-facet usage will ensure a sustained demand for our products even during economic fluctuations.

Leveraging our 45 years of proven industry experience, Unitrade is adept at navigating potential challenges and exercising prudence in the current operating landscape, while seizing opportunities that arise. Against the backdrop of improving construction outlook that is further supported by our new metal recycling segment, Unitrade is positive on achieving a healthy set of financial performance in FY2025.

ACKNOWLEDGEMENT

In FY2024, as we navigated through a dynamic business environment, I would like to convey my deepest appreciation for the invaluable contributions of our entire Unitrade family. The resolute commitment and resilience of our management and employees have been truly commendable.

On behalf of the Board, I am equally grateful for the unwavering trust and support extended by our valued stakeholders. To our shareholders, customers, partners, business partners, bankers, and suppliers, your continued support and trust in Unitrade have been integral to our corporate journey.

Finally, a word of appreciation to my fellow Board members. Their diverse expertise and insightful guidance have not only been instrumental in shaping Unitrade’s strategic direction throughout FY2024 but also in charting our course for the future.

Looking ahead, fuelled by a unified vision and a spirit of collaboration, Unitrade stands on a solid foundation. By leveraging our collective strengths, we are confident in propelling Unitrade towards a future with exciting possibilities.

Dato’ Abdul Majit Bin Ahmad Khan
Independent Non-Executive Chairman

Management Discussion and Analysis

“
Unitrade has weathered through the subdued economic landscape marked by geopolitical tensions and macroeconomic uncertainties. Despite these headwinds, Unitrade remained focused on executing strategic growth initiatives that position us to capitalise on emerging market opportunities.”

”



Dear Valued Shareholders,

I am pleased to present to you the Management Discussion and Analysis (“MD&A”) of Unitrade Industries Berhad and its subsidiaries (collectively referred to as “Unitrade” or the “Group”) for the financial year ended 31 March 2024 (“FY2024”).

The purpose of this MD&A is to furnish our shareholders with a managerial perspective on the Group’s financial and operational performance, including relevant non-financial disclosures to complement the financial statements. I believe the information and evaluation presented herein will provide our shareholders with a comprehensive understanding of Unitrade’s businesses, performance, and prospects.

OVERVIEW

Charting a sustainable course for growth

During the year under review, Unitrade has weathered through the subdued economic landscape marked by geopolitical tensions and macroeconomic uncertainties. Despite these headwinds, Unitrade remained focused on executing strategic growth initiatives that position us to capitalise on emerging market opportunities.

In FY2024, we expanded our offerings portfolio with a particular emphasis on strengthening our involvement in environmentally responsible businesses. Notably, the completion of 51%-stake acquisition of Intergreen Metals Sdn. Bhd. (“Intergreen”) in January 2024 marked our entrance into the metal recycling business, a new and promising earnings driver for Unitrade. This new upstream venture not only complements our core building materials distribution business but also fosters a circular economy of metal usage.

Besides, the acquisition of a 60%-equity stake in Winnson Marketing Sdn. Bhd. (“Winnson”) in August 2023 also provided Unitrade an immediate access to Winnson’s established hydraulic hose market, where its distribution of semi-underground waste management products also granted us an entry point into the eco-friendly waste management sector.

All in all, we have fortified our capability to address holistic building and infrastructure needs by strategically expanding our product range with a comprehensive, sustainability-focused approach. Beyond the conventional building materials, our portfolio now encompasses a wider range of offerings to include solar photovoltaic (“PV”) systems, voltage sag protectors and energy-saving compressors, metal recycling, and centralised labour quarters (“CLQs”).

Leveraging our established track record and with the Group’s strategic growth plans firmly in place, we remain confident in our ability to seize market opportunities while navigating potential challenges as we progress into the next financial year.

BUSINESS AND OPERATIONAL REVIEW

Established in 1979, Unitrade has grown into one of Malaysia's largest building materials wholesalers and distributors by revenue. We cater to a wide range of building and infrastructure needs through our three main business segments, namely:-



Wholesale and distribution of building materials, pipes, valves and fittings, and solar PV systems



Manufacturing and sale of pre-insulated pipes



Rental of temporary structural support equipment, modular systems for CLQs, and other equipment



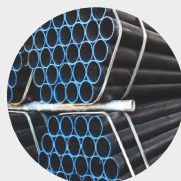
Metal recycling, which is a newly established segment following the acquisition of Intergreen, with its maiden contribution commenced in the fourth quarter of FY2024

Additionally, we have established a new metal recycling segment following the acquisition of Intergreen, with its maiden contribution commenced in the fourth quarter of FY2024.

Wholesale and distribution of building materials, pipes, valves and fittings, and solar PV systems

As a wholesaler and distributor, we recognise the importance of maintaining a ready supply of materials to meet our customers' demands promptly. As such, we are well-equipped with an extensive inventory of over 6,000 stock-keeping units ("SKUs") comprising pipes, valves, fittings, and accessories for mechanical and electrical ("M&E") works, along with reinforcement steel, structural steel, and other building materials for civil works. Besides distributing third-party brands, we also offer our in-house brands of ALFRAN and S2S for M&E works.

For M&E Works



Pipes



Valves

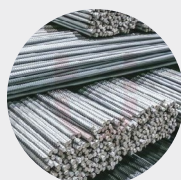


Fittings



Accessories

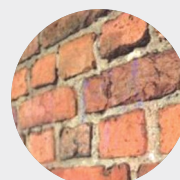
For Civil Works



Reinforcement steel

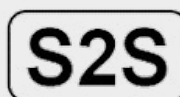


Structural steel



Building materials

Our House Brands

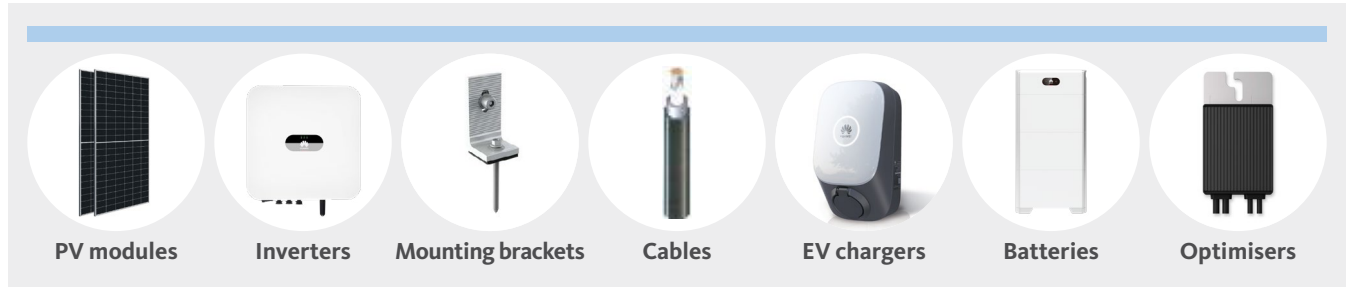


Operationally, FY2024 presented challenges to our wholesale distribution of steel-based building materials. The year witnessed an overall downward trend in steel prices due to subdued global demand, influenced by the continued weakness in China's property sector and elevated interest rates. The decline in prices led to lower average selling prices for our steel-based products, impacting our financial performance. Nevertheless, the recovery in Malaysia's construction and property development sectors has driven demand up for building materials, thereby bolstering our sales volume.

Meanwhile, our experienced management team, with over 40 years of navigating the dynamic metals industry, understands the cyclical nature of market trends. In response, we exercised greater prudence in our steel procurement activities and closely monitored the commodity price movements.

Beyond navigating challenges, FY2024 was also a year of strategic expansion. We remain focused on establishing Unitrade as a one-stop centre for building materials needs. We have expanded our offerings to include a full suite of solar products, such as panels, inverters, mounting brackets, cables, electric vehicle ("EV") chargers, batteries, and optimisers, enabling our customers to streamline their building and infrastructure projects while embracing renewable energy solutions.

Management Discussion and Analysis

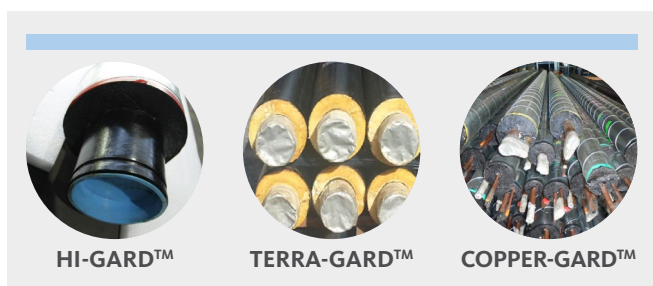


Our commitment to sustainability is reinforced by our Collaboration Agreement (“Agreement”) with Huawei Technologies (Malaysia) Sdn. Bhd. and JJ-LAPP (M) Sdn. Bhd. in April 2024 to facilitate the purchase and sale of Huawei Digital Power-Smart PV solutions across residential as well as commercial and industrial (“C&I”) sectors. These Smart PV solutions integrate digital technologies to optimise solar power systems’ energy generation and efficiency, while enabling remote monitoring and management. The collaboration with Huawei underpins Unitrade’s commitment to providing best-in-class offerings for customers seeking to adopt solar energy systems.

<p>Rental of temporary structural support equipment and modular houses</p>	<p>Centralised Labour Quarters (CLQ)</p>	<p>Metal recycling</p>	<p>Solar PV system</p>
<p>Hydraulic hoses</p>	<p>UNITRADE</p> <p>Our wide product range in meeting diverse industry demands</p>		<p>Fittings</p>
<p>Pre-insulated pipes</p>	<p>Building materials</p>	<p>Pipes</p>	<p>Valves</p>

Manufacturing and sale of pre-insulated pipes

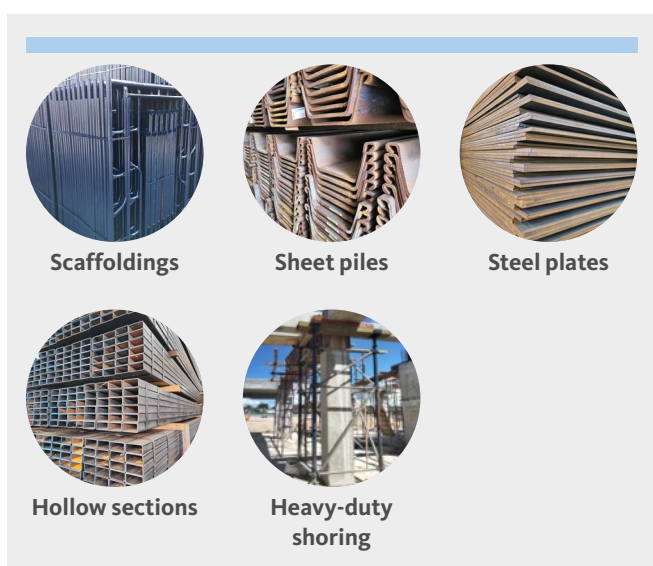
Our Group is engaged in the manufacturing and sale of pre-insulated pipes under the house brands of HI-GARD™, TERRA-GARD™, and COPPER-GARD™. Pre-insulated pipes are largely used for transporting and maintaining the temperature of fluids in piping systems. Therefore, they are ideal for various C&I applications, including air-conditioning systems, electric heating, and oil storage and handling. By manufacturing these pipes in-house, we can customise them according to our customers’ specific requirements, therefore ensuring optimal performance across various applications and installation environments.



Rental of temporary structural support equipment, modular systems for CLQs, and other equipment

Unitrade’s third business segment involves the provision of rental services for temporary structural support equipment, such as scaffoldings, sheet piles, steel plates, and hollow sections for building and construction projects. Our rental services provide flexibility to our customers by eliminating the need for capital expenses in equipment ownership and maintenance, presenting a cost-effective solution for their construction needs.

During the year under review, we have broadened our rental division’s equipment offerings with the provision of heavy-duty shoring systems, which are used primarily in construction and engineering projects. These systems cater to customers’ heavy load requirements, providing temporary support to structures under higher load conditions during construction phase. This investment is poised to bolster the capabilities of our rental division, ensuring we meet the diverse needs of our clientele.



Besides temporary structural support equipment, we also offer rental of modular houses to address worker accommodation issues across various industries such as construction, manufacturing and plantation, to name a few. Our modular houses comply with the amended Workers’ Minimum Standards of Housing and Amenities Act 1990 (“Act 446”) and Code of Practice for Temporary Site Workers Amenities and Accommodation (“MS 2593:2015”), offering industrial employers an economical solution while maintaining adherence to national worker housing standards. Our solutions offer employers the benefits of centralised accommodation management for better efficiency, lower transportation costs, and a more conducive living environment for workers.

As our modular housing systems are durable, portable as well as easy to assemble and disassemble, they are also suitable to serve as temporary offices, laboratories, clinics, or any other type of facilities that require specialised housing.

New metal recycling segment

In January 2024, Unitrade strategically expanded its footprint upstream within the steel industry through the acquisition of a 51% equity interest in Intergreen. Established in 2003, Intergreen boasts a proven track record of over 20 years in the metal waste recycling business, specialising in collecting, segregating, and processing metal waste into valuable input feedstock for steel manufacturers.

With that, we have established a new metal recycling segment for our Group in the fourth quarter of FY2024, which contributed RM205.6 million in revenue to the Group. This acquisition broadens Unitrade’s income streams and is poised to serve as a key earnings driver moving forward. It is noteworthy to mention that the acquisition of Intergreen comes with a profit guarantee, in which Intergreen shall achieve an aggregate profit after tax (“PAT”) totalling RM45.0 million over the financial period ended 31 March 2024, financial years ending on 31 March 2025 (“FY2025”) and 31 March 2026 (“FY2026”).

Management Discussion and Analysis

Moreover, the acquisition positions Unitrade further up in the steel industry value chain, with Intergreen supplying metal waste to steel mills and Unitrade sourcing steel-based products from these steel mills. Importantly, it also underscores our commitment to environmental responsibility and adherence to Environmental, Social and Governance (“ESG”) principles. Intergreen’s core business of transforming “waste” into valuable resources exemplifies the principles of a circular economy. By promoting metal reuse and recycling, we play a proactive role in minimising waste generation and optimising resource utilisation within the steel industry.

Utilisation of proceeds from Initial Public Offering (“IPO”)

To recap, Unitrade has raised RM100.0 million from our listing on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) in June 2022. Subsequent to the initial proposed utilisation of proceeds as stipulated in our prospectus dated 28 April 2022, the Board of Directors (the “Board”) has in May 2023 deliberated and resolved to extend the timeline for utilisation of proceeds and to reallocate RM4.6 million of the proceeds from working capital to capital expenditure for temporary structural equipment, especially for the acquisition of heavy-duty shoring system. The table below outlines the latest utilisation of proceeds as at 31 March 2024:

Utilisation of proceeds	Proposed Utilisation RM mil	Actual Utilisation as at 31 Mar 2024 RM mil	Reallocation RM mil	Balanced to be utilised RM mil	Intended timeframe for utilisation* RM mil
Working capital	50.5	(45.6)	(4.9)	-	Within 18 months
Repayment of bank borrowings	39.8	(39.8)	-	-	Within 12 months
Capital expenditure for pipe fabrication centre	5.0	(4.5)	-	0.5	Within 36 months
Estimated listing expenses	4.7	(5.0)	0.3	-	Immediate
Capital expenditure for temporary structural equipment	-	(4.6)	4.6	-	Within 18 months
Total	100.0	99.5	-	0.5	

* from the listing date of 14 June 2022

The bulk of the proceeds, amounting to RM45.6 million, was utilised for working capital needs to enhance operational efficiency. Additionally, RM4.6 million was invested in capital expenditure for temporary structural equipment to expand the offerings of our rental division, while another RM4.5 million was directed towards capital expenditure for a pipe fabrication centre. We also pared down our bank borrowings by RM39.8 million, with the remaining RM5.0 million utilised to cover listing expenses. As of 31 March 2024, we have fully utilised the IPO proceeds, except for the remaining funds earmarked for the pipe fabrication centre amounting to RM0.5 million.

CORPORATE EXERCISES

Completion of acquisition of 60.0% equity interests in Winnson



To complement our organic growth, we are actively pursuing merger and acquisition (“M&A”) opportunities that align with the Group’s strategic direction. In August 2023, we completed the acquisition of 60.0% equity interests in Winnson for a cash consideration of RM2.2 million.

Winnson specialises in the sales and distribution of hydraulic hoses, couplings, engineering hardware and related parts. It also engages in the distribution of waste and recycling collection systems under the Molok® European brand. This strategic acquisition broadens our wholesale distribution product portfolio to include premium items like hydraulic hoses and facilitates our entry into the environmentally-friendly waste management market, all in line with our ESG agenda.



Completion of acquisition of 51.0% equity interests in Intergreen

INTERGREEN

The acquisition of a 51% equity interest in Intergreen, as discussed in the business and operational review section above, was successfully concluded in January 2024 for a total consideration of RM66.3 million. The acquisition of Intergreen was satisfied via a cash consideration of RM43.8 million and contingent consideration of RM22.5 million.

Proposed private placement to enhance capacity for further growth

In February 2024, Unitrade proposed a private placement exercise to raise capital for strategic growth initiatives. The proposed exercise entails the issuance of up to 156,250,000 new ordinary shares in Unitrade (“Placement Shares”), representing not more than 10.0% of the total number of issued ordinary shares in Unitrade (“Proposed Private Placement”). Assuming full subscription at the indicative price of 27 sen per Placement Share, the Proposed Private Placement is expected to raise gross proceeds of up to RM42.2 million.

Of this amount, RM12.0 million is earmarked for the construction of CLQs to expand our rental division. Meanwhile, the remaining RM30.2 million is allocated for repaying bank

borrowings and defraying expenses related to the Proposed Private Placement.

As at May 2024, Unitrade has completed the first tranche of the Proposed Private Placement following the issuance of 68,220,000 Placement Shares at an issue price of 27 sen per Placement Share.

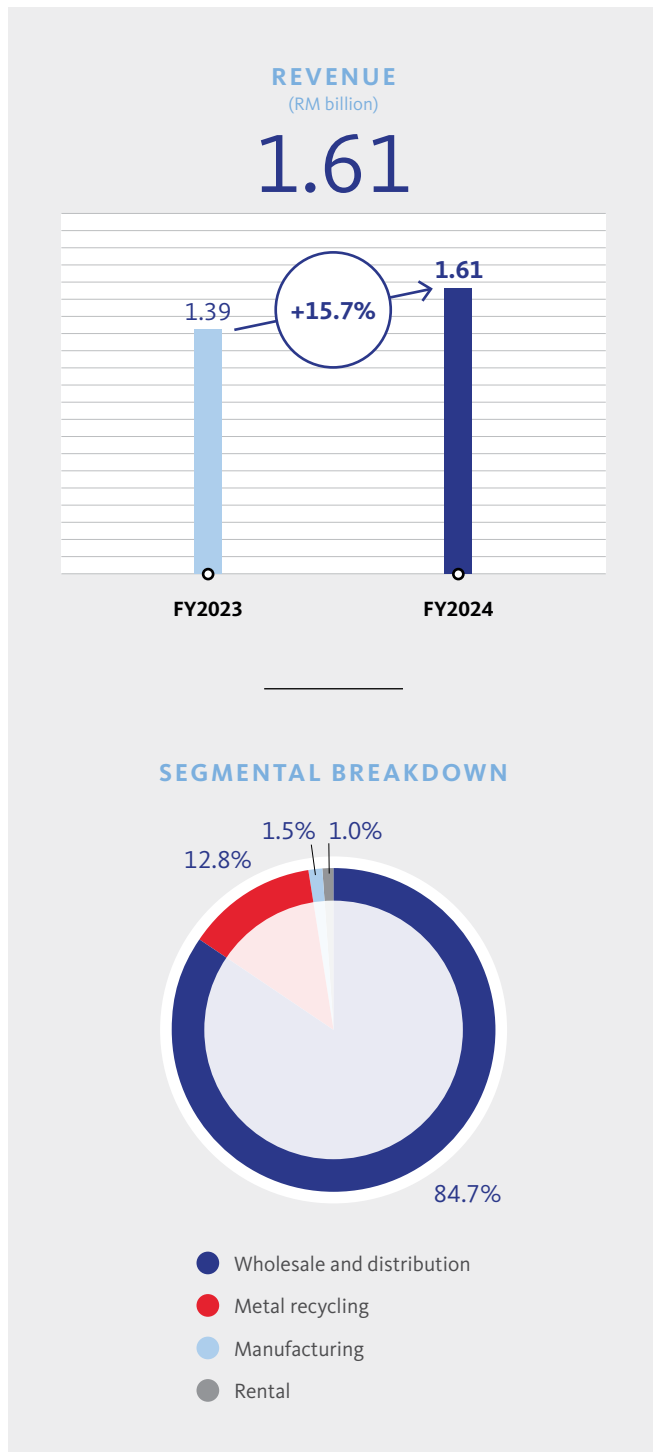
FINANCIAL PERFORMANCE REVIEW

Revenue

In FY2024, the Group recorded a revenue of RM1.61 billion, marking a 15.7% Year-on-Year (“YoY”) growth from RM1.39 billion in FY2023. The improvement was attributable to higher sales from the whole and distribution segment, coupled with the maiden contribution from our new metal recycling segment in the last quarter of FY2024 following the completion of 51% stake acquisition of Intergreen in January 2024.

The wholesale and distribution segment remained the primary revenue contributor, representing 84.7% or RM1.37 billion, followed by the metal recycling segment at 12.7% or RM205.6 million. Additionally, revenue from the manufacturing and sale of pre-insulated pipes accounted for 1.5% or RM24.9 million, while the rental of temporary structural support equipment and modular housing contributed the remaining 1.0% or RM16.3 million.

Management Discussion and Analysis



Profitability

Unitrade's gross profit ("GP") in FY2024 grew by 10.1% YoY to RM85.0 million from RM77.2 million last year. Meanwhile, profit before tax ("PBT") increased by 29.5% YoY to RM26.8 million as compared to RM20.7 million in FY2023. The results

included gain from the disposal of a piece of freehold industrial land together with a factory annexed with office building amounting to RM17.1 million that was recognised under other income.

Excluding the one-off gain, the lower earnings base was attributed to higher procurement costs for raw materials and trading inventories, increase in finance costs alongside impairment loss on inventories, and trade and other receivables amounting to RM2.9 million and RM12.1 million, respectively. The impairment loss on trade receivables arose following an assessment of expected credit loss that was conducted using a provision matrix referencing the probability of receivable progression to evaluate the Group's credit risk. Notwithstanding this, our credit team continues to proactively engage with the relevant customers to collect the receivables.

Overall, Unitrade's profit after tax and non-controlling interests ("PATNCI") for FY2024 stood at RM20.6 million in comparison to the RM15.4 million achieved in the previous year.

Capital structure and capital resources

As at 31 March 2024, Unitrade's total assets increased by 22.6% YoY to RM1,126.9 million from RM918.8 million recorded a year ago. The growth was attributed to investments in property, plant and equipment, goodwill arising from recent M&A activities, along with higher inventory levels and trade and other receivables. The Group also maintained a healthy cash holding, with its total cash and bank balances (including fixed deposits with licensed banks) standing at RM83.4 million as at the end of FY2024.

Unitrade's shareholders' equity has continued its upward trajectory, increasing by 9.0% YoY to RM359.4 million as at 31 March 2024 from RM329.8 million last year. Meanwhile, the Group's total liabilities is recorded at RM767.5 million as at the end of FY2024, as compared to RM589.1 million a year ago. The increase was primarily due to higher bank borrowings and deferred considerations for the acquisition of subsidiaries following our M&A activities. Nonetheless, the Group's gearing and net gearing ratios remained manageable at 1.6x and 1.4x, respectively, which are broadly similar to 1.5x and 1.2x recorded a year ago.

Net Operating Cash Flow ("NOCF")

In FY2024, Unitrade generated a healthy positive NOCF of RM15.6 million, marking our fourth consecutive financial year of achieving a positive NOCF. This sustained positive cash flow generation reflects Unitrade's effectiveness in managing working capital and its ongoing efforts to optimise operational efficiencies.

Balance Sheet Highlights as at 31 March 2024**Total Asset**RM **1,126.9** million**Cash and Bank Balances**RM **83.4** million**Total Equity**RM **359.4** million**Gearing Ratio****1.6x****Total Liabilities**RM **767.5** million**Net Gearing Ratio****1.4x****ANTICIPATED OR KNOWN RISKS****Financing Risk**

Given the high working capital requirement in the nature of our business, we are exposed to financing risk should we fail to secure sufficient financing at competitive rates, potentially leading to elevated interest expenses and limited borrowing options. To mitigate this risk, we conduct thorough evaluations of our cash position and financing capabilities prior to undertaking significant capital investments. Additionally, we foster strong relationships with our bankers, who have been supportive in providing us with competitive credit facilities. Furthermore, Unitrade has allocated RM29.2 million of the expected proceeds from the Proposed Private Placement to repay bank borrowings, which will further bolster our balance sheet position.

Inventory Impairment Risk

At Unitrade, we prioritise maintaining a sufficient inventory to fulfil customer demands promptly and ensure smooth business operations. Our inventory is subject to annual value assessments, where impairments are made for slow-moving goods and stocks with a net realisable value below cost. With that, we employ an Enterprise Resource Planning (“ERP”) system to manage our inventory levels efficiently. Moreover, our experienced management team with over 40 years of industry knowledge also developed the expertise needed for procurement decisions to evaluate the suitability of product types for stock keeping.

Fluctuations in commodity prices of steel

Our business is susceptible to fluctuations in steel commodity prices, which could influence both the cost of sales and inventory carrying costs for our steel-based products. In the event that we are unable to pass on any cost increases to our customers, our financial performance may be impacted. To address this risk, we primarily procure lower-margin products on a back-to-back order basis rather than maintaining large inventories of these items. This strategy enables us to effectively manage our inventory levels while prioritising the retention of higher-margin steel-based products in stock.



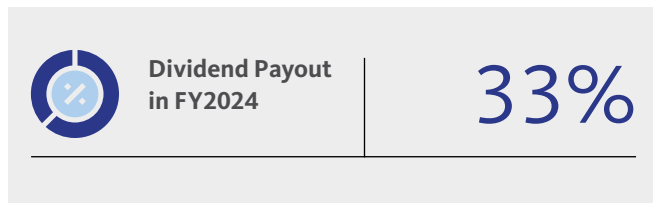
Moreover, with our upstream exposure now in the steel industry through our new metal recycling business segment, we have better control and management over our exposure in the commodity. ”

DIVIDEND

At Unitrade, we strive to maintain a balance between rewarding our valued shareholders and ensuring sufficient capital for future growth initiatives. The Group has adopted a dividend policy where the Board intends to recommend and distribute a dividend of approximately 30% of our annual audited consolidated PAT attributable to our shareholders.

Management Discussion and Analysis

For FY2024, an interim single tier dividend of 0.44 sen per ordinary share was declared, amounting to RM6.9 million. The dividend distributions for FY2022 and FY2023 are 0.82 sen per share and 0.30 sen per share, respectively.



INDUSTRY OUTLOOK AND PROSPECTS

Stronger growth expected for Malaysia's construction and property sectors

As we enter the new financial year, optimism is building in the construction and property development sectors. This confidence stems from the government's proactive approach to infrastructure development, reinstating major infrastructure projects such as the Pan-Borneo Highway, East Coast Rail Link, Light Rail Transit 3, and the Penang LRT.

The outlook for Malaysia's construction industry is particularly bright for the latter half of 2024 ("2HCY24"). Construction works, especially those funded by government allocations, are expected to move into the implementation phase, driving sector growth. According to Deputy Minister of Works of Malaysia, Datuk Seri Ahmad Maslan, a total of RM180.0 billion has been earmarked for construction projects across both government and private sectors this year. This includes RM90.0 billion from the government's development expenditure in Budget 2024 and the remaining portion from private investments. This significant allocation is expected to translate into increased activity in 2HCY24, as the government releases regular open tenders and pre-qualified selected tenders.

Similarly, positive sentiments are emerging in the property development sector, with reduced property overhang and government-led initiatives to promote home affordability and ownership. Furthermore, Bank Negara Malaysia's decision to maintain the overnight policy rate at 3.0% during its May 2024 Monetary Policy Committee meeting is a welcome move, translating to stable borrowing costs for both developers and homeowners.

More recently, there have been numerous news of global technology companies and multinationals planning to set up data centres here in Malaysia. These include the likes of Microsoft, Google, and Amazon to name just a few. The Ministry of Investment, Trade and Industry ("MITI") had in April 2024 shared that of the RM144.7 billion approved digital investments

between 2021 and 2023, data centres made up the bulk of it at RM114.7 billion. In this respect, the shell and core part of the data centres utilise standard building materials that we carry in our inventory.

Beyond data centres, activities in the semiconductor industry are expected to increase too with regards to building new plants in Malaysia following the unveiling of the National Semiconductor Strategy by our Prime Minister in May 2024. With our comprehensive product portfolio in excess of 6,000 SKUs covering the whole spectrum of building materials along with renewable energy solutions, we stand to benefit from these developments. As it is, we are already supplying our products to some of these projects.



Looking at the positive industry outlook, we are steadfast in our growth-oriented approach, underpinned by well-defined expansion strategies to position ourselves in seizing emerging growth opportunities.



A broad product portfolio to cater to evolving building and infrastructure needs.

With the anticipated uptick in construction and property development activities, our extensive wholesale distribution product range positions us to capitalise on the rising need for building materials. We also recognise the growing importance of ESG factors in construction and are committed to aligning with emerging trends that prioritise low-carbon practices and sustainable construction processes. With that, we pride ourselves on offering a holistic and sustainable range of offerings for diverse building needs, including solar PV systems, metal recycling, and modular houses, alongside traditional building materials.

In May 2024, we furthered this commitment through a collaboration with FSBM MES Elite Sdn. Bhd. to distribute T-Parus Voltage Sag Protectors and energy-saving compressors. This partnership aims to ensure reliable power supply and reduced energy consumption for C&I applications across various sectors, including data centres, manufacturing,

telecommunications, financial services, and more. Notably, building upon our track record in supplying building materials to the civil and M&E segments during the construction of semiconductor and data centre facilities, this collaboration enhances our product offerings and reach for the semiconductor and data centre ecosystems.

Moreover, to complement our existing solar panel offerings, we plan to introduce solar ownership plans. It offers customers an affordable and flexible financing option to adopt solar energy, aiming to reduce or eliminate the upfront cost of solar panel installation. By integrating the ownership plan with our solar PV system offerings, Unitrade positions as a one-stop shop for our customers' solar installation needs. This initiative not only stimulates demand for our solar products but also empowers our customers to transition to renewable power sources.

A new pipe fabrication centre to grow our manufacturing and sale of pre-insulated pipes segment

We are setting up a pipe fabrication centre that provides end-to-end pipe services solution, including but not limited to pipe cutting, welding, threading, grooving and assembly. To facilitate a complete pre-fabrication process, the pipe fabrication centre also features a robotic arm and painting shop with an epoxy powder coating line, offering high-precision pipe solutions with a long-lasting, corrosion-resistant finish.

Through this strategic initiative, we aim to provide a complete knock-down ("CKD") solution by delivering these ready-to-install pipes directly to our customers' construction sites. This will expedite our customers' overall construction process, optimise space usage, and enhance safety by reducing the number of workers, equipment, and materials on-site. Additionally, minimising on-site fabrication not only accelerates installation but also reduces wastage, contributing to a more efficient and sustainable construction workflow.

Rental division expansion to strengthen our recurring income stream

To broaden our service range and strengthen our recurring income stream, we plan to expand our rental division by venturing into the provision of CLQ solution. The expected proceeds from the Proposed Private Placement will serve as a springboard for this strategic initiative. This move also aligns with the growing industry demand for economical and space-efficient worker accommodation, further supported by evolving state government directives in mandating worker relocation to CLQs, such as those observed in Johor and Negeri Sembilan.

Leveraging the success of our existing modular housing systems, we plan to construct our own CLQ using modular housing, complemented by essential amenities like site offices, canteens,

convenience stores, clinics, laundry rooms, and utility rooms. The CLQ shall then be leased out for workers' accommodation to generate a stream of recurring income and increase the Group's earnings visibility.

Unitrade's CLQs prioritise both space efficiency and workers' well-being. By featuring comfortable living areas, recreational facilities, and green spaces, our CLQs ensure compliance with Malaysia's Act 446 and MS 2593:2015 regulations. By offering these well-designed and compliant solutions, Unitrade provides industrial employers with a cost-effective option for housing their workforce responsibly.

Furthermore, we are expanding our rental division to offer a wider range of temporary structural support equipment. Currently, our rental offerings include scaffoldings, steel plates, hollow sections, and heavy-duty shoring systems. We plan to strategically invest in additional equipment, including excavators, crawler cranes, boom lifts, sky lifts, and scissor lifts. This strategic expansion will improve our service proposition by providing our customers with the convenience of sourcing their construction project equipment needs from a single provider.

Closing remark

Looking ahead, we remain optimistic on Unitrade's prospects. Our strategic expansion plans are poised to propel us to the next phase of growth, positioning us well to seize upcoming opportunities in the market. Moreover, sustainability is at the core of our operations, with a commitment to upholding sustainable construction processes. Our existing product offerings cater to this development, and we actively explore environmentally responsible business opportunities, including potential M&As with synergistic benefits.

While acknowledging the potential external challenges such as geopolitical tensions and macroeconomic uncertainties, we remain prudent in our procurement activities and are confident in our Board's guidance and the management team's expertise. On the baseline, it is noteworthy that building materials are essential throughout the entire lifecycle of buildings and infrastructure. This ensures a sustained demand for our products, spanning from new construction projects to refurbishment and retrofitting, in addition to repair and maintenance works.

All in all, with the stage set for growth, we are looking forward to better days ahead and are confident in delivering encouraging performance in FY2025, barring any unforeseen circumstances.

Thank you.

Nomis Sim
Group Managing Director

Sustainability Statement



ABOUT THIS REPORT

The Sustainability Statement (“SS2024”) is prepared to fulfil our commitment to transparent and good governance practices. Through this Statement, we outline Unitrade’s sustainability initiatives across our businesses and operations. It provides updates on our progress and includes the steps Unitrade has taken to support the Group’s sustainability goals, address stakeholder concerns, and improve our sustainability performance. You’ll also find performance data along with our plans for future improvements.

For a complete picture of our business and operations, we recommend reading this statement alongside other statements in our Annual Report. This will give you a more complete understanding of how we create both financial and non-financial value to realise Unitrade’s goal of **“Building a Sustainable Tomorrow”**.

Scope and Boundary

Unitrade discloses our sustainability performance on an annual basis. As such, the SS2024 covers the period of 1 April 2023 to 31 March 2024 and is scoped to the information, operations, activities and data collected from Unitrade and its subsidiaries, as listed below:







- Unitrade Industries Berhad: Holding company and listed entity
- Syarikat Logam Unitrade Sdn. Bhd.: Wholesale and distribution of building materials
- Ricwil (Malaysia) Sdn. Bhd.: Manufacturing and sale of pre-insulated pipes
- Unitrade Sdn. Bhd.: Renting and operating self-owned non-residential building
- Unitrade United Sdn. Bhd.: Rental of temporary structural support equipment

Exclusions and Limitations

We adopt a ‘local where we operate’ approach to managing our sustainability impact. Unless otherwise stated, the SS2024 excludes all outsourced activities and operations. However, we acknowledge the possibility of significant sustainability impact arising from our value chain and will continue engaging with our business partners to promote sustainable practices.

Depending on the availability of data as well as organisational context, some aspects of the sustainability data and disclosures in this statement may be scoped to just the holding company or specific subsidiaries. These will be indicated accordingly. Where possible, disclosures are presented over a three-year time frame on a rolling basis to derive performance trends.

Adopting Local and International Reporting Frameworks

 <p>Bursa Malaysia Sustainability Reporting Guide (3rd Edition)</p> <p>IN ACCORDANCE</p>	 <p>Global Reporting Initiative (“GRI”) 2021 (Core Option)</p> <p>WITH REFERENCE</p>	 <p>FTSE4Good FTSE4Good Bursa Malaysia (“F4GBM”) Index</p> <p>WITH REFERENCE</p>
 <p>Task Force on Climate-related Financial Disclosures (“TCFD”)</p> <p>IN ALIGNMENT</p>	 <p>Sustainability Accounting Standards Board (“SASB”) Sector Specific Disclosures</p> <p>WITH REFERENCE</p>	 <p>United Nations Sustainability Development Goals (“UNSDGs”)</p> <p>IN ALIGNMENT</p>

Topical disclosures in this statement follow the material sustainability topics identified by Unitrade through a materiality assessment exercise (“MAE”) conducted in FY2023, details of which are outlined in the Material Matters and Materiality Matrix section of this statement on pages 33 to 34.

Forward-looking Statements

This statement contains forward-looking statements discussing the future performance of the Group. These statements and forecasts are based on current circumstances and assumptions. This is subject to change as there could be various factors that cause the actual results to differ materially from those expressed or implied by these statements.

Assurance, Accessibility and Feedback

As the highest decision-making body at Unitrade, the Board acknowledges its responsibility for the information presented and has approved this statement.

A digital version of the SS2024 and past statements are accessible at www.unitrade.com.my as well as the website of Bursa Malaysia Securities Berhad. Any request for clarification or feedback may be channelled to:

Stephen Koh Sui Ming
Chief Financial Officer
Tel: +603-7843 2828
Email: IR@unitrade.com.my

Sustainability Statement

Building a Sustainable Tomorrow



MESSAGE FROM EXECUTIVE DIRECTOR

Dear Stakeholders,

Sustainability Starts with Us

Since the release of our Sustainability Statement last year, we have taken important steps to embed sustainability into everything that we do. As one of the leaders in the wholesale and distribution of building materials, this is a natural progression to ensure the long-term resilience of our business through sustainable practices.

To deliver that, we had many firsts in FY2024. We have initiated the development of a comprehensive sustainability policy and framework that formalises the integration of sustainability considerations across our business operations and strategic planning. We are finalising sustainability KPIs and time-bound targets for adoption in FY2025, with senior management's remuneration linked to the delivery of these KPIs. In response to Malaysia's Code on Corporate Governance ("MCCG")'s call for dedicated sustainability management personnel, we welcomed a Senior Manager of Group Sustainability to spearhead the Group's sustainability efforts.

Furthermore, a fresh materiality assessment was conducted to refine our approach to identifying, assessing and prioritising material topics according to the principles of double materiality. After a thorough evaluation of our growth and opportunities, I am pleased to announce that we have pledged to become Net Zero by 2050. This ambitious goal is not an easy achievement. It includes Scope 3 emissions, reflecting our cognisance of the urgent need to address climate change within the construction industry. We will seek new investments, partnerships and support across the industry.

We are building roadmaps to decarbonise our operations and achieve net zero emission across our value chain. The full-scale installation of solar panels has yielded a total of 844,285 kWh, with 571,544 kWh consumed and the rest sold back to the grid. Notably, solar electricity now constitutes 52% of our total electricity consumption, reducing our Scope 2 emissions from 418.94 tCO₂e in FY2023 to 290.20 tCO₂e in FY2024. This significant increase in the contribution of renewable energy to our total energy consumption now stands at 24%, marking a 13% increase from FY2023.

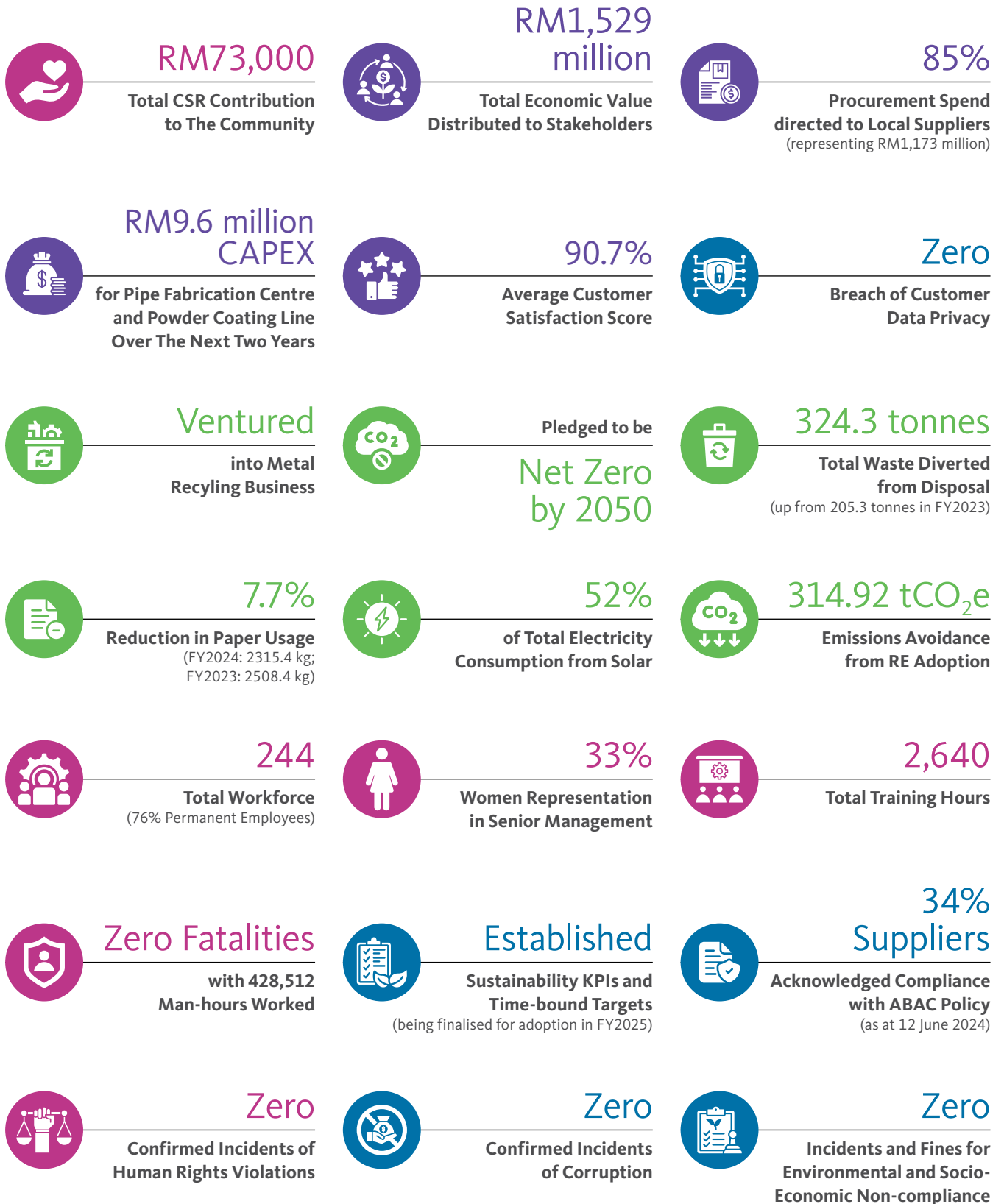
Looking Forward

We are shaping a culture that firmly roots sustainability into our values and targets. We are not alone – our dedication to this is shared by an increasing number of industry players who recognise the strategic value and importance of integrating sustainability into their priorities, operations and plans. Our products and services improve infrastructure projects that impact millions of local communities. In this delivery, we remain committed to respecting human rights, ensuring safety, and embracing diversity, equality and inclusion. This is why we are preparing to release our Human Rights Statement.

Together, we will continuously improve our operations and capabilities. We are steadfast in our sustainability journey, aiming to achieve our targets and help others in our community thrive. We are proud of the successes we have achieved. My hope is that we will strive to think bigger and move faster, even if the results are not immediate. I invite you to explore our achievements as we work to deliver our promise to build a sustainable tomorrow.

With gratitude,
Simson Sim Xian Zhi
 Executive Director

UNITRADE FY2024 SUSTAINABILITY HIGHLIGHTS



Sustainability Statement

OUR SUSTAINABILITY APPROACH

As one of the largest distributors of building materials in Malaysia, our sustainability journey is designed to create a long-lasting positive impact for a sustainable tomorrow. We understand the importance of leaving a legacy that will enrich future generations. We have a responsibility to protect and preserve our world, our people and the community. We recognise that resilient infrastructure is critical to ensure a sustainable physical and social environment.

Supported by our stakeholders, we strive to ensure that our initiatives are innovative and scalable throughout our business operations to achieve maximum impact.

Sustainability Strategy

Our commitment to sustainable principles is ingrained in our corporate strategy and day-to-day operations. We have aligned our Net Zero emissions with Malaysia’s goal. We have taken steps to safeguard the safety and well-being of our employees by ensuring that all our subsidiaries have established Health and Safety Committees in line with the Occupational Safety and Health Act 1994. We have established a dedicated sustainability team that is focused on ensuring sustainability remains a cornerstone of our business.

Unitrade is also developing a sustainability framework to formalise the integration of sustainability considerations into the Group’s strategic planning and operations. This framework sets out the Group’s commitments across the spheres of Economic, Environmental, Social and Governance (“EESG”).

<p>DRIVING SUSTAINABLE GROWTH</p> <ul style="list-style-type: none"> • Harnessing Digitalisation and Technology for Growth • A Quality First Approach • Increasing Product Variety • Prioritising Local Procurement and Efficient Supply Chains 	<p>ENVIRONMENTAL STEWARDSHIP</p> <ul style="list-style-type: none"> • Addressing Climate Change • Decarbonising Our Operations • Responsible Water Conservation • Safeguarding Biodiversity • Efficient Waste Management • Embedding Circularity in Operations • Efficient Resources and Material Use 	<p>POWERING SOCIAL PROGRESS</p> <ul style="list-style-type: none"> • Championing Diversity, Equality and Inclusion • Prioritising a Safe Workplace • Labour and Human Rights • Talent Development • Community Engagement 	<p>CORPORATE GOVERNANCE EXCELLENCE</p> <ul style="list-style-type: none"> • Responsible Governance • Effective Sustainability Risk Management • Combatting Corruption • Ensuring Environmental and Social Regulatory Compliance

Related UNSDGs










The Senior Management in the Group has undertaken to deliver key sustainability KPIs. For alignment, a KPIs and Targets workshop was conducted in FY2024 to establish a set of time-bound targets to ensure effective management of our deliverables, which is being finalised for adoption in FY2025. For the Group to have a meaningful sustainability journey, these KPIs will be aligned with employee scorecards and additional remuneration. The Group is presently developing the mechanism.




Effective Stakeholder Dialogue

Our history in the building materials industry is built on the trust and support of our stakeholders. In a rapidly changing landscape, it is important to continuously evolve our stakeholder management approach to determine top stakeholder concerns. Leveraging these insights will sustain and enhance Unitrade's value-creation ability. An essential aspect of our sustainability pathway involves maintaining open communication channels to keep them informed and updated. Their suggestions and feedback are critical for us to shape our strategy and decisions. This is crucial for us as we want to maintain long and meaningful partnerships with them in order to grow our business.

Stakeholders	Interests and Concerns	Engagement Channels	Material Matters
 Customers	Quality products and services delivered on time and at a competitive cost.	Customer feedback channels include physical and digital engagement channels, feedback forms, meetings and more.	<ul style="list-style-type: none"> • Brand Reputation • Product Quality and Development • Product Variety and Availability
 Executive / Non-Executive Employees	Competitive remuneration, work-life balance, career prospects, training and development opportunities, conducive working environment and culture.	Town halls, company memos and Intranet, employee feedback surveys, and reports sent to line supervisors/superiors. Various internal and employee events and activities.	<ul style="list-style-type: none"> • Labour and Human Rights • Talent Management & Development • Occupational Health & Safety
 Shareholders and Investors	Share price appreciation, dividends and overall company financial performance as well as sustainability performance.	Investor roadshows, company annual general meeting, quarterly financial result announcements.	<ul style="list-style-type: none"> • Anti-Corruption and Good Governance • Brand Reputation
 Bankers and Financial Institutions			
 Suppliers	Fair procurement practices and tender opportunities, timely payment.	Invitations to tender, supplier briefings, emails and post-mortem meetings.	<ul style="list-style-type: none"> • Local Procurement and Efficient Supply Chain • Resource and Material Use
 Board of Directors	Business growth and robust operational performance, good corporate governance and ethics. Sustainability performance improvements.	Board of Director meetings, Board committee meetings, management meetings, board circulars, emails and other forms of communication.	<ul style="list-style-type: none"> • Anti-Corruption and Good Governance • Product Quality and Development • Digitalisation and Technology
 Senior and Middle Management			

Sustainability Statement

Stakeholders	Interests and Concerns	Engagement Channels	Material Matters
 Media	Company financial and sustainability performance, share price appreciation, and notable business developments.	Press releases and interviews.	<ul style="list-style-type: none"> Company Reputation
 Local Community Member / General Public	Positive socio-economic multiplier effects are created through the presence and/or operations of the Group's business.	Community events, CSR campaigns and programmes, company website.	<ul style="list-style-type: none"> Local Communities Location of Operations
 NGOs	Sustainability performance, the Group serving as a force for good – delivering positive multiplier effects.	Meetings, press releases and company website.	<ul style="list-style-type: none"> Environmental and Social Compliance Climate Change Labour and Human Rights

Strategic Alliances and Collaborations

Unitrade has built strategic partnerships with various organisations to share ideas and tackle some of the industry's most pressing issues. Through these collaborations, we are able to leverage our respective expertise and resources to enhance our collective impact and value creation.

Unitrade is a member of the following organisations in FY2024:

- Building Materials Distributors Association of Malaysia (“BMDAM”)
- Federation of Malaysian Manufacturers (“FMM”)
- Malaysian Air-Conditioning & Refrigeration Association (“MACRA”)
- Malaysia Fire Protection Association (“MFPA”)
- Malaysia Steel & Metal Distributors Association (“MSMDA”)
- Master Plumbers Association of Malaysia (“MPAM”)
- Malaysia Steel Institute (“MSI”)
- The Electrical & Electronics Association of Malaysia (“TEEAM”)
- Malaysian Photovoltaic Industry Association (“MPIA”)
- Malaysian Metal Recyclers Association (“MMRA”)

In FY2024, Unitrade actively participated in several key industry events and initiatives, demonstrating our commitment to sustainability, ethical sourcing, and human rights.

On 18 May 2023, we took part in the “Seminar on ESG Awareness - Building an Impact Organisation,” a collaboration between BMDAM and PwC. This seminar aimed to raise awareness about ESG principles within the building materials industry. Our involvement underscores our commitment to mitigating climate change through sustainable sourcing practices.

Furthering our engagement with industry stakeholders, we participated in a collaboration meeting with MBAM on 12 March 2023 to explore opportunities for mediation and promote awareness about the CIDB Standard Form of Contract for Building Works (2022 Edition). This engagement demonstrated our proactive approach to improving supply chain integrity, particularly on human rights and ethical practices in the building materials sector.

Additionally, we joined the BMDAM Affiliate Dialogue with the MBAM on 11 August 2023, which allowed us to foster strong industry relationships and contribute to supply chain improvements. We also engaged with industry leaders at the MBAM Conference on 8 December 2023, discussing the CIDB Standard Form of Contract for Building Works 2022 and mediation for construction disputes. Our participation highlighted our commitment to responsible sourcing and environmental stewardship within the supply chain, supporting our broader sustainability goals.



Material Matters

Material topics are also increasingly being considered from a risk and opportunities perspective. To better strengthen the integration of materiality into the Group’s existing risk management and mitigation approach, Unitrade conducted a fresh materiality assessment in FY2024 to refine our approaches for the identification, assessment, and prioritisation of material topics. This process helped us link material matters to our business, operational, strategic, and financial risks, as well as the risks to our stakeholders.

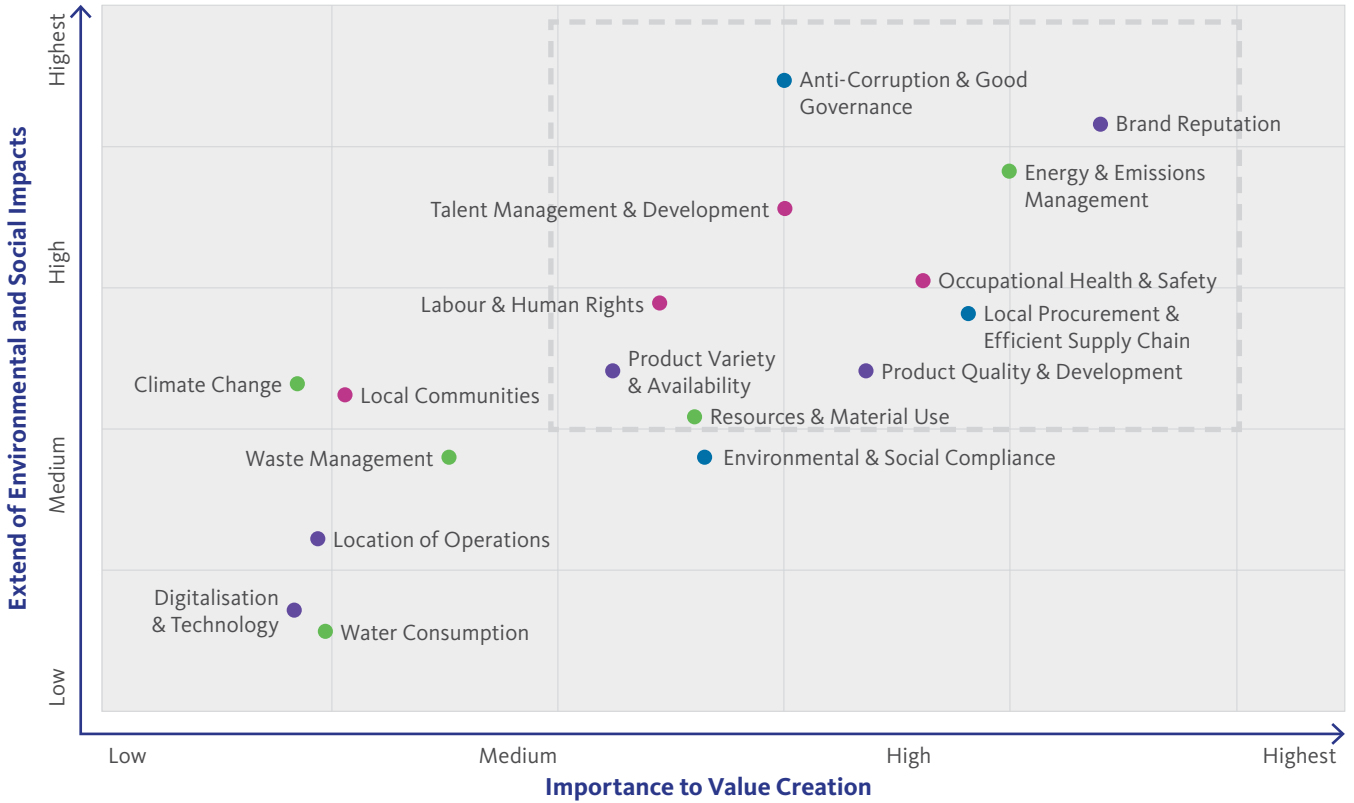
The FY2024 re-assessment adopted the principle of double materiality. It was conducted from September to October 2023 and comprised the following steps:



Sustainability Statement

Materiality Matrix

We have showcased the material matters that impact our Group and stakeholders.



ECONOMIC

Digitalisation & Technology

- Brand Reputation
- Product Quality & Development
- Product Variety & Availability
- Location of Operations



ENVIRONMENTAL

- Climate Change
- Energy & Emissions Management
- Waste Management
- Resources & Material Use
- Water Consumption



SOCIAL

- Occupational Health & Safety
- Talent Management & Development
- Labour & Human Rights
- Local Communities



GOVERNANCE

- Anti-Corruption & Good Governance
- Local Procurement & Efficient Supply Chain
- Environmental & Social Compliance



Driving Sustainable Growth

Since we endeavour to execute projects and deliveries that create a positive impact for our customers, we are constantly leveraging technology to drive innovation in our business. We are also exploring acquisition opportunities to expand the product portfolio of the Group and are pleased to report our entry into the solar energy and metal recycling market. By expanding our product offerings, we wish to serve all segments of our customer base.

HARNESSING DIGITALISATION AND TECHNOLOGY FOR GROWTH

Digitalisation and technology play a crucial role in enhancing operational and energy efficiency in our building material manufacturing, wholesale, and distribution business. By integrating advanced digital solutions, we can better streamline our processes, reduce waste, and improve overall productivity.

A key initiative in our technology adoption strategy is the installation of a solar PV system at our industrial complex. This investment not only reduces our carbon footprint but also significantly enhances our green credentials, boosting the competitiveness of the Unitrade brand in the market.

CYBERSECURITY AND DIGITALISATION

We take our cybersecurity seriously as we fully comprehend that any breach in our daily operations can expose the Group to legal, financial and reputational damage. Digitalisation is an important journey for Unitrade and continuous transformation will strengthen our business efficiency, and the products and services that we provide.



Zero

**Substantiated Complaints
Concerning Breaches of Customer
Privacy and Losses of Customer Data**

Sustainability Statement

CUSTOMER-CENTRIC APPROACH

We want to make sure all our customers enjoy a positive experience with us. Striving to continuously improve the relationship with our customers builds the trust and reliability they have with us and our products.

We continue to maintain a strong track record of high customer satisfaction levels and a 100% customer complaint resolution rate. The rise in customer complaints recorded in FY2024 is mainly due to minor damage caused by ageing products, which is being addressed by the Group.




Note: Includes Customer Complaints Management data from Unitrade United, Syarikat Logam Unitrade and Ricwil only.

OUR QUALITY FIRST APPROACH

Our operational mantra, “Do it Right the First Time Everytime”, ensures optimum quality and supports improved business and operational efficiency.

At Ricwil, quality control processes adhere to ISO 9001:2015 procedures. Other subsidiaries ensure that their products carry the necessary certificates from CIDB, MS1462-1 standard, FM Approval Class: 4924 and other relevant authorities.



ISO 9001:2015
Quality Adherence at Ricwil

Providing quality products ensures our credibility and it is the basis of trust from our customers. In that endeavour, Unitrade has partnered with the Department of Environment of Malaysia in the ‘HCFC Phase-out Management Plan Stage-1’ project, ensuring that our raw materials for pre-insulated pipes are hydrochlorofluorocarbons (“HCFCs”) free.

These efforts serve to ensure that Unitrade maintains the highest product quality performance to eliminate and reduce incidents of product recalls and non-compliance with regulatory or voluntary codes.


In FY2024, Unitrade United recorded a higher number of units recalled due to the higher volume of products rented out.

Product Quality Performance (Unitrade United)	FY2022	FY2023	FY2024
Number of incidents of non-compliance with regulations or voluntary codes concerning the health & safety impacts of products and services	0*	0*	0*
Number of recalls issued for health and safety reasons	2	1	7
Total units recalled	50 pcs	14 pcs	309 pcs


* Restated due to an error in the data entry of the previous statement.

INCREASING PRODUCT VARIETY


As one of the largest homegrown building materials wholesalers and distributors, maintaining a diverse product inventory is crucial to providing our customers with ease of doing business. We offer an extensive range of 6,227 SKUs of M&E and civil building materials, including pipes, valves, fittings, accessories, steel products, and more. These products are sourced from 508 local and overseas suppliers to serve over 1,717 active customers, to the full lifecycle of buildings and infrastructure.



6,227
Product SKUs



508
Suppliers



1,717
Customers

Our focus on expanding inventories and product variety is essential to support the ongoing industry uptrend. Our industrial complex provides additional storage space, allowing us to increase inventory and cater to more projects and industries, reducing lead times and ensuring timely deliveries.

New products we have introduced in FY2024 include high-pressure hydraulic hoses, recycled metals, and a full suite of solar products. These products arose out of Unitrade’s acquisitions of new subsidiaries, and have created significant new earnings drivers through the adoption of circular economy principles while supporting Malaysia’s renewable energy initiatives and catering to sustainable building and infrastructure needs.



RM 9.6 million
CAPEX for Pipe Fabrication Centre and Powder Coating Line

“FY2024 marked our entry into the metal recycling business and the expansion of our distribution offerings with a full suite of solar products.”

Sustainability Statement



The value we provide transcends pure economic benefits to a socio-economic benefit that translates to uplifting the community. These benefits extend to our employees, local supply chains, financiers, shareholders, and local governments, resulting in widespread positive and long-term impacts.



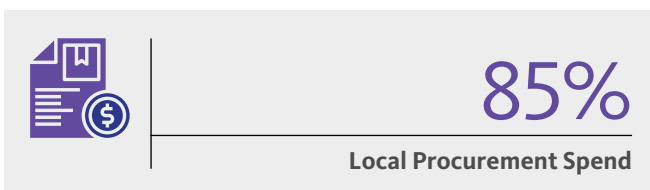
RM **1,529** million

Total Economic Value Distributed to Stakeholders

Economic Values (RM'000)	FY2022	FY2023	FY2024
Economic Value Generated (Revenue)	1,290,202	1,394,677	1,613,400
Economic Value Distributed:	1,177,174	1,317,517	1,528,436
i. Total Monetary Value / Spend on Procurement	1,213,465	1,350,282	1,373,056
ii. Total Payout to Employees in Salaries and Benefits	24,687	28,571	30,215
iii. Net Tax Paid to Government	11,202	11,973	6,726
iv. Dividend Paid to Shareholders	36,141	12,813	4,688
Economic Value Retained	210,189	212,773	221,815

PRIORITISING LOCAL PROCUREMENT AND EFFICIENT SUPPLY CHAINS

Our procurement process is guided by the principles of responsible and sustainable sourcing. While we occasionally source products from overseas to remain competitive, we prioritise local procurement whenever feasible to reduce carbon emissions, and strengthen the local economy.



Aside from product quality and commercial considerations, our supplier selection is also based on fair labour practices, non-discrimination, human rights, and compliance with our Anti-Bribery and Anti-Corruption ("ABAC") Policy and ethical codes. All suppliers must adhere to Unitrade's sustainability standards and provide written affirmation of their commitment. The Board and Management actively work to green our procurement approach to mitigate any potential risks from our supply chain.

Given that our business sources a wide range of building materials for mechanical, electrical, and civil works, as well as raw materials for manufacturing pre-insulated pipes, efficient supply chains are crucial to our business model.

We use several KPIs to measure the effectiveness of our procurement strategies:



Percentage of Spend on Local Suppliers:

Higher percentages indicate successful local procurement.



Number of Local Suppliers: Reflects our efforts in developing and supporting local supply chains.



Supplier Diversity: Measures the inclusion of SMEs and minority-owned businesses.



Compliance with Local Procurement Policies: Ensures adherence to ethical sourcing, human rights, and environmental sustainability.



Social and Environmental Impact: Tracks job creation and reductions in greenhouse gas emissions from local sourcing.

Procurement Data	FY2022	FY2023	FY2024
Total Procurement Spending (RM'000)	1,213,465	1,350,282	1,373,056
Total Local Procurement Spending (RM'000)	1,124,662	1,124,095	1,173,080
Proportion of Spending on Local Suppliers (%)	93	83	85
Total Number of Suppliers	483	555	508
Total Number of Local Suppliers	426	496	466
Total Number of Foreign Suppliers	57	59	42
Percentage of Local Suppliers (%)	88	89	92

Note: Includes Procurement and Supplier data from Unitrade United, Syarikat Logam Unitrade and Ricwil only.

PRE-SCREENING AND AUDIT OF SUPPLIERS

At Unitrade, ensuring the highest standards of quality and sustainability in our supply chain is paramount. Our rigorous pre-screening and audit processes for new and existing suppliers are crucial for maintaining these standards. These processes help us identify potential risks, ensure compliance with our sustainability benchmarks, and foster long-term, trustworthy relationships with our suppliers.

Our comprehensive due diligence approach includes pre-screening, risk-based audits, detailed questionnaires, site visits on a rotational basis, ensuring contractual commitments, and continuous compliance monitoring. This thorough evaluation ensures that our suppliers meet our quality and sustainability criteria from the outset and continue to do so throughout our partnership.

Supplier Assessment

In FY2024, we assessed 315 suppliers on various criteria, including product quality, pricing competitiveness, delivery accuracy, customer service, sales support, after-sales service, business ethics, integrity, and overall performance. Our local suppliers achieved an average score of 6.69, indicating good performance across all assessed sectors.

Criteria	Quality	Pricing	Delivery	Service	Total Marks
Average Supplier Scores for SLU	1.88	1.36	1.65	1.80	6.69

Note: For each criterion, suppliers are given a rating of 0 (Poor); 1 (Satisfactory); or 2 (Good). Suppliers scoring a total of 5-8 points are considered Reliable and will be retained as Approved Suppliers. Those scoring 3-4 points are considered Acceptable, and will be monitored by the Group, while those rated Unreliable with 0-2 points will be recommended for termination unless concessions are made by Management. No suppliers were deemed Unreliable in FY2024.

Sustainability Statement



Environmental Stewardship

This year, we evolved our climate action plan by placing a long-term goal at the centre of our strategy. Recognising our pivotal role in mitigating climate risks, we remain steadfast in our commitment to responsible environmental practices, ensuring our business's resilience to climate change. Our initiatives encompass the conservation of energy, water, and natural resources, as well as the prevention of pollution and the reduction of emissions and waste. Our vision aligns with Malaysia's pledge to achieve Net Zero by 2050 and supports the Paris Agreement's goal of limiting global temperature increase to 1.5°C.

NET ZERO BY 2050

Our commitment to environmental sustainability is established organisation-wide through our practices. This is critical for our sustained competitive advantage. We are focused on creating environmental awareness with our employees and stakeholders by focusing on energy, emissions and waste reduction, transitioning to cleaner energy sources, and enhancing reuse and recycling efforts.

Ricwil, our subsidiary specialising in the manufacturing and sale of pre-insulated pipes, has achieved ISO 9001 certification.

This highlights our commitment to excellence in quality management. We are actively working towards obtaining similar certifications for the rest of our subsidiaries, demonstrating our continuous pursuit of operational excellence and adherence to industry standards.



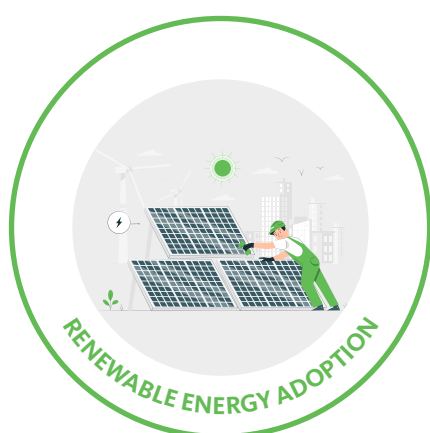
ISO 9001

Quality Management Systems

ADDRESSING CLIMATE CHANGE

Climate change is one of the most pressing challenges of our time, posing significant risks to ecosystems, economies, and communities worldwide. According to the IPCC AR6 report, human activities have caused approximately 1.1°C of global warming above pre-industrial levels in 2011 – 2020. Continued greenhouse gas emissions are projected to increase global warming, with an estimated rise to 1.5°C in the near term.

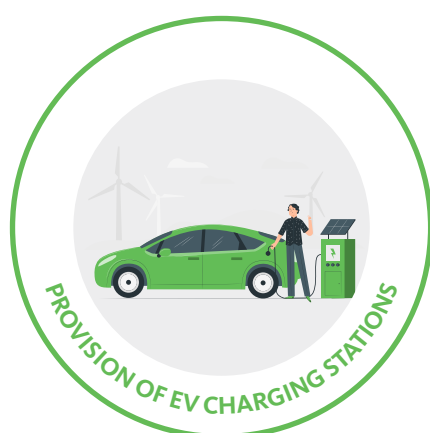
An integral aspect of Unitrade’s climate strategy is our proactive response to climate change. Our objective extends beyond emission reductions within our business operations; it encompasses a broader commitment to understanding and mitigating the impacts of climate change on surrounding communities.



Transitioning to renewable energy sources, with the installation of solar photovoltaic systems, reduces both emissions and reliance on fossil fuels.



Implementing comprehensive strategies to reduce emissions, including integrating electric forklifts and electrified cranes in logistics operations, aligns with our goal of achieving net zero.



Encouraging Electric Vehicle (“EV”) adoption among employees, thereby indirectly contributing to Scope 3 emissions reduction efforts.

Our approach to climate change is rooted in our environmental responsibility to reduce greenhouse gas (“GHG”) emissions through the adoption of renewable energy sources, decarbonising our operations and promoting electrification opportunities. Key initiatives include engine non-idling campaigns, adding heavy-duty electric forklifts for our warehouse, and better planning and logistics for the movement of our products.

The approach to decarbonising our operations is a testament to our commitment to combating climate change. By continuously refining our strategies and expanding our scope of impact, we aim to lead by example in the transition to a more sustainable future.

DECARBONISING OUR OPERATIONS

Unitrade is committed to implementing effective emissions and energy management practices to minimise our environmental impact and enhance operational efficiency. Our strategies focus on reducing GHG emissions across all scopes and improving energy consumption patterns.

Sustainability Statement

Efficient Energy Management

Fuel Consumption

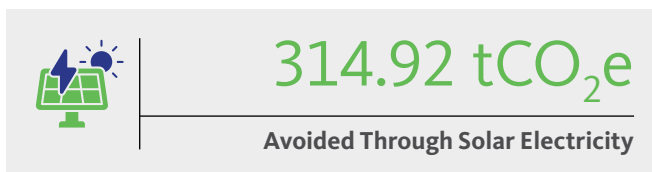
Unitrade consumes both direct and indirect energy sources. While direct energy primarily comprises diesel fuel used by our vehicle fleet and forklifts, we are progressively transitioning to electric forklifts. This helps us assess the viability of electric forklifts in our operations, with the potential to phase out diesel forklifts gradually. Certain warehouse operations and the handling of off-site items still rely on diesel-powered forklifts and backup generators are also fuelled by diesel for electricity production during power outages.

As our business relies heavily on logistics and deliveries, strategic vehicle fleet management is essential for reducing fuel consumption, emissions and energy costs. To achieve these goals, Unitrade has instituted several key strategies for fleet management.

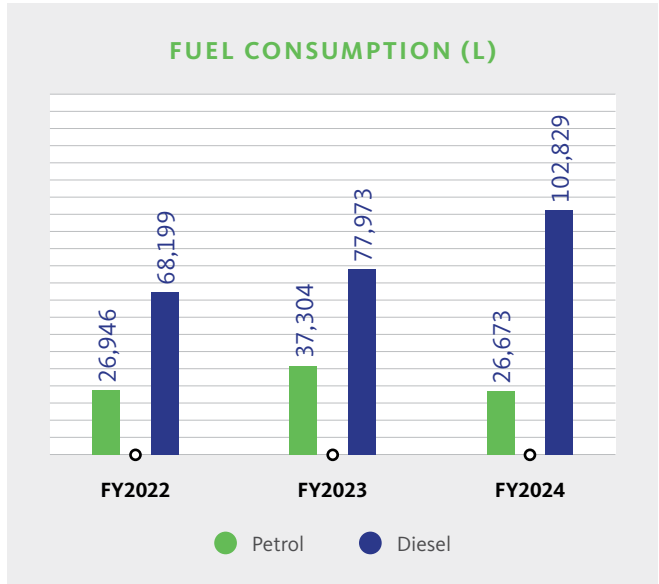
Renewable Energy Lights the Way

We are committed to efficiently managing our purchased electricity. Since the installation of solar photovoltaic panels in October 2022, our electricity comes from both the national grid and solar panels, with a distribution ratio of approximately 50:50.

In FY2024, Unitrade consumed a total of 1,098,223 kWh of electricity, with 52% generated by solar panels. The total solar electricity yield stood at an impressive 844,285 kWh, with 571,544 kWh consumed for operations and the balance sold to the grid. This solar utilisation has avoided 314.92 tonnes of CO₂ emissions and saved RM340,600 in costs.

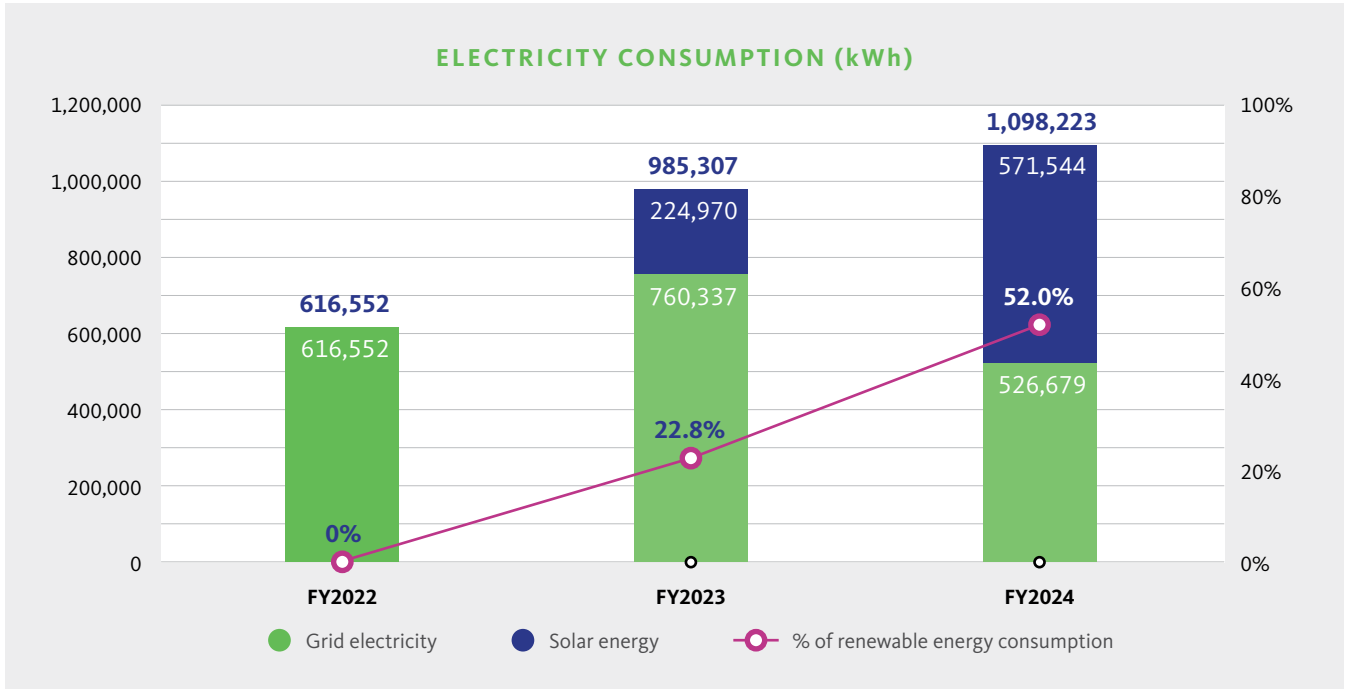






Note: Based on solar-generated electricity in FY2023 at 224,970 kWh, the avoided emissions for FY2023 are rectified and restated as 123.96 tCO₂e.



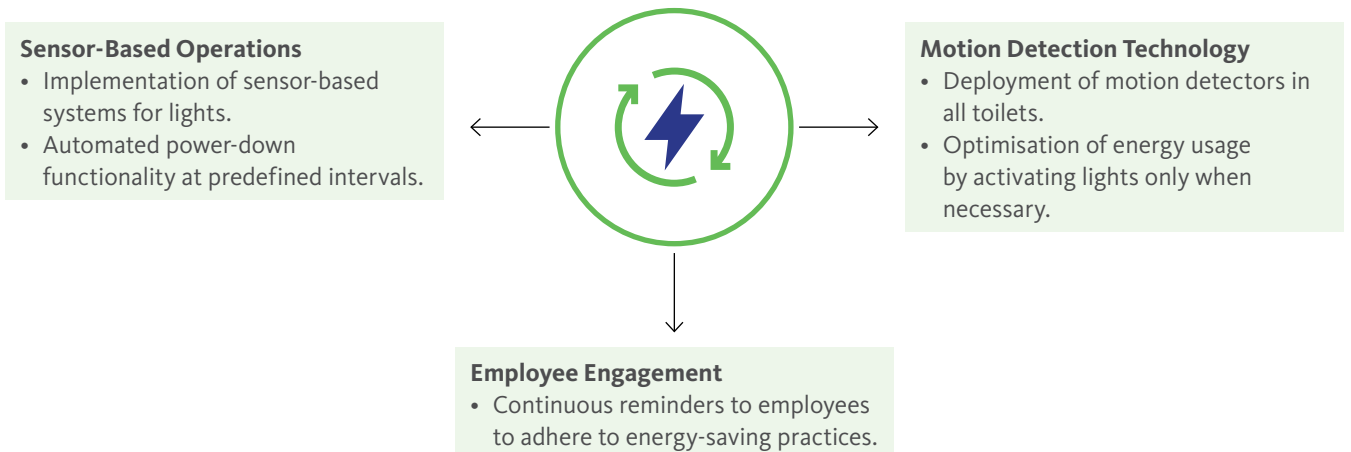
Vehicle Fleet Management

- Reducing idle engine running.
- Implementing careful route planning and scheduling to reduce travel distances and durations.
- Conducting regular upkeep and maintenance of vehicles to ensure optimum fuel efficiency.
- Phasing out older vehicles in favour of electric or newer, more fuel-efficient models.
- Progressively replacing internal combustion engine-based vehicles with electric vehicles in the fleet.

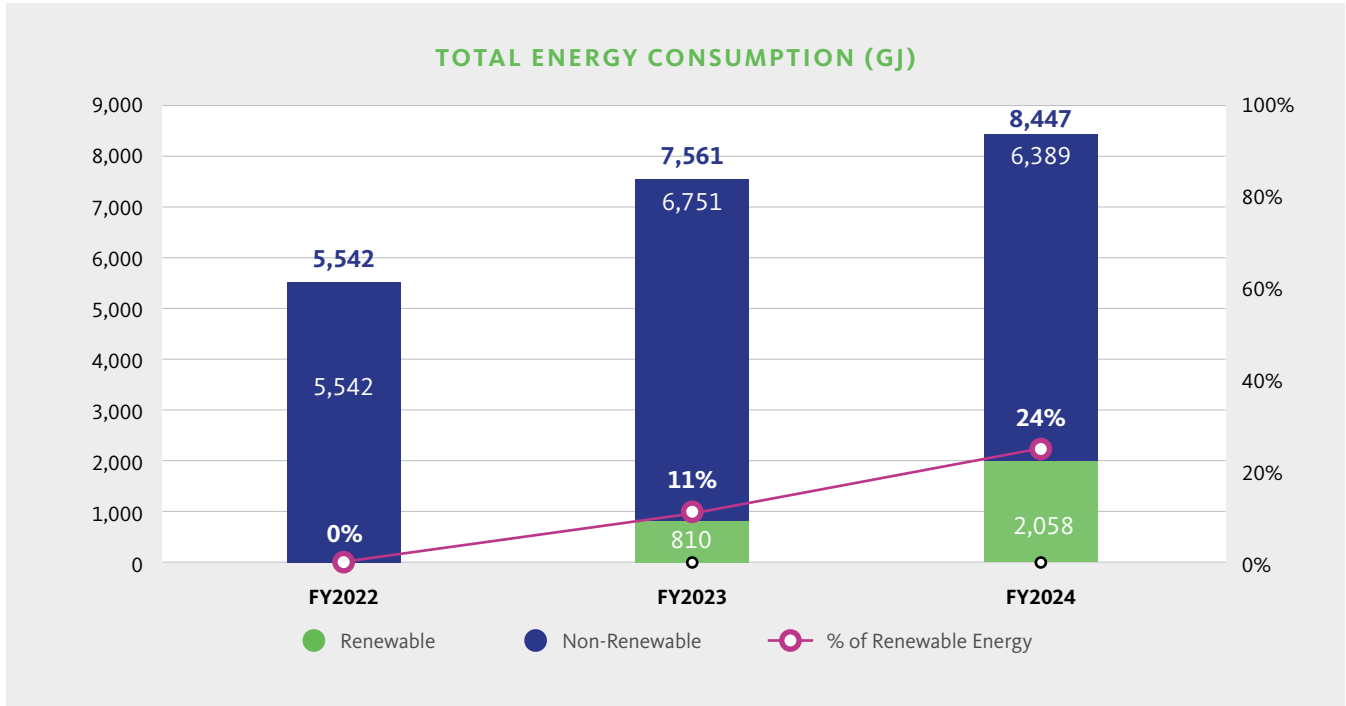


 <p>844,285 kWh Total Solar Energy Yield</p>	 <p>571,544 kWh Used Generated Energy</p>
 <p>272,741 kWh Sold Back to the Grid</p>	 <p>RM 340,600 Costs Saved</p>

Unitrade also emphasises energy-saving measures as an approach to managing energy consumption.

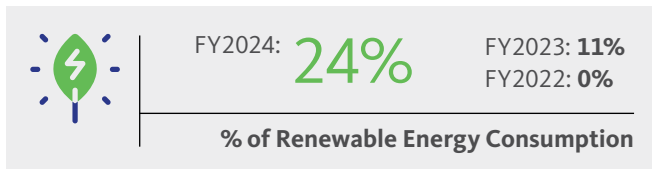


Sustainability Statement



In FY2024, total energy consumption has increased marginally to 8,447 GJ, due to expanded operations, with renewable energy now constituting 24% of our total energy consumption. This significant percentage underscores our ongoing commitment to integrating sustainable practices into our operations.

“ Our shift towards renewable energy is a key part of our strategy to reduce our carbon footprint and support a more sustainable future. ”



	FY2022	FY2023	FY2024
Energy Intensity (GJ/RM'000)	4.30	5.42	5.23

Towards Net Zero

Unitrade is committed to reducing our Scope 1, 2, and 3 emissions as part of our responsibility to environmental stewardship.

Scope 1

In FY2024, our Scope 1 emissions increased to 341.27 tCO₂e, primarily due to expanded operations and increased fuel consumption.

However, through meticulous management of our fleet operations and the integration of electrified cranes and forklifts, we continue to actively address fuel consumption and emissions, thus advancing our emissions reduction goals.

“ We are committed to enhancing our strategies to better manage and reduce Scope 1 emissions moving forward. ”

Scope 2

By progressively transitioning to renewable energy sources like solar power,

“ we have reduced our Scope 2 emissions to 290.20 tCO₂e, compared to 418.94 tCO₂e in FY2023. ”

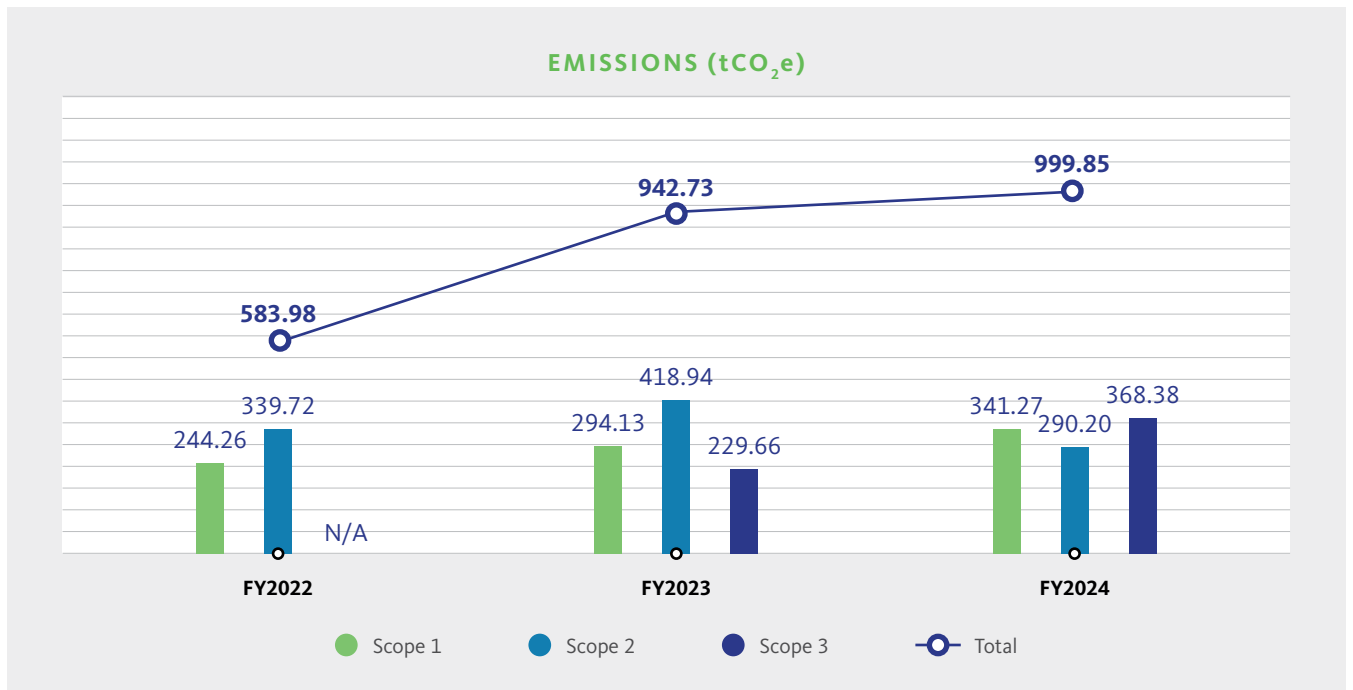
Scope 3

Expanding the focus to Scope 3 emissions enables us to holistically address emissions across our value chain. Our

Scope 3 emissions increased to 368.38 tCO₂e in FY2024 due to a more refined and comprehensive survey that included a larger number of employees as part of our business growth.

In FY2024, emissions totalled 999.85 tCO₂e, marking a slight increase from the previous year. The substantial reduction in Scope 2 marks a significant achievement in our decarbonisation efforts due to our transition to renewable energy sources.

As we continue to enhance our sustainability practices, our focus remains on further minimising our carbon footprint and promoting sustainable operations. Moving forward, we will intensify our efforts to reduce emissions and explore opportunities to achieve our long-term environmental goals.



Note:

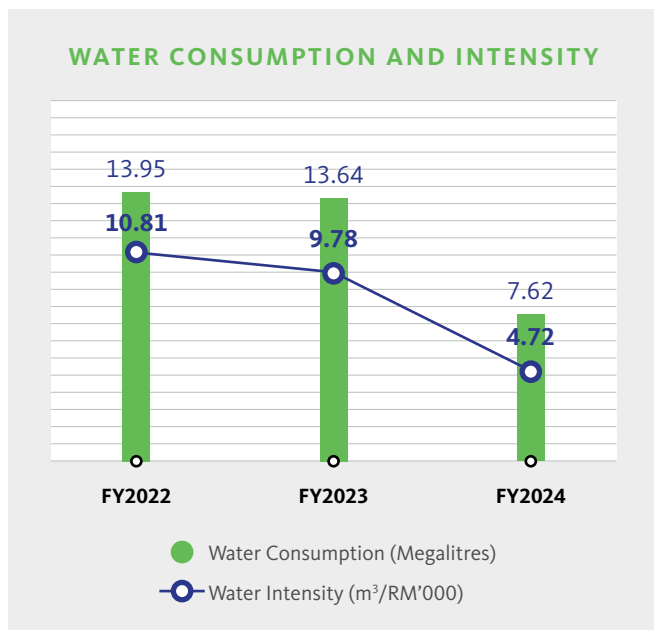
1. The conversion factor used to convert litres consumption to energy value is based on the Malaysia Energy Statistic Handbook 2020. Meanwhile, emission factors and Global Warming Potential (GWP) values are retrieved from the Intergovernmental Panel on Climate Change (IPCC) database.
2. The emission factor used for grid electricity is based on the United Nations Framework Convention on Climate Change (UNFCCC) Harmonised Grid Factors 2021.
3. The emission factors for Scope 3 – Employee Commuting used are based on the United Kingdom Department for Environment, Food and Rural Affairs.
4. The Scope 3 emission data for FY2023 has been restated after incorporating the employee commuting data.

Sustainability Statement

RESPONSIBLE WATER CONSERVATION


Water management is crucial for sustainable operations and community well-being. Recognising water as a finite and shared resource, we remain committed to conserving it responsibly.

In FY2024, Unitrade and its subsidiaries consumed a total of 7,620 m³ of water. The substantial decrease in water consumption can be attributed to our water conservation efforts. We strive to minimise our water footprint through diligent monitoring and management.



To promote sustainable water usage, Unitrade has adopted several water conservation measures:


Rainwater Harvesting



24 m³


Capacity Tanks for Non-potable Uses Like Washing and Cleaning

Leak Detection and Repair



Regular Checks and Additional Inspections of Surge in Water Bills to Prevent Non-revenue Water (“NRW”) Losses

Employee Awareness and Engagement



Regular reminders via Emails, Posters, Memos, and Other Official Channels to Prioritise Water Conservation

Through these efforts, we aim to ensure that our operations are environmentally responsible and resource-efficient, contributing to the long-term sustainability of our business and the communities we serve.

SAFEGUARDING BIODIVERSITY

At Unitrade, we understand the importance of protecting our natural ecosystem. The location of our facilities, including warehouses, factories and manufacturing plants, are specifically chosen to be situated in areas deemed low in biodiversity value (“BDV”) and away from high conservation value (“HCV”) locations, ensuring that we do not interfere with critical habitats or endangered species.

Our focus is to reduce any negative impacts our business operations have on ecosystems and biodiversity. This includes closely monitoring the impact of our facilities, activities, products and services. We aim to prevent pollution, reduce consumption of national resources and emissions, reduce and recycle waste, and procure responsibly.

WASTE MANAGEMENT

Unitrade is dedicated to safeguarding the environment through a robust waste management system. Waste is categorised into two types: daily waste and recyclable waste, each managed through distinct channels. Daily waste is responsibly handled by Titan Waste Management Sdn. Bhd., a DOE-certified disposal company, with exceptions such as empty chemical drums from Ricwil’s operations, managed by licensed third-party scheduled waste disposal services. In FY2024, we commenced tracking waste directed to disposal as part of our broader waste management strategy, aiming to enhance our sustainability measures.



Zero

Environmental Non-compliance Incidents, Including Spillages or Leakages

	FY2022	FY2023	FY2024
Total Waste Generated (tonnes)	215.0	205.3	324.3
• Total waste diverted from disposal	215.0	205.3	324.3
• Total waste directed to disposal	N/A	N/A	N/A

Embedding Circularity in Operations

Our circular practices are targeted to minimise waste and ensure efficient use, maximising their usability. Our recent acquisition of Intergreen, which specialises in buying and selling recycled metals, allows our manufacturing operations to become an upstream source in fostering a closed-loop system, where materials are recycled, repurposed and reused. This strategic expansion minimises waste generation, ultimately contributing to our operational efficiency.

By embedding circularity in all aspects of all operations, we actively reduce our carbon footprint and mitigate negative environmental impacts. This commitment aligns with our drive for resilience and sustainability, ensuring we contribute positively to both the environment and our long-term operational stability.

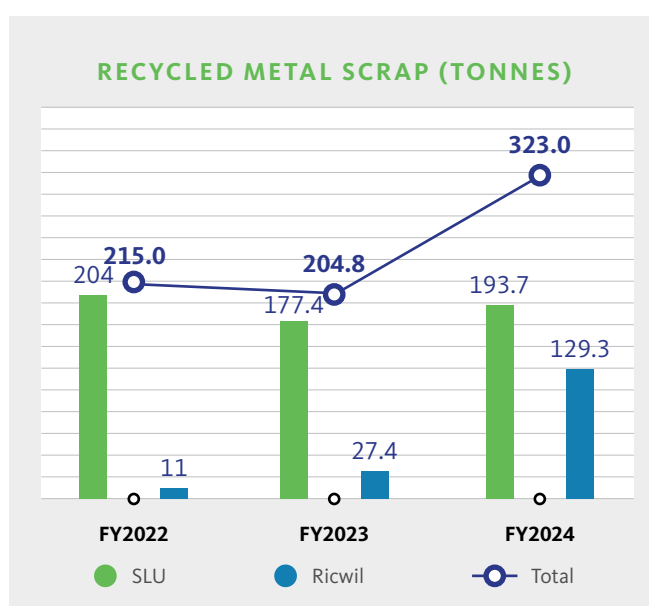
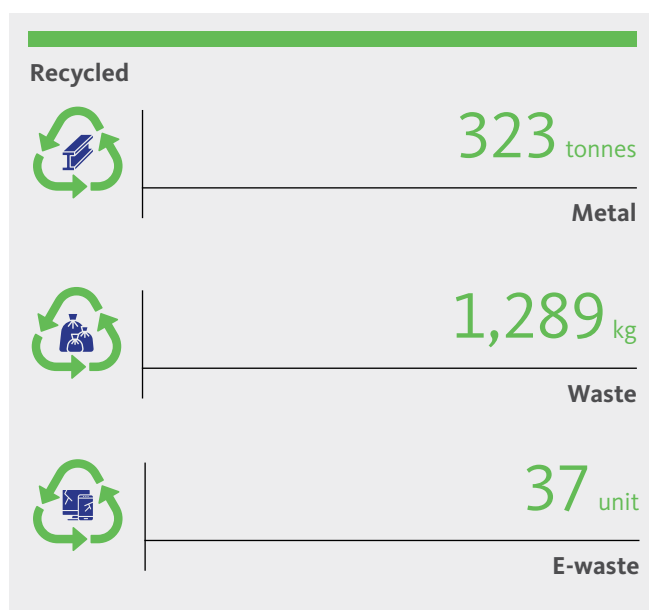
Reducing Single-Use Plastic

We understand that little things can add up to significant achievements. Unitrade has continued the initiative to reduce single-use plastic as part of our waste reduction initiatives. In FY2024, progress was made in minimising plastic usage, including reducing plastic mineral water bottles, and eliminating disposable plastic containers and utensils, by offering eco-friendly alternatives. Moving forward, we are planning to expand our recycling efforts and engage employees more actively in our sustainability initiatives.

Diverting Wastes from Landfill

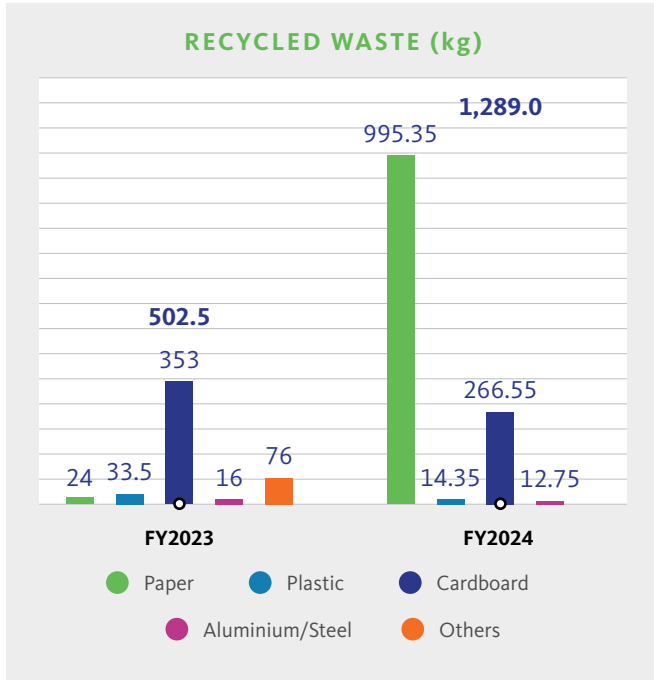
In FY2024, Unitrade’s Recycling Committee made significant strides in integrating the 5Rs across the Group’s operations. Recycling efforts are organised at the department level, where items are sorted and then aggregated at a central location. Employees are actively encouraged to participate by bringing recyclable items, fostering a culture of sustainability from within.

Our total recycled waste increased to 324.3 tonnes in FY2024 from the previous year’s 205.3 tonnes, reflecting our commitment to reducing landfill waste. The Recycling Committee also initiated an e-waste recycling programme, successfully recycling 37 units in FY2024.



- Note:
- These figures represent our wholesale, distribution and manufacturing operations, excluding the newly acquired subsidiary, Intergreen, whose core business is sourcing and selling recycled metals.
 - The recycled metal data for FY2023 has been rectified and restated after incorporating the full FY data.

Sustainability Statement



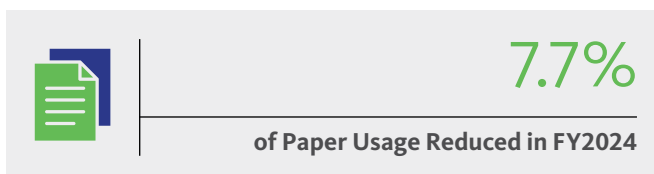
RESOURCES AND MATERIAL USE


As one of the leading suppliers and distributors of construction materials, including pipes, valves and fittings, we prioritise efficient use of raw materials. In our commitment to responsible resource management, we are actively strategising to accurately track raw material consumption.

By integrating sustainable practices, we endeavour to harmonise our business growth with environmental values, meeting customer demands while reducing our environmental impact.


Embracing Digitalisation: Paperless Initiatives

Unitrade aims to minimise paper consumption through digital transformation initiatives across its operations. We have implemented various strategies to streamline paper usage while enhancing operational efficiency, resulting in a decrease in paper consumption in FY2024, totalling 2,315.4 kg.






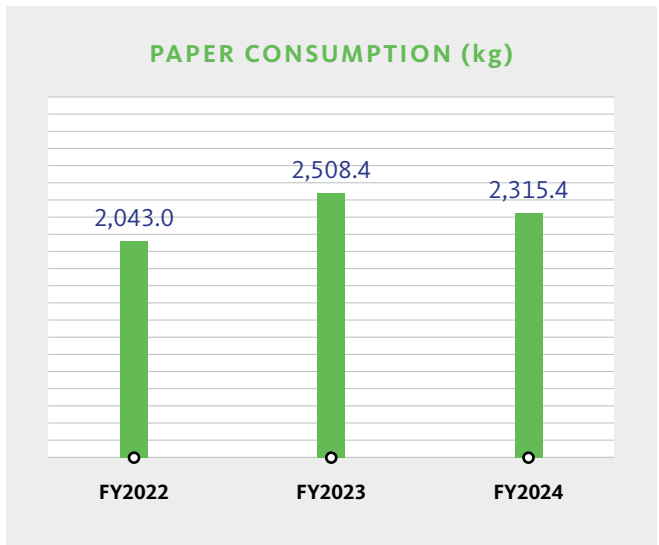
Digital Communication
Increased use of emails, messaging apps, and digital tools for business interactions.



Digital Documentation
All internal announcements and customer documents are now digital, eliminating physical paperwork.



E-Storage Solutions
Implementation of e-storage folders and servers for efficient document management and reduced physical storage needs.



Note: The paper usage data for FY2023 has been rectified and restated after incorporating the full FY data.

ENVIRONMENTAL SNAPSHOT

Environmental performance is fundamental to our operations, embodying our dedication to sustainability and responsible business practices. Through diligent management and rigorous monitoring, we consistently uphold compliance with stringent environmental standards and local regulations.

As we progress on our sustainability journey, we remain resolute in our commitment to reducing our environmental footprint and fostering a greener planet for generations to come.



Powering Social Progress

At Unitrade, our people are our biggest asset. We believe in investing in our people, our stakeholders and the community as everyone has a right to a sustainable tomorrow.

Our social values determine the decisions we make. We promote diversity, equality and inclusion by creating a cohesive organisational culture, respecting human rights throughout our business operations and upholding the importance of well-being across our value chain. We continuously take steps to ensure that our commitment to the people that we work and value is implemented for better social and economic outcomes.

CHAMPIONING DIVERSITY, EQUALITY AND INCLUSION

As a leading building materials supplier, we take pride in ensuring that the rights of our employees, stakeholders and community are protected. We have zero tolerance for discrimination and harassment. We champion diversity, equality and inclusion because the unique views and ideas of our people will help us to be a sustainable and competitive business. We strive to create a workplace where everyone feels valued, appreciated and empowered to contribute to Building a Sustainable Tomorrow.

“

We are dedicated to maintaining a work environment free from discrimination based on socio-demographic factors such as age, gender, race, religion, sexual orientation, or disabilities.”

Sustainability Statement

We prioritise diversity in all aspects of our operations, regularly assessing and recommending strategies to enhance workforce diversity. This dedication ensures we create an environment that values and respects individual differences, contributing to a dynamic organisational culture.

Ethnicity

Year	Employee Category	Malay	Chinese	Indian	Others
FY2022	Senior Management	2.4%	90.5%	7.1%	0.0%
	Management				
	Executive	50.6%	34.2%	15.2%	0.0%
	Non-Executive/Operational	45.6%	4.4%	13.2%	36.8%
FY2023	Senior Management	2.4%	90.5%	7.1%	0.0%
	Management				
	Executive	53.7%	33.7%	12.6%	0.0%
	Non-Executive/Operational	24.3%	2.6%	14.1%	59.0%
FY2024	Senior Management	0.0%	91.7%	8.3%	0.0%
	Management	5.9%	82.4%	11.7%	0.0%
	Executive	56.3%	31.3%	12.4%	0.0%
	Non-Executive/Operational	22.0%	2.2%	11.0%	64.8%

While there were no reported incidents of discrimination in FY2024, we recognise the need to always push efforts in promoting diversity.

PRIORITISING A SAFE WORKPLACE

At the very core of our corporate culture is the safety of our people and to that end, we foster an environment that promotes the well-being of our value chain. We place paramount importance on the safety of our employees and we protect our people, products and reputation from injury, illness and any other harm. At all times, we inculcate compliance with the regulatory requirements set by the Occupational Safety and Health Act 1994 (OSHA 1994).

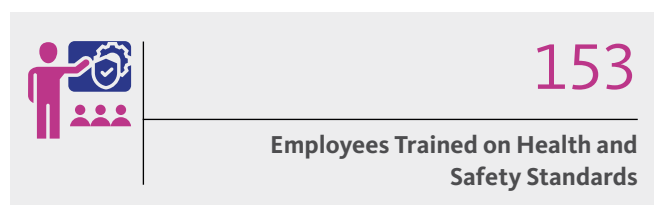
OSH Management

To ensure comprehensive health and safety regulatory compliance, we have a group-level Safety Coordinator and each subsidiary within the Group has their respective Safety Coordinator with a Health and Safety Committee (HSE Committee).

The warehouse manager gives a safety briefing every start of the week to instil the culture that safety is everyone's responsibility. Prompt incident reporting and investigation are undertaken before mitigation measures are recommended. While trade unions are not currently engaged, Unitrade maintains an inclusive approach by providing avenues for workers to voice their concerns and suggestions during these safety briefings.

This commitment extends to health surveillance, with Ricwil leading by example with four workers who were placed under health surveillance as recommended by the Occupational Health Doctor ("OHD") and outlined in the Chemical Health Risk Assessment ("CHRA"). Additionally, effort towards improvement is ongoing, with performance monitored against set targets and aspirations to level against industry standards that reflect our dedication to the continuous enhancement of our OSH performance.

Developing Safety Skills



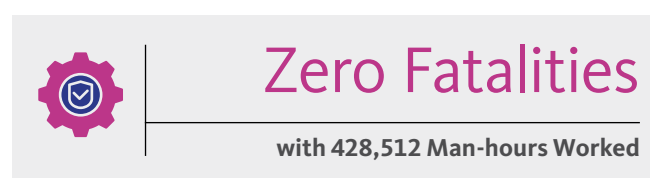
In line with legal requirements:

- One representative from each company with over five employees attended mandatory OSH Coordinator training.
- Comprehensive training sessions were conducted to ensure proficiency in OSH procedures and equipment handling, covering topics such as forklift operation, first aid, and fire-fighting.
- Emergency Response Team (“ERT”) was actively engaged throughout the year.
- 4 employees received the Certificate of Occupational Safety and Health Coordinator after completing their training.
- 149 employees participated in the evacuation drill training.

Optimising OSH Performance

In our commitment to occupational safety and health (OSH), we are proud to report zero fatalities over the past year, with a total of 428,512 man-hours worked. Our success in this area reflects our broader commitment to sustainability, emphasising the importance of OSH in a responsible organisation.

Unitrade promotes a culture of leadership and accountability by regularly evaluating our health and safety performance, and benchmarking it against industry standards for continuous improvement and adherence to best practices. This process includes structured analysis of incident reports, diligent monitoring to measure effectiveness and creating an environment where all team members are empowered to take ownership of safety concerns and initiatives.



OSH Performance	FY2022	FY2023	FY2024
Total Man-hours	389,574	287,345	428,512
Number of Fatalities	0	0	0
Number of Recordable Work-related Injuries	2	3	3
Lost-time Injury (“LTI”) (Days)	13	37	35
LTI Rate (Number of Lost-time Injury Cases Per Total Man-hours Worked, Multiplied by 200,000)	1.03	2.09	1.40

LABOUR AND HUMAN RIGHTS

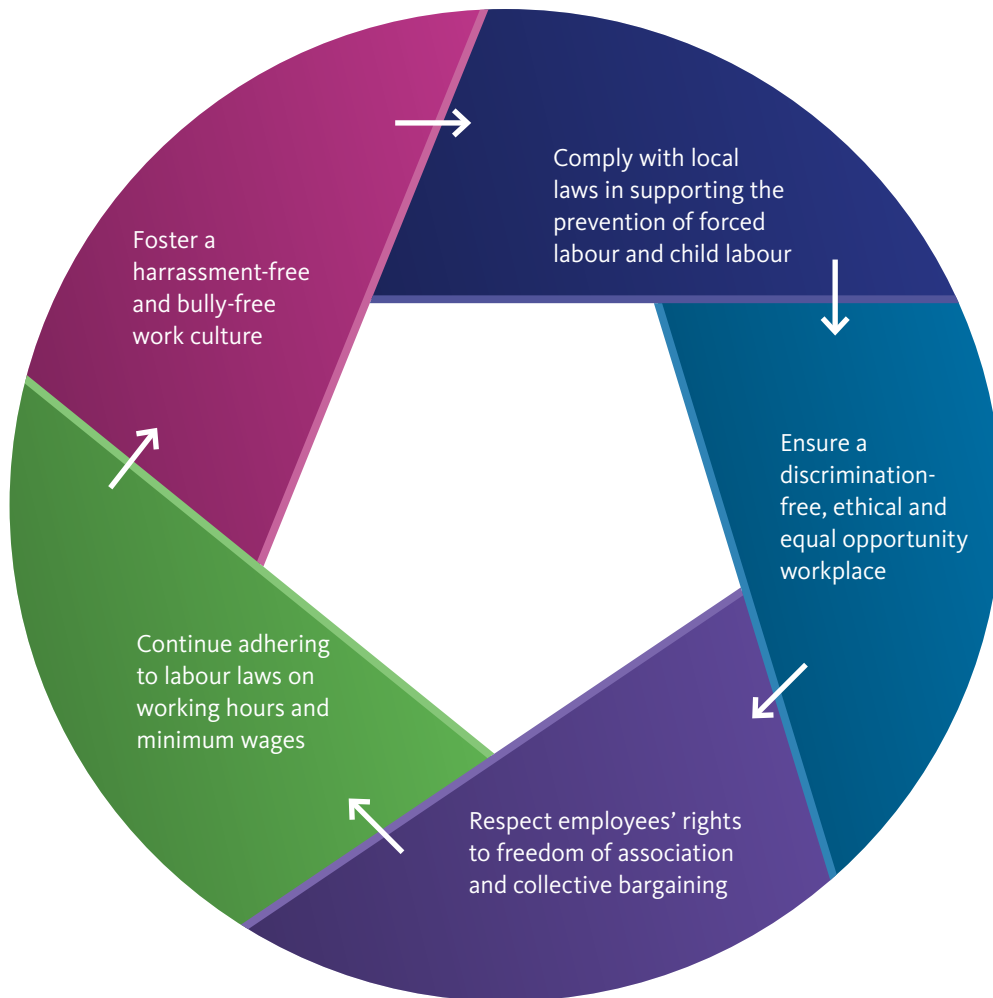
We hold ourselves accountable to the standards in our corporate values and conduct our business in a manner that respects and supports human rights. Unitrade is committed to upholding labour and human rights across our operations and supply chains. Our corporate values and work standards are anchored in international frameworks.

This includes adherence and upholding:

- Unitrade’s Code of Conduct: <https://www.unitrade.com.my/ethical-employee-conduct/>
- Unitrade’s Whistleblowing Policy: <https://www.unitrade.com.my/whistleblowing-policy-and-mechanism/>
- UN International Bill of Human Rights
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights (UDHR)
- International Labour Organisation (ILO)

Sustainability Statement

Unitrade is currently developing a Human Rights Statement, which will be released in FY2025.



Ensuring Human Rights Compliance in our Supply Chain

Within our supply chains, we maintain stringent evaluation protocols to ensure adherence to social and environmental standards, particularly in terms of labour practices. Unitrade's ESG Policy Pledge encapsulates our dedication to sustainability and ethical practices. By safeguarding human rights and promoting fair treatment across our supply chains, this pledge upholds integrity and sustainability principles integral to our operations.

Grievance Mechanisms and Employee Engagement

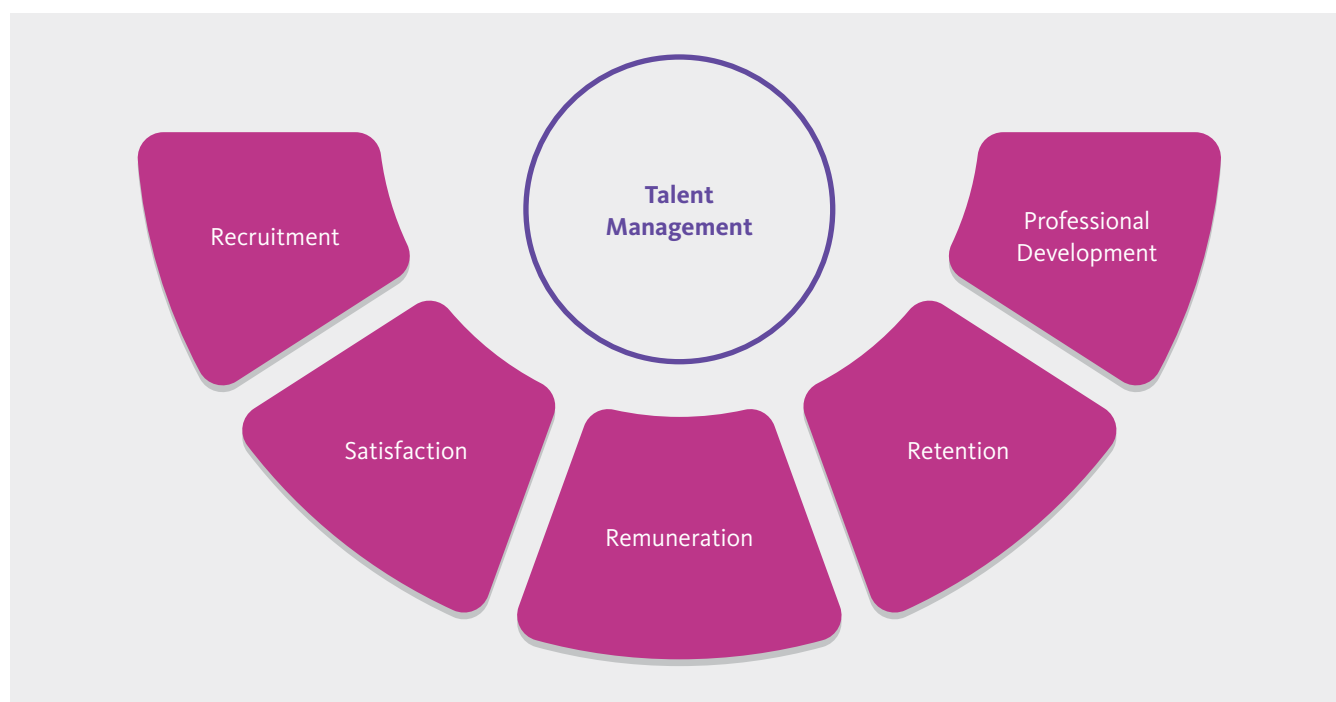
Unitrade operates under an open-door policy, actively encouraging employees to express their concerns or proposals

directly to senior management. Grievances can be raised through established channels with immediate superiors, and if needed, escalated to higher authorities. Presently, we are in the process of formalising a grievance mechanism to further streamline this process.

“ZERO reports of human rights violations.”

TALENT DEVELOPMENT

Our people are our top priority. We understand the importance of supporting and encouraging our employees to grow and excel personally and professionally. Our employees are key to growing and sustaining our business. We seek to advance their capabilities and skills for them to realise their full potential.



Having A Balanced Workforce

In FY2024, Unitrade sustained a workforce consisting of 244 individuals across its varied business sectors.



Strategies implemented to reduce voluntary employee attrition include creating a supportive work environment, providing ample growth opportunities, and implementing feedback mechanisms to ensure employee satisfaction and retention.

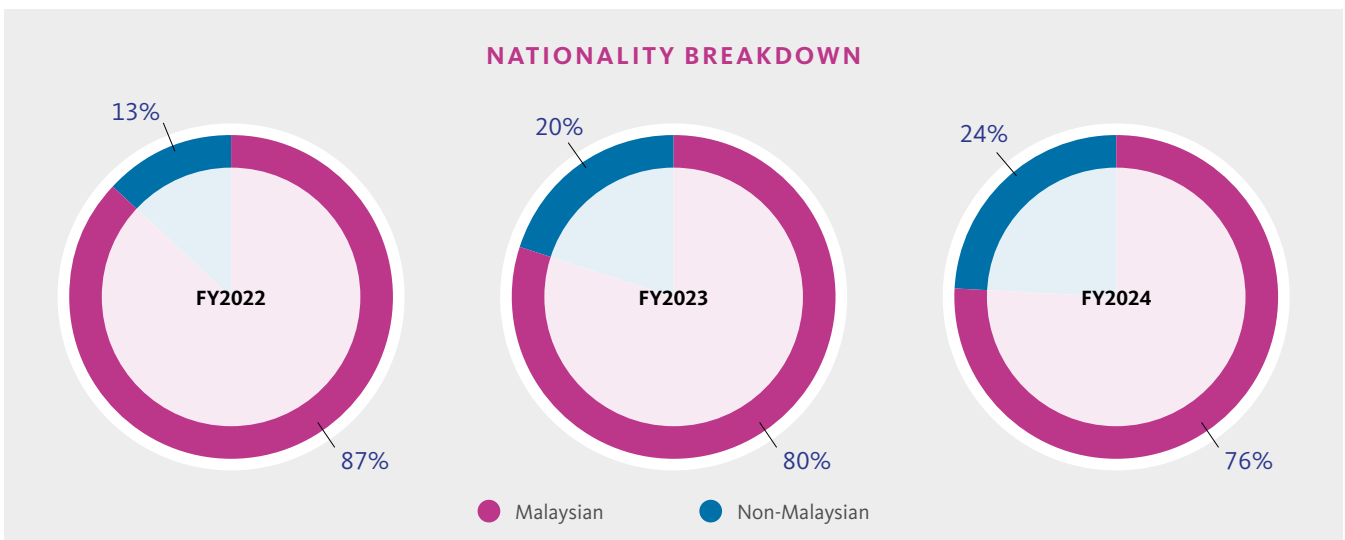
We are exploring the formalisation of our internship programme by collaborating with partners. This initiative aims to provide practical experience in various fields and serves as a pipeline for future skilled professionals, thereby contributing to the company's long-term growth and sustainability.

Number of Turnover by Employee Category	FY2022	FY2023	FY2024
Senior Management	1	2	1
Management			1
Executive	10	15	16
Non-Executive	33	16	5

Sustainability Statement

New Hires Breakdown	FY2022	FY2023	FY2024
Male	42	50	31
Female	21	9	15
Age 30 and below	43	43	30
Age 31-50	18	15	16
Age 51-65	1	1	0
Age 65 and above	1	0	0
Total	63	59	46

We prioritise recruiting local talent for managerial and executive roles. While our employees are predominantly Malaysian, the Group also maintains a sizable foreign workforce mainly in factory and warehouse roles. All management positions, both at the group and subsidiary levels, are held by Malaysians.



At Unitrade, we prioritise the well-being and professional development of our employees through a range of flexible policies and supportive amenities.



Flexible Work Arrangements (FWA)

- **Flexible Work Arrangements (“FWA”):** Empower individuals to balance personal and professional commitments seamlessly
- **Attire Policies:** Allow flexibility in attire for a more relaxed working environment
- **Work-From-Home Options:** Provide added flexibility



Employee Development

- **Higher Education Grant:** Ensures opportunities for further educational development



Leave Policies

- **Study Leave:** Encourages continuous learning
- **Volunteer Leave:** Supports community engagement



Employee Facilities

- **Nursing Room:** Available for new mothers
- **Fitness Centre:** Fully-equipped to maintain a healthy lifestyle
- **Library:** Leisure breaks for personal and professional growth

Catalysing Growth through Training

We place a significant emphasis in ongoing development of our workforce, recognising it as an important aspect for creating enhanced productivity and overall employee satisfaction. This commitment is manifested through various initiatives aimed at ensuring the continuous professional growth of our employees. From offering study leave to extending financial assistance, we aspire to empower our workforce to continuously expand their skill sets.

Moreover, we actively encourage employees to voice their training needs as training lies at the core of Unitrade's journey towards success and growth. Programmes are meticulously crafted to complement both organisational imperatives and individual aspirations.



Year	FY2022	FY2023	FY2024
Total Training Hours As A Company	1,445	2,691	2,640
Average Training Hours Per Employee	N/A	12	11
Total Employees Attended Training	N/A	222	154

Importantly, Unitrade's dedication to nurturing talent extends beyond training provision, encompassing career path planning for high achievers and improvement plans for those needing additional support.

By embracing these initiatives, Unitrade is creating a workplace where learning flourishes and there are opportunities for growth. This holistic approach, rooted in a sincere dedication to both individual and shared advancement, strengthens our organisation and moves us nearer to our common goals of excellence.

Competitive Employee Remuneration and Benefits

Our organisation prioritises employee wellbeing by offering various incentives and regularly assessing compensation to stay competitive in the industry. This approach helps maintain a positive work environment and ensures that we can attract and retain top talent.

Employee Benefits Data (RM'000)	FY2022	FY2023	FY2024
Total Payments Made to Employees in Terms of Salaries, Bonuses and Benefits	21,652	25,047	26,923
Total Statutory Payments Made for Employees' Retirement Benefits (EPF)	2,921	3,389	3,143
Total Payments in Medical Insurance (SOCSSO) for Employees	114	136	149

Parental Leave Data	FY2022	FY2023	FY2024
Employees Entitled for Maternity and Paternity Leave	138	121	175
Employees Who Took Paternity Leave	1	6	4
Employees Who Took Maternity Leave	4	4	8
Male Return to Work Rates	100%	100%	100%
Female Return to Work Rates	100%	100%	100%
Male Retention Rates Post 12 Months	100%	100%	100%
Female Retention Rates Post 12 Months	100%	100%	100%

Sustainability Statement

COMMUNITY ENGAGEMENT

In FY2024, we operationalised volunteer leave for our employees. Volunteering is a vehicle for us to cultivate trust and long-term positive impact on the communities around us. To ensure that we deliver social value where it matters the most, we have a dedicated Corporate Social Responsibility team. We empower our employees to deliver projects that create meaningful partnerships and implement the right community investment where it matters most.

In FY2024, our CSR initiatives included funding and providing grocery items for The Assembly Soup Kitchen and contributing to the installation of a new roof for SJKC Chung Hwa 3rd Primary School in Muar, with a total contribution of RM73,000. These efforts benefitted approximately 1,050 individuals.





Corporate Governance Excellence

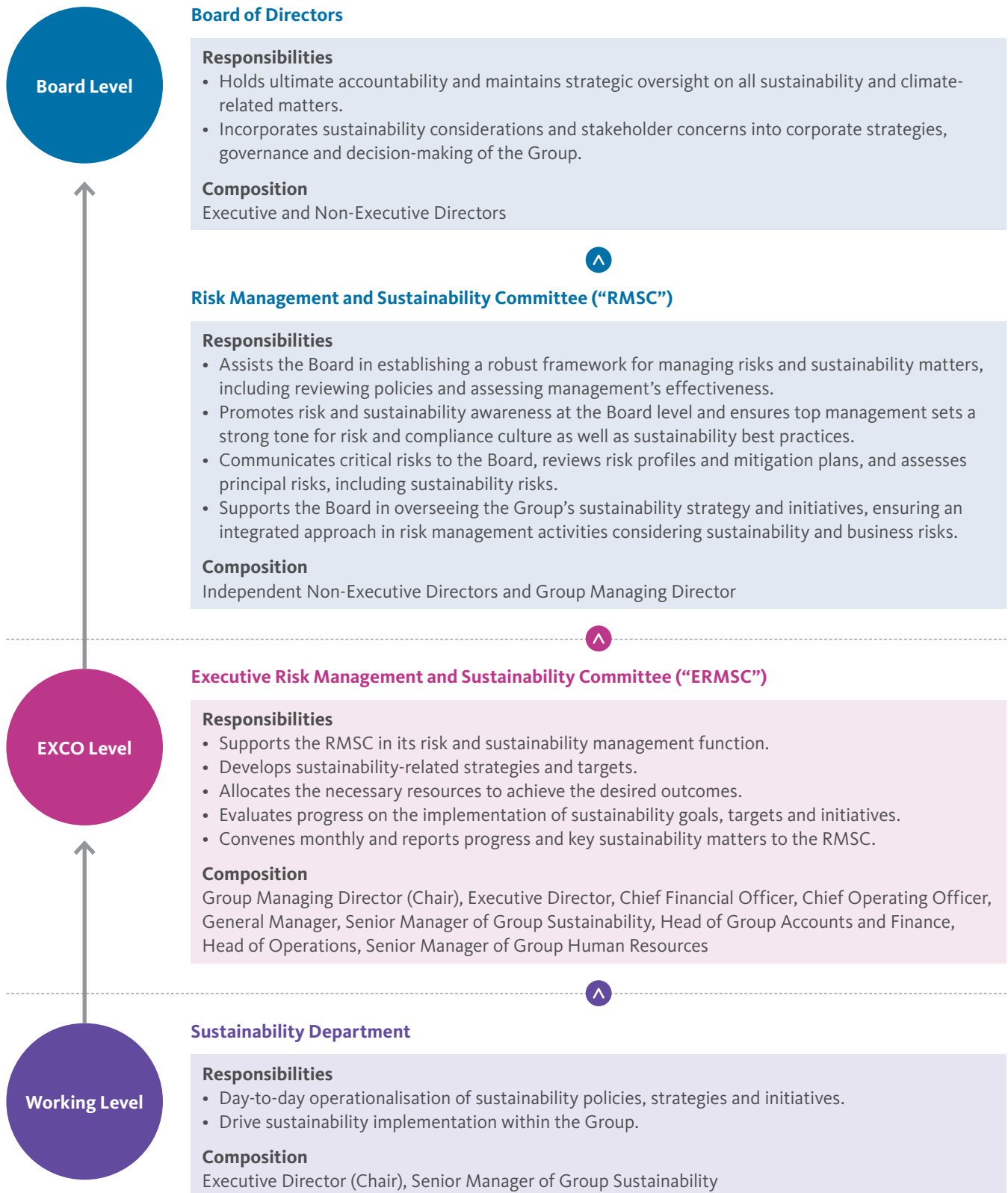
A strong governance is the foundation of a sustainable business. By establishing a Group Sustainability Department in our governance structure, we seek to strengthen the foundation of our business. Our commitment to rigorous governance is embedded across all levels of the Group. We believe that it is fundamental to build our credibility to ensure the sustainability of our business. We naturally seek to instil good governance principles into all our decision-making processes and adhere to the standards of the markets that we serve.

To that end, we are pleased to share that the Group has adopted several new governance instruments to support these efforts.

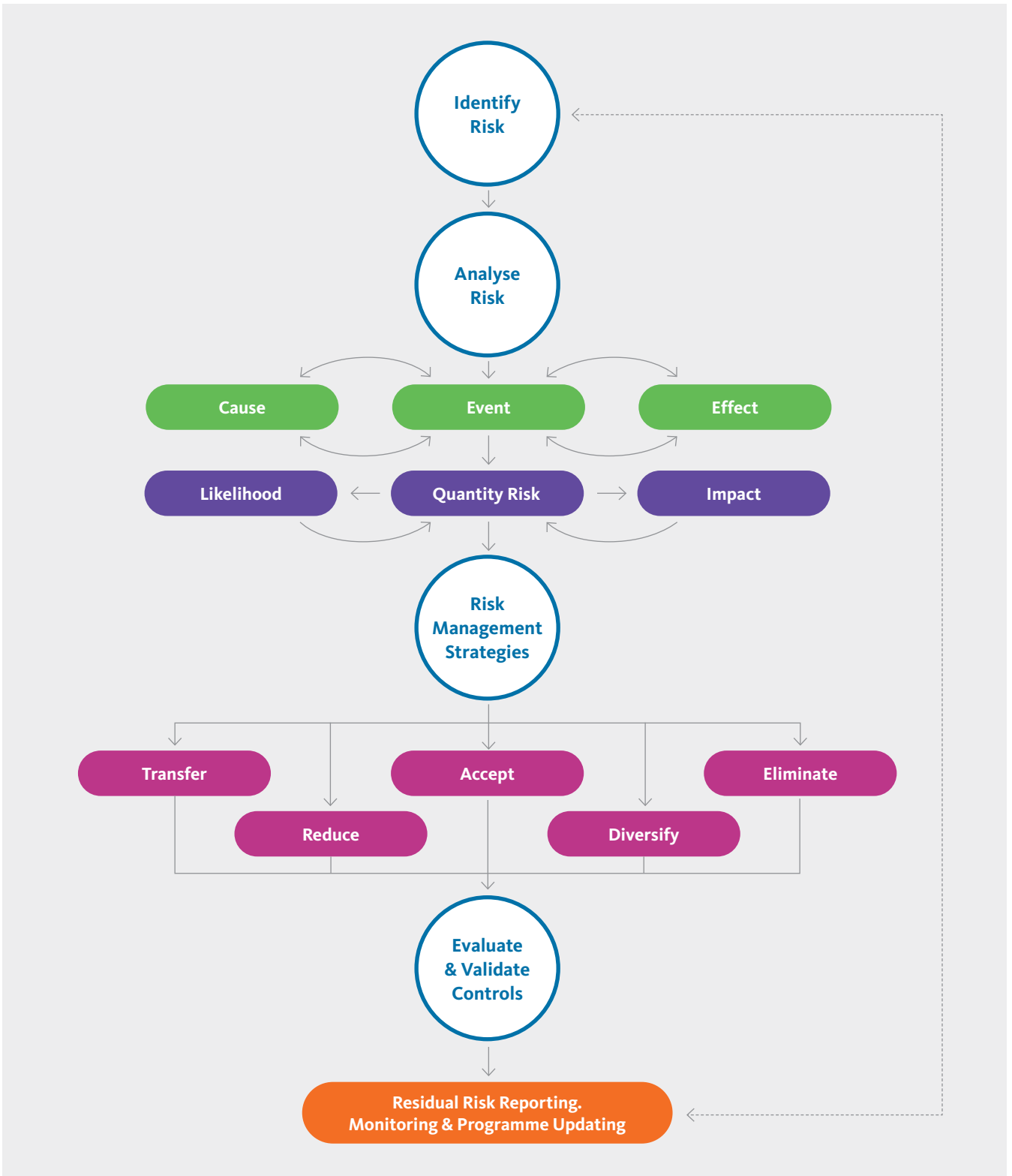
OUR APPROACH TO RESPONSIBLE GOVERNANCE

Unitrade has instituted a robust sustainability governance structure to maintain the highest level of integrity, transparency and accountability.

Sustainability Statement



EFFECTIVE RISK MANAGEMENT FOR SUSTAINABILITY



Sustainability Statement

At Unitrade, we have developed a robust risk management approach centred on a triple-tier system, where risks are identified and managed throughout the Group. Our risk management approach is summarised as below:



Risk Responsibility

Risk management is overseen by the Board through our RMSC, which is comprised of three Independent Non-Executive Directors and the Group Managing Director. The RMSC ensures the adequacy, effectiveness and integrity of the Group's internal control systems through regular reviews, accompanied by an ongoing risk management process.

Our Compliance & Risk officer, who is also our Chief Financial Officer, works closely with the RMSC on its implementation, while our Group Managing Director is tasked with overseeing all risk-related matters. The Group's internal audit function is outsourced to ensure objectivity.



Risk Monitoring and Mitigation

We maintain a comprehensive Risk Register in accordance with the Group's Enterprise Risk Management Framework that includes significant business, operational, financial, and strategic risks from seven key areas: Finance, Human Resources, Management Information Systems, Procurement, Safety and Health, Sales, and Warehouse. This register is reviewed quarterly by the RMSC and is updated periodically with sustainability risks identified through our materiality assessments and during management and EXCO meetings.

We also periodically review and update our Business Continuity Plan to ensure adequate adaptation and mitigation preparation for potential issues arising from our operating environment, including sustainability-related impacts and other catastrophic events.



Risk Resilience

Our assessments show that we have adequate internal controls and risk management systems to meet our objectives, ensuring compliance with laws, regulations, policies, and procedures, maintaining the integrity of information, and safeguarding our assets.

We will continue to enhance our risk management and internal controls to better manage sustainability risks as we advance our sustainability agenda.

For detailed information on our risk management and internal controls, please refer to the Statement of Risk Management and Internal Control on page 105.

COMBATTING CORRUPTION THROUGH GOOD GOVERNANCE

We strongly maintain a zero-tolerance stance towards bribery and corruption. Our unwavering commitment is reflected in our Anti-Bribery and Anti-Corruption (“ABAC”) Policy, which was enacted in compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

Our ABAC Policy prohibits all forms of bribery and corruption, including kickbacks, extortion, political donations, illegal contributions and sponsorships, and obstruction of justice. It also provides clear guidelines on the handling of gifts, entertainment, and hospitality, managing conflicts of interest, maintaining accurate records, and reporting and investigating any violations.

The Board oversees the prevention of bribery and corruption across the Group, with support from the Group Managing Director, Chief Financial Officer, and Chief Operating Officer at both the Group and subsidiary levels, who are tasked with ensuring strict adherence to our ABAC Policy to foster a culture of integrity and transparency.

Employee Communication and Training on Corruption Prevention

We have communicated our ABAC Policy to our employees within the Group. Each employee must sign to confirm they have read, understood, and agreed to comply with the policy. To keep corruption prevention a priority, we provide periodic training to our employees on this critical issue.

Anti-Corruption Training and Communication	FY2022	FY2023	FY2024
Percentage of directors who have received training on anti-corruption	100%	71.4%	100%
Percentage of employees that have received training and communication on the organisation’s anti-corruption policies and procedures, by employee category:			
a. Senior Managerial staff	55%	5%	70.83%
b. Managerial staff			94.12%
c. Executive staff	8%	-	41.96%
d. Non-executive staff	-	-	4.40%

Cascading our Anti-Corruption Commitment to Suppliers and Customers

Since FY2023, Unitrade has required all suppliers and customers to sign a statement committing to our ABAC Policy, aiming to progressively achieve 100% compliance from our supply chain.

Due diligence is conducted prior to engagement to assess suppliers’ compliance with regulations, governance best practices and our ABAC Policy. The Group has also put in place a process to identify high-risk suppliers within our supply chain to ensure that existing suppliers continue to meet our exacting standards on ABAC compliance.

“
Our approach to managing corruption risk is comprehensive, aiming to uphold the highest standards of ethical conduct throughout our organisation.”



34% Suppliers

Acknowledged Compliance with
ABAC Policy (as at 12 June 2024)

Sustainability Statement

Assessment of High-Risk Suppliers



Risk Assessment

We conduct a thorough risk assessment of our suppliers to identify any potential risks of non-compliance with our policies and standards, including our ABAC Policy and all forms of bribery and corruption. This assessment considers various factors such as the supplier's geographic location, industry, business practices, and reputation.



Due Diligence

We carry out due diligence on high-risk suppliers to gather additional information and evaluate existing risk levels. This process may involve reviewing publicly available information, conducting site visits, and examining financial and legal documents.



Risk Mitigation

To address risks identified during the assessment and due diligence processes, we implement appropriate risk mitigation measures. These actions may include working with suppliers to enhance their compliance, increasing monitoring and reporting requirements, or terminating the supplier relationship if the risk cannot be adequately managed.



Continuous Monitoring

We continuously monitor high-risk suppliers to ensure they remain in compliance with our policies and standards. This ongoing process may include regular audits, site visits, and continuous due diligence to identify any changes in risk.

These actions support our goal of maintaining a corruption-free value chain, which can drive positive changes within our supply chain and build trust and credibility across our business.

Identifying Operations at High-Risk of Corruption

In FY2023, Unitrade conducted an assessment to determine which departments are most vulnerable to bribery and corruption. The findings revealed that the Sales & Marketing and Purchasing Departments are currently the most susceptible. Despite their higher predisposition, no significant corruption risks were identified in these departments. However, we have implemented additional safeguards and precautionary measures to mitigate potential risks.

For instance, a reminder on the ABAC Policy has been integrated into our new customer account procedure. Sales personnel are also required to obtain customer sign-off on the ABAC Policy as a prerequisite for selling goods and services. Other measures include extra training for relevant staff to identify corrupt acts, additional checks and balances, and decentralising decision-making for commercial decisions.



Zero

**Confirmed Incidents of
Corruption in FY2024**

Corruption Risk Assessment	FY2022	FY2023	FY2024
Percentage of operations assessed for risks related to types of corruption (%)	-	22%	0%
Total number of confirmed incidents of corruption	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0	0	0
Total number of confirmed incidents when contracts with suppliers & contractors were terminated or not renewed due to violations related to corruption	0	0	0
Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases	0	0	0
Cost of fines, penalties or settlements in relation to corruption (RM)	0	0	0
Total donations or financial contributions to political parties	0	0	0

Upholding Ethical Employee Conduct

Unitrade has established a comprehensive Code of Conduct (“COC”), which sets out our expected behaviour and respect for human rights. Our COC applies to all employees and stakeholders. While we promote freedom of expression and open communication, our key expectation is for everyone in our value chain to adhere to the COC, which covers key areas such as:



There have been zero substantiated incidents of non-compliance with our Code of Conduct in FY2024.

Confidential Whistleblowing Channel

At Unitrade, we have implemented a comprehensive Whistleblowing Policy that provides a clear and transparent framework for reporting any instances of improper conduct or wrongdoing within our Group, including suspected bribery and corruption, ethical misconduct, harassment, and other grievances.

This policy ensures that both our internal and external stakeholders are empowered to report suspected wrongdoings and have access to a reliable internal reporting channel. Individuals who report actual or suspected misconduct in good faith are assured of confidentiality and are protected from any form of harassment or retaliation as a result of their report.

Ensuring Environmental and Social Regulatory Compliance

Our commitment to good governance is evident in our strict compliance with all applicable laws and regulations in the markets where we operate. We are diligent in ensuring compliance is embedded at all levels of our business and becomes a natural practice. This includes areas such as waste management, pollution and emissions control, human and labour rights, and other employment practices.



Zero Fines

for Environmental and Socio-economic Non-compliance

We have implemented clear and transparent policies that allow us to continuously monitor, evaluate, and ensure our business processes meet our legal obligations, fostering a culture of compliance as an integral part of Unitrade’s risk management process.

Regulatory Compliance Performance	FY2022	FY2023	FY2024
No. of environmental non-compliance incidents in the company and/or subsidiaries that resulted in a fine or censure	0	0	0
No. of socioeconomic non-compliance incidents in the company and/or subsidiaries that resulted in a fine or censure	0	0	0
Total cost of fines for environmental non-compliance	0	0	0
Total cost of fines for socio-economic non-compliance	0	0	0

Sustainability Statement

PERFORMANCE DATA TABLE

Indicators	Unit	FY2022	FY2023	FY2024
ANTI-CORRUPTION				
<u>Bursa C1(a):</u> Percentage of employees who have received training on anti-corruption by employee category				
- Senior Management	%	55	5	70.83
- Management	%			94.12
- Executive	%	8	-	41.96
- Non-Executive	%	-	-	4.40
<u>Bursa C1(b):</u> Percentage of operations assessed for corruption-related risks	%	-	22	0
<u>Bursa C1(c):</u> Confirmed incidents of corruption	Number	0	0	0
COMMUNITY/ SOCIETY				
<u>Bursa C2(a):</u> Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	Not Available	30,000	73,000
<u>Bursa C2(b):</u> Total number of beneficiaries of the investment in communities	Number	Not Available	Five charitable organisations	1,050
DIVERSITY				
<u>Bursa C3(a):</u> Percentage of employees by gender and age group, for each employee category:				
Senior Management				
- Male	%	73.8	73.8	66.7
- Female	%	26.2	26.2	33.3
- Aged <30	%	9.5	2.4	0.0
- Aged 31-50	%	52.4	50.0	58.3
- Aged >51	%	38.1	47.6	41.7
Management				
- Male	%	Note: The data for the Senior Management and Management categories were reported under a single Management category for FY2022 and FY2023.		76.5
- Female	%			23.5
- Aged <30	%			5.6
- Aged 31-50	%			55.5
- Aged >51	%			38.9
Executive				
- Male	%	46.8	42.1	44.6
- Female	%	53.2	57.9	55.4
- Aged <30	%	38.0	28.4	35.1
- Aged 31-50	%	54.4	65.3	60.4
- Aged >51	%	7.6	6.3	4.5

Indicators	Unit	FY2022	FY2023	FY2024
DIVERSITY				
Non-Executive				
- Male	%	75.0	87.2	91.2
- Female	%	25.0	12.8	8.8
- Aged <30	%	61.8	64.1	65.9
- Aged 31-50	%	32.3	32.1	30.8
- Aged >51	%	5.9	3.8	3.3
Bursa C3(b): Percentage of directors by gender and age group:				
- Male	%	71.4	71.4	62.5
- Female	%	28.6	28.6	37.5
- Aged <30	%	¹	-	-
- Aged 31-50	%	-	-	37.5
- Aged 51-65	%	-	-	25.0
- Aged >65	%	-	-	37.5
ENERGY MANAGEMENT				
Bursa C4(a): Total energy consumption	GJ	5,542	7,561	8,446
HEALTH AND SAFETY				
Bursa C5(a): Number of work-related fatalities	Number	0	0	0
Bursa C5(b): Lost-time incident rate	Rate	1.03	2.09	1.40
Bursa C5(c): Number of employees trained on health and safety standards	Number	0	41	153
LABOUR PRACTICES AND STANDARDS				
Bursa C6(a): Total hours of training by employee category:				
- Senior Management	Hour	87	17	488
- Management	Hour	554	865	451
- Executive	Hour	706	1,578	1,315
- Non-Executive	Hour	98	231	386
Bursa C6(b): Percentage of employees that are contractors or temporary staff				
Permanent	%	85	75	76.23
Contract	%	15	25	23.77

¹ Percentage of directors by gender and age group for FY2022 and FY2023 are not stated due to inconsistency between past year data categorisation and Bursa's current requirement.

Sustainability Statement

Indicators	Unit	FY2022	FY2023	FY2024
LABOUR PRACTICES AND STANDARDS				
<u>Bursa C6(c):</u> Total number of employee turnover by employee category	Number			
- Senior Management	Number	1	2	1
- Management	Number			1
- Executive	Number	10	15	16
- Non-Executive	Number	33	16	5
<u>Bursa C6(d):</u> Number of substantiated complaints concerning human rights violations	Number	0	0	0
SUPPLY CHAIN MANAGEMENT				
<u>Bursa C7(a):</u> Proportion of spending on local suppliers	%	93	83	85
DATA PRIVACY AND SECURITY				
<u>Bursa C8(a):</u> Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
WATER				
<u>Bursa C9(a):</u> Total volume of water used	Litre	13,950,000	13,640,000	7,620,000
WASTE MANAGEMENT				
<u>Bursa C10(a):</u> Total waste generated, and a breakdown of the following:	Tonnes	215.0	205.3	324.3
(i) total waste diverted from disposal	Tonnes	215.0	205.3	324.3
(ii) total waste directed to disposal	Tonnes	-	-	-
EMISSIONS MANAGEMENT				
<u>Bursa C11(a):</u> Scope 1 emissions	tCO ₂ e	244.26	294.13	341.27
<u>Bursa C11(b):</u> Scope 2 emissions	tCO ₂ e	339.72	418.94	290.20
<u>Bursa C11(c):</u> Scope 3 emissions:	tCO ₂ e	-	229.66*	368.38
- Employee Commuting	tCO ₂ e	-	229.66*	368.38
- Business Travel	tCO ₂ e	-	-	-

Legend:

- No Data

* Restated

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

Governance	
<i>Disclose the organisation's governance around climate-related risks and opportunities.</i>	
<p>Recommended Disclosure a) Describe the board's oversight of climate-related risks and opportunities.</p>	<p>At Unitrade, the governance of climate-related risks and opportunities is embedded within the highest levels of the organisation. All sustainability topics deemed material including climate change, come under the oversight of the Board, which is supported by the Risk Management and Sustainability Committee (“RMSC”).</p> <p>At the Board level, the Group Managing Director governs and holds accountability for sustainability considerations and stakeholder concerns into the corporate strategies, governance, and decision-making processes of the Group. Relevant matters such as energy and emissions performance, waste management and others are brought to the attention of the Board via regular sustainability updates. As the ultimate decision-making authority, the Board has approved the full-scale installation of solar photovoltaic panels in FY2024.</p> <p>The RMSC assists the Board in establishing a robust framework for managing risks and sustainability matters. The committee promotes risk and sustainability awareness at the Board level, ensuring that top management sets a strong tone for risk and compliance culture and sustainability best practices. Through regular reviews and an ongoing risk management process, the RMSC ensures the adequacy, effectiveness, and integrity of the Group's internal control systems.</p> <p>In addition, all Board members regularly attend professional courses and briefings on sustainability matters, including sessions focusing on climate change. Further information on the governance structures is provided in the section Corporate Governance Excellence (page 57 - 63).</p>
<p>Recommended Disclosure b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>The management plays a crucial role in assessing and managing climate-related risks and opportunities through a structured governance framework, primarily driven by the Executive Risk Management and Sustainability Committee (“ERMSC”) and the Sustainability Department.</p> <p>The ERMSC is responsible for developing sustainability-related strategies and targets, allocating necessary resources to achieve desired outcomes, and evaluating the implementation progress of sustainability goals, targets, and initiatives. In response to the Malaysian Code on Corporate Governance (“MCCG”)’s call for dedicated sustainability management personnel, a Senior Manager of Group Sustainability has been appointed to spearhead the Group's Sustainability endeavours. Meeting monthly, the ERMSC reports progress and key sustainability matters to the RMSC, ensuring that sustainability considerations are integrated into the Group's strategic and operational decision-making processes.</p> <p>Complementing the ERMSC, the Sustainability Department, chaired by the Executive Director, operates at the operational level to ensure the effective implementation of sustainability policies, strategies, and initiatives on a day-to-day basis.</p> <p>Both the ERMSC and Sustainability Department consistently monitor climate-related issues by tracking Sustainability KPIs and targets, ensuring proactive management and alignment with Unitrade's sustainability pledge of Net Zero 2050. Additionally, the management is also finalising sustainability KPIs and time-bound targets for adoption in FY2025. It is noteworthy that senior management's remuneration is linked to the attainment of these KPIs, adhering to the best practices as advocated by the MCCG.</p> <p>Further information can be found in sections Our Sustainability Approach (page 30 - 34) and Corporate Governance Excellence (page 57 - 63).</p>

Sustainability Statement

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Recommended Disclosure a)

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

At Unitrade, we recognise the significance of climate-related risks and opportunities and their potential impact on our business, strategy, and financial planning. The identified climate-related risks are categorised into physical and transition risks.

Physical Risks:

Elevated surface temperatures or drought-like conditions have the potential to impact operational sites, necessitating heightened precautionary measures to safeguard employees from heat-related risks. This may also precipitate Occupational Safety and Health ("OSH") hazards and lead to increased operational expenditures.

The increased precipitation may lead to flash floods, engendering an abrupt inundation of stormwater that could adversely affect the surrounding drainage and potentially damage equipment and machinery. Consequently, these events may render sites temporarily inoperable.

Physical hazards may contribute to higher insurance premiums if insurance providers assess the Group's operational sites as being susceptible to heightened risks associated with flash floods or OSH incidents. The Group predominantly sources its materials within Peninsular Malaysia, and thus, flooding in the eastern coastal region could potentially impact the procurement of goods and materials.

Transition Risks:

In order to achieve a net zero carbon status, it is imperative for Unitrade to implement operational changes aimed at reducing energy consumption and decarbonising its operations. These initiatives will necessitate a substantial financial commitment.

One of the legal risks is the potential loss of access to financing for business expansion and even customers, especially in foreign markets, if the necessary legal requirements of those markets are not met. Specifically, climate change regulations in many international markets have become more stringent, requiring buyers to ensure that their suppliers comply with specified energy usage and emissions standards.

Climate-related Opportunities:

Unitrade has the opportunity to leverage its use of solar and electrified machinery to position its operations as partially environmentally friendly. This may allow the Group to command premium pricing and comply with market requirements for sustainable products. Additionally, Unitrade can participate in Malaysia's voluntary carbon market as a buyer of carbon credits to offset emissions. In terms of financing, the Group can consider green financing options such as green bonds or sukuk to fund energy-related projects.

Recommended Disclosure b)

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Information on the impacts of climate-related risks and opportunities is provided in the above column.

To further understand the impact of climate change on the organisation, Unitrade conducted a workshop in June 2024, involving the Management and the Sustainability Department. The findings from this workshop will be reported in the next reporting cycle, providing a basis for developing more specific analyses and a comprehensive transition plan.

Risk Management

Disclose how the organisation identifies, assesses, and manages climate-related risks.

<p>Recommended Disclosure a) Describe the organisation's processes for identifying and assessing climate-related risks.</p>	<p>Unitrade has implemented a comprehensive risk management approach that is centred on a three-tier system designed to effectively identify, evaluate, and address climate-related risks throughout the organisation. This system is overseen by the Board through the RMSC, and the processes for identifying and assessing these risks are seamlessly integrated into its Enterprise Risk Management ("ERM") framework.</p>
<p>Recommended Disclosure b) Describe the organisation's processes for managing climate-related risks.</p>	<p>The Group maintains a detailed risk register. It is regularly updated with sustainability risks identified through materiality assessments, management meetings, and EXCO meetings. Sustainability risks, including those related to climate, are identified and evaluated during these processes, taking into account input from various departments.</p>
<p>Recommended Disclosure c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p>	<p>In addition, Unitrade performs periodic reviews and updates of its Business Continuity Plan to prepare for potential issues arising from its operational environment, including sustainability-related impacts and other events. Tailored mitigation strategies for climate-related risks are implemented across all areas of the organisation, aligning with strategic goals and business operations.</p> <p>For further details, please refer to the Corporate Governance Excellence (page 57 - 63) and Statement of Risk Management and Internal Control (page 105 - 108) sections.</p>

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

<p>Recommended Disclosure a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>Unitrade continues to measure its greenhouse gas ("GHG") emissions by accounting for direct (Scope 1) and indirect emissions (Scope 2) from its business operations. Scope 1 emissions are quantified as tonnes of CO₂e per litre of fuel consumed, while Scope 2 emissions are measured as tonnes of CO₂e per kWh of electricity used. The accounting of Scope 3 emissions encompasses the employee commuting category, quantified as tonnes of CO₂e per passenger-kilometre, considering various transportation modes.</p> <p>Please refer to the Decarbonising Our Operations (page 41 - 45) section for more information.</p>
<p>Recommended Disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p>Unitrade calculates its emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol"), using the emission factors from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and US Environmental Protection Agency Climate Leaders. The global warming potential ("GWP") factors for all greenhouse gases are consistent with the Intergovernmental Panel on Climate Change ("IPCC") Sixth Assessment Report, 2023 (AR6) based on a 100-year timeframe.</p> <p>In FY2024, Unitrade's CO₂e emissions across Scope 1, 2 and 3 are as follows:-</p> <ul style="list-style-type: none"> • Scope 1 = 341.27 tCO₂e • Scope 2 = 290.20 tCO₂e • Scope 3 = 368.38 tCO₂e <p>These metrics provide a comprehensive view of its carbon footprint and help guide its efforts to mitigate climate-related risks and implement effective reduction strategies.</p> <p>More information is provided in Decarbonising Our Operations (page 41 - 45).</p>
<p>Recommended Disclosure c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p>	<p>Following the inaugural KPIs and Targets workshop in FY2024, Unitrade is presently in the process of formulating a series of time-bound targets to enhance the efficient management of deliverables. These KPIs will be harmonised with employee scorecards and integrated into additional remuneration structures. The finalisation of this process for implementation in FY2025 is currently underway.</p>

Sustainability Statement

STATEMENT OF ASSURANCE

The SS2024 has not been subjected to an assurance process. Nevertheless, the information and data disclosed in the SS2024 have been reviewed by the respective data owners, as well as the relevant business operations and subsidiary companies, to ensure it present a fair and accurate account of the Group's sustainability initiatives and outcomes.

The Board has approved the SS2024 for publication in this Annual Report on 29 July 2024.

GRI CONTENT INDEX

Statement of Use	Unitrade has reported the information cited in this GRI content index for the period 1 April 2023 to 31 March 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

This statement has been prepared in accordance with GRI Principles of accuracy, balance, clarity, comparability, reliability and timeliness, as well as stakeholder inclusiveness, sustainability context, materiality and completeness.

Code	GRI Disclosure	Location	Page
GRI 2: General Disclosures 2021			
2-1	Organisational details	Corporate Profile	1
		Corporate Information	2
2-2	Entities included in the organisation's sustainability reporting	Scope and Boundary	26
2-3	Reporting period, frequency and contact point	Scope and Boundary	26
		Assurance, Accessibility and Feedback	27
2-4	Restatements of information	Our Quality First Approach	37
		Decarbonising Our Operations	41
		Embedding Circularity in Operations	47
		Resources and Material Use	48
2-5	External assurance	Assurance, Accessibility and Feedback	27
2-6	Activities, value chain and other business relationships	Effective Stakeholder Dialogue	31-32
2-7	Employees	Championing Diversity, Equality and Inclusion	50
2-8	Workers who are not employees		
2-9	Governance structure and composition	Our Approach to Responsible Governance	58-59
2-10	Nomination and selection of the highest governance body		
2-11	Chair of the highest governance body		
2-12	Role of the highest governance body in overseeing the management of impacts		
2-13	Delegation of responsibility for managing impacts		
2-14	Role of the highest governance body in sustainability reporting	Board of Directors	58
2-15	Conflicts of interest		
2-16	Communication of critical concerns	Our Approach to Responsible Governance	58-59

Code	GRI Disclosure	Location	Page
2-17	Collective knowledge of the highest governance body	Corporate Governance Overview Statement	80-97
2-18	Evaluation of the performance of the highest governance body		
2-19	Remuneration policies		
2-20	Process to determine remuneration		
2-21	Annual total compensation ratio	Competitive Employee Remuneration and Benefits	55
2-22	Statement on sustainable development strategy	GMD Message on Sustainability	28
2-23	Policy commitments	Our Approach to Responsible Governance	58-59
2-24	Embedding policy commitments		
2-25	Processes to remediate negative impacts	Labour and Human Rights	52
2-26	Mechanisms for seeking advice and raising concerns		
2-27	Compliance with laws and regulations	Our Approach to Responsible Governance	58-59
2-28	Membership associations	Strategic Alliances and Collaborations	32
2-29	Approach to stakeholder engagement	Effective Stakeholder Dialogue	31-32
2-30	Collective bargaining agreements	Strategic Alliances and Collaborations	32
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Material Matters	33
3-2	List of material topics		34
3-3	Management of material topics	Sustainability Statement	26-63
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Increasing Product Variety	37-38
201-2	Financial implications and other risks and opportunities due to climate change	TCFD Statement	67-69
201-3	Defined benefit plan obligations and other retirement plans	Competitive Employee Remuneration and Benefits	55
201-4	Financial assistance received from government	N/A	
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	N/A	
202-2	Proportion of senior management hired from the local community	Key Senior Management's Profile	12-13
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	Prioritising Local Procurement and Efficient Supply Chains	38-39
203-2	Significant indirect economic impacts	N/A	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	Prioritising Local Procurement and Efficient Supply Chains	38-39

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Code	GRI Disclosure	Location	Page
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Identifying Operations at High-Risk of Corruption	62
205-2	Communication and training about anti-corruption policies and procedures	Employee Communication and Training on Corruption Prevention	61
		Cascading our Anti-Corruption Commitment to Suppliers and Customers	
205-3	Confirmed incidents of corruption and actions taken	Identifying Operations at High-Risk of Corruption	62
GRI 206: Anti-competitive Behaviour 2016			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	N/A	
GRI 207: Tax 2019			
207-1	Approach to tax	N/A	
207-2	Tax governance, control, and risk management		
207-3	Stakeholder engagement and management of concerns related to tax		
207-4	Country-by-country reporting		
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	N/A	
301-2	Recycled input materials used		
301-3	Reclaimed products and their packaging materials		
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	Efficient Energy Management	42-45
302-2	Energy consumption outside of the organisation		
302-3	Energy intensity		
302-4	Reduction of energy consumption		
302-5	Reductions in energy requirements of products and services		
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	Responsible Water Conservation	46
303-2	Management of water discharge-related impacts	N/A	
303-3	Water withdrawal		
303-4	Water discharge		
303-5	Water consumption	Responsible Water Conservation	46



Code	GRI Disclosure	Location	Page
GRI 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Safeguarding Biodiversity	46
304-2	Significant impacts of activities, products and services on biodiversity		
304-3	Habitats protected or restored		
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Decarbonising Our Operations	41-45
305-2	Energy indirect (Scope 2) GHG emissions		
305-3	Other indirect (Scope 3) GHG emissions		
305-4	GHG emissions intensity		
305-5	Reduction of GHG emissions		
305-6	Emissions of ozone-depleting substances (ODS)	N/A	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	Waste Management	46-48
306-2	Management of significant waste-related impacts		
306-3	Waste generated		
306-4	Waste diverted from disposal		
306-5	Waste directed to disposal	N/A	
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Prioritising Local Procurement and Efficient Supply Chains	38-39
308-2	Negative environmental impacts in the supply chain and actions taken	N/A	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Talent Development	53-55
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		
401-3	Parental leave		55
GRI 402: Labour/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	N/A	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational Health and Safety Management System	Prioritising A Safe Workplace	Unitrade has a thorough incident reporting and investigation process
403-2	Hazard identification, risk assessment, and incident investigation		
403-3	Occupational health services	N/A	

Sustainability Statement


Code	GRI Disclosure	Location	Page
403-4	Worker participation, consultation, and communication on occupational health and safety	Prioritising A Safe Workplace	50-51
403-5	Worker training on occupational health and safety		
403-6	Promotion of worker health		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
403-8	Workers covered by an occupational health and safety management system		
403-9	Work-related injuries		
403-10	Work-related ill health		
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Catalysing Growth through Training	55
404-2	Programmes for upgrading employee skills and transition assistance programmes		
404-3	Percentage of employees receiving regular performance and career development reviews	N/A	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Board of Directors	6-11
		Championing Diversity, Equality and Inclusion	49-50
405-2	Ratio of basic salary and remuneration of women to men	N/A	
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Championing Diversity, Equality and Inclusion	49-50,52
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A	
GRI 408: Child Labour 2016			
408-1	Operations and suppliers at significant risk for incidents of child labour	N/A	
GRI 409: Forced or Compulsory Labour 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	N/A	
GRI 410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	N/A	
GRI 411: Rights of Indigenous People 2016			
411-1	Incidents of violations involving rights of indigenous people	N/A	
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programmes	Community Engagement	56
413-2	Operations with significant actual and potential negative impacts on local communities	N/A	




Code	GRI Disclosure	Location	Page
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Prioritising Local Procurement and Efficient Supply Chains	38-39
414-2	Negative social impacts in the supply chain and actions taken	N/A	
GRI 415: Public Policy 2016			
415-1	Political contributions	Identifying Operations at High-Risk of Corruption	62
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	Our Quality First Approach	37
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		
GRI 417: Marketing and Labelling 2016			
417-1	Requirements for product and service information and labelling	N/A	
417-2	Incidents of non-compliance concerning product and service information and labelling		
417-3	Incidents of non-compliance concerning marketing communications		
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Harnessing Digitalisation and Technology for Growth	35

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“UN SDGS”) SCORECARD

Sustainable Development Goals and Targets	FY2024 Achievements
 <p>Achieve gender equality and empower all women and girls</p>	<ul style="list-style-type: none"> • 33.3% of women representation at senior management level • 37.5% of women directors
 <p>Ensure availability and sustainable management of water and sanitation for all</p>	<ul style="list-style-type: none"> • 44.1% reduction in water consumption

Sustainability Statement

Sustainable Development Goals and Targets		FY2024 Achievements
 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>Target 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services</p> <p>Target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>Target 7.3 By 2030, double the global rate of improvement in energy efficiency</p>	<ul style="list-style-type: none"> • 52.0% of electricity demands generated by solar energy • 24.4% of renewable energy in total energy consumption • 3.5% reduction in energy intensity
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Target 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</p> <p>Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>Target 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms</p> <p>Target 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	<ul style="list-style-type: none"> • Ventured into the metal recycling business and expanded our distribution offerings with a full suite of solar products • RM 1,529 million of economic value distributed to stakeholders • 244 total workforce, with 76% permanent employees • Development of Human Rights Statement to be released in FY2025 • Zero confirmed incidents of human rights violations • Zero fatalities with 428,512 man-hours worked
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p>	<p>Target 9.2 Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries</p> <p>Target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>	<ul style="list-style-type: none"> • RM9.6 million CAPEX for Pipe Fabrication Centre and Powder Coating Line • 314.92 tCO₂e emissions avoidance from renewable energy adoption

Sustainable Development Goals and Targets		FY2024 Achievements
 <p>Reduce inequality within and among countries</p>	<p>Target 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p> <p>Target 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard</p> <p>Target 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality</p>	<ul style="list-style-type: none"> • Zero incidents of discrimination • Balanced and diverse workforce by gender, age and ethnicity • Formalisation of a grievance mechanism
 <p>Ensure sustainable consumption and production patterns</p>	<p>Target 12.2 By 2030, achieve the sustainable management and efficient use of natural resources</p> <p>Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p> <p>Target 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <p>Target 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities</p>	<ul style="list-style-type: none"> • 7.7% reduction in paper usage • 324.3 tonnes of waste diverted from disposal • Annual sustainability reporting, with most disclosures presented over a three-year timeframe • 85% of procurement spend directed to local suppliers
 <p>Take urgent action to combat climate change and its impacts</p>	<p>Target 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p> <p>Target 13.2 Integrate climate change measures into national policies, strategies and planning</p>	<ul style="list-style-type: none"> • Pledged to achieve Net Zero by 2050 • Climate-related KPIs and targets for adoption in FY2025

Sustainability Statement

FTSE DISCLOSURE INDEX

Code	Theme	Disclosure
Environmental		
EBD	Biodiversity	Please refer to 'Safeguarding Biodiversity' on page 46.
ECC	Climate Change	Please refer to 'Addressing Climate Change' on page 41 and 'Decarbonising Our Operations' on page 41 - 45.
EPR	Pollution & Resources	Please refer to 'Waste Management' on page 46 - 48 and 'Resources and Material Use' on page 48.
ESC	Supply Chain (Environment)	Please refer to 'Prioritising Local Procurement and Efficient Supply Chains' on page 38 - 39 and 'Environmental Stewardship' pillar on page 40 - 48.
EWT	Water Use	Please refer to 'Responsible Water Conservation' on page 46.
Social		
SCR	Customer Responsibility	Not Applicable.
SHS	Health & Safety	Please refer to 'Prioritising A Safe Workplace' on page 50 - 51.
SHR	Human Rights & Community	Please refer to 'Championing Diversity, Equality and Inclusion' on page 49 - 50 and 'Community Engagement' on page 56.
SLS	Labour Standards	Please refer to 'Championing Diversity, Equality and Inclusion' on page 49 - 50, 'Labour and Human Rights' on page 51 - 52 and 'Talent Development' on page 53 - 55.
SSC	Supply Chain (Social)	Please refer to 'Prioritising Local Procurement and Efficient Supply Chains' on page 38 - 39 and 'Labour and Human Rights' on page 51 - 52.
Governance		
GAC	Anti-Corruption	Please refer to 'Combatting Corruption Through Good Governance' on page 61 - 63.
GCG	Corporate Governance	Please refer to 'Our Approach to Responsible Governance' on page 57 - 58 and the 'Corporate Governance' section of the AR2024 on page 80 - 97.
GRM	Risk Management	Please refer to 'Our Approach to Responsible Governance' on page 57 - 58, 'Effective Risk Management for Sustainability' on page 59 - 60 and the appendix of 'TCFD Statement' on page 67 - 69.
GTX	Tax Transparency	Please refer to section 'Driving Sustainable Growth' on page 35 - 39.

SASB DISCLOSURE INDEX

Industrial Machinery & Goods

Topic	Code	Metric	Disclosure / Explanation
Energy Management	RT-IG-130a.1	(1) Total energy consumed	8,446 GJ
		(2) percentage grid electricity	48.0%
		(3) percentage renewable	52.0%
Workforce Health & Safety	RT-IG-320a.1	(1) Total recordable incident rate (TRIR) ²	1.4
		(2) fatality rate	0
		(3) near miss frequency rate (NMFR) for:-	N/A
		(a) direct employees	
(b) contract employees			
Fuel Economy & Emissions in Use-phase	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	N/A
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	
	RT-IG-410a.4	Sales-weighted emissions of (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines and (d) other non-road diesel engines	
Materials Sourcing	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	<p>Unitrade has not disclosed the consumption of key raw materials used in its operations in FY2024. The group depends on its direct suppliers for procuring materials, and the Group has adopted the suppliers' policies and procedures to manage any environmental and social non-compliance and risks within its value chain, aiming to promote an efficient and sustainable supply chain.</p> <p>For more details, please refer to section 'Prioritising Local Procurement and Efficient Supply Chains' on page 38 - 39.</p>
Remanufacturing Design & Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	N/A
Activity	RT-IG-000.A	Number of units produced by product category	N/A
	RT-IG-000.B	Number of employees	244

² The total recordable incident rate is the number of recordable work-related injuries and illnesses divided by the number of hours worked, multiplied by 200,000.

Corporate Governance Overview Statement

INTRODUCTION

The Board of Directors (“the Board”) of Unitrade Industries Berhad (“UIB” or “the Company”) recognises the importance of adopting a sound base for good corporate governance in managing its business affairs so as to build a sustainable business capable of enhancing shareholder value.

This Corporate Governance Overview Statement (“CGOS”) provides a summary of the Company’s corporate governance practices during the financial year ended 31 March 2024 (“FY2024”) with reference to the following three (3) principles set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”):-

Principle A: Board leadership and effectiveness;

Principle B: Effective audit and risk management; and

Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

In preparing this CGOS, the Company is guided by Guidance Note 11 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Corporate Governance Guide (4th edition) issued by Bursa Securities. The CGOS is supplemented with a Corporate Governance Report (“CG Report”), in accordance with Rule 15.25 of the AMLR of Bursa Securities and it provides an insight on how the Company map the application of the Company’s CG practice during the FY2024 against MCCG.

The CGOS shall be read together with the CG Report, available on the Company’s website at <https://www.unitrade.com.my/>. The detailed explanation on the application of the corporate governance practices is reported under the CG Report.

The Board will continue to take measures to improve compliance with the principles and recommended best practices along with our course of business.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I : BOARD RESPONSIBILITIES

1. BOARD’S LEADERSHIP ON OBJECTIVE AND GOALS

1.1 Board of Directors

The Board is collectively responsible for the long-term success of a company and the delivery of sustainable value to its stakeholders. Therefore, the Group is headed by an experienced and effective Board. It aims to provide an effective oversight of the conduct of UIB Group’s businesses, while ensuring that appropriate risk management and internal control systems are in place as well as regularly reviewing such systems to ensure their adequacy and effectiveness.

Each Director has a legal duty to act in the best interest of the Group and the Directors are aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed.

In performing its roles, the Board is committed to setting a high standard of corporate governance to drive sustainable performance and to meet good market practices and stakeholders’ expectations.

During FY2024, the Board considered and deliberated on a multitude of matters, including business plan, strategic decisions and risk management strategies within the business landscape. The Board recognises that the decisions made for the Group’s benefit would affect various stakeholders.

1.1 Board of Directors (continued)

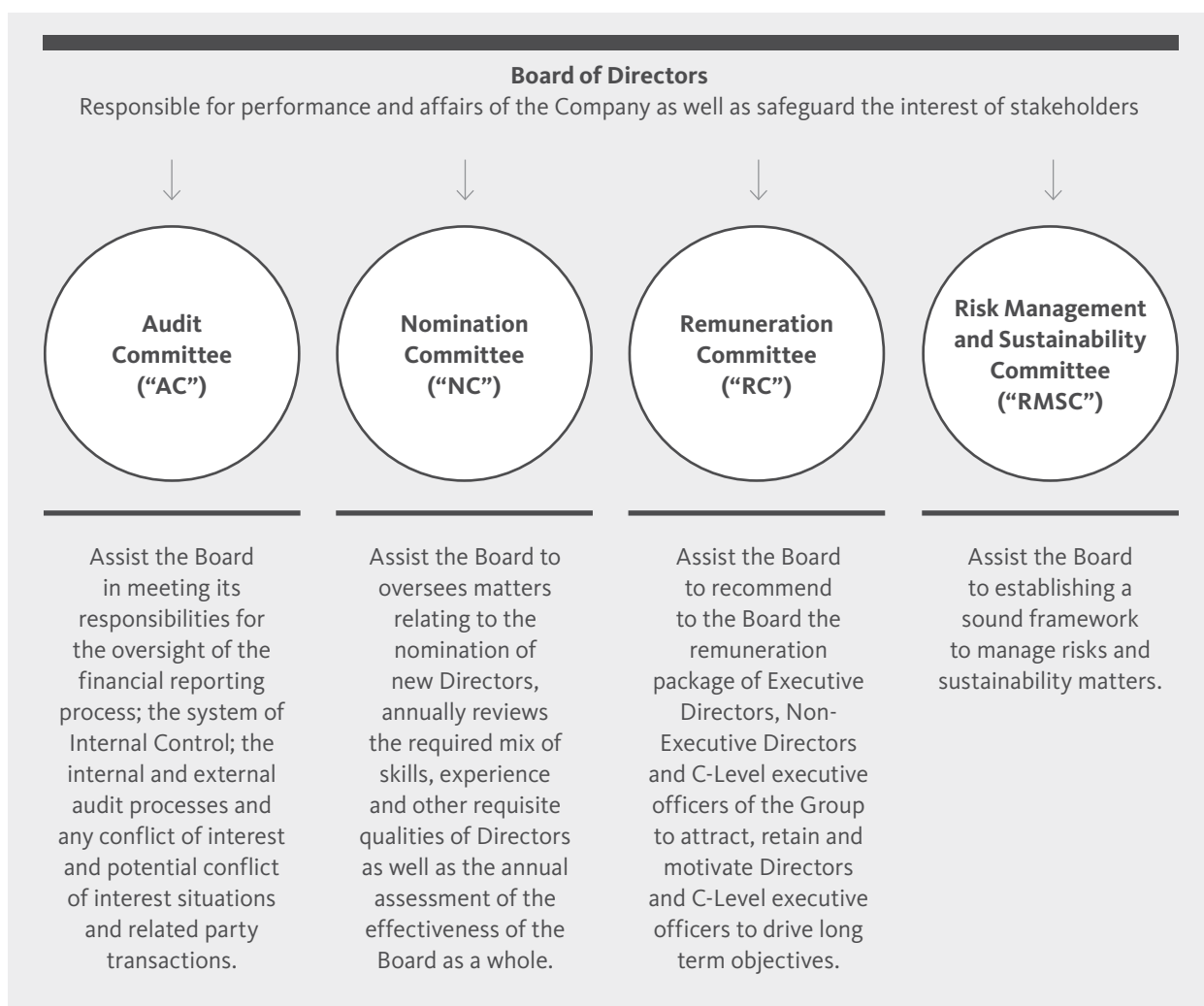
Board Charter

The Board is guided by a Board Charter that defines its roles and responsibilities, the principles for Board’s operation, board’s evaluation and remuneration and code of ethics and conduct and matters reserved for the board. It is accessible through the Company’s website at <https://www.unitrade.com.my/>.

The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulators and remains consistent with the policies and procedures of the Board.

Board Committees

In order to discharge of its stewardship role effectively, the Board delegates certain responsibilities to the following Board Committees:-



Each of the Board Committees operates within its respective Terms of Reference (“TOR”) approved by the Board, which are available on the Company’s website. The respective Board Committees report to the Board on matters considered and their recommendation thereon. The ultimate responsibility for decision making, however, lies with the Board.

The presence of Independent Non-Executive Directors in these Committees provide independent advice, bringing impartiality, and contributing to the scrutiny and integrity of Board’s deliberations and decision-making processes.

Corporate Governance Overview Statement

1.2 The Chairman of the Board

The Board is chaired by an Independent Non-Executive Chairman namely, Dato' Abdul Majit Bin Ahmad Khan. The Chairman is responsible for leading the Board in oversight of management, representing the Board to shareholders and chairing general meetings of shareholders.

The responsibilities of the Chairman are set out in the Board Charter.

The Board views that the Chairman of the Board should not be involved in any Board Committees. This is to ensure check and balance as well as the objectivity will not be influenced by the Chairman of the Board who also sits on Board Committee(s). Therefore, the Chairman of the Board is not a member of any of the Board Committees which is in line with MCGG.

1.3 Separation of positions of the Chairman and Group Managing Director (“GMD”)

The Board Charter has established clear roles and responsibilities of the Board in discharging its fiduciary and leadership function. The positions of the Chairman of the Board and the GMD are held by different persons. The Chairman of the Company is Dato' Abdul Majit Bin Ahmad Khan, an Independent Non-Executive Chairman whilst the GMD is Mr. Nomis Sim Siang Leng. The segregation of roles facilitates a healthy open discussion and exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

There is a clear division of roles and responsibilities between the Chairman and GMD to ensure a balance of power and authority so that no one individual has unfettered powers of decision making. The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role, whilst the GMD is responsible for the day-to-day operations of the Group, ensure the effective implementation of the Group's strategic plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operations.

1.4 Company Secretaries

The Board is supported by qualified and competent Company Secretaries. The Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators and are qualified to act as company secretary under Section 235 of the Companies Act 2016. The Board has access to the advice and services of the Company Secretaries who ensure effective functioning of the Board and compliance of applicable rules and regulations. The Board is also regularly updated and kept informed of the latest developments in the legislation and regulatory framework affecting the Group and is advised on the proposed contents and timing of material announcements to be made to regulatory authorities.

1.5 Board Meetings and Access to Information and Advice

The Board is required to meet on a quarterly basis with additional meetings being convened as and when necessary to consider urgent proposals or matters that require that Board's consideration.

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, External Auditors and Independent Advisers, if deemed necessary and may seek advice from the management on issues under their respective purview. The Board members have full and unrestricted access to all information within the Group in discharging their duties. The Notice of the Board Meeting is served at least seven (7) days prior to the Board Meeting. Relevant Board Papers were circulated to all Directors at least five (5) business days prior to the Board Meeting so as to accord sufficient time for the Directors to peruse the Board papers.

The Board papers which include the agenda and reports cover amongst others, areas of strategic, financial, operational and regulatory compliance matters that require the Board's approval.

1.5 Board Meetings and Access to Information and Advice (continued)

The breakdown of the Directors' attendance at the Board meeting during the FY2024 is set out below:-

Name of Directors	No. of meetings attended
Dato' Abdul Majit Bin Ahmad Khan	6/6
Sim Keng Chor	6/6
Nomis Sim Siang Leng	6/6
Simson Sim Xian Zhi	6/6
Dato' Lok Bah Bah @ Loh Yeow Boo	6/6
Cynthia Toh Mei Lee	6/6
Ong Soo Chan	6/6
Datin Shivajini A/P Sathya Seelan*	5/5

Note:-

* Appointed as Independent Non-Executive Director on 14 June 2023.

All proceedings of the Board meetings are duly minuted and circulated to all Directors for their perusal prior to the confirmation of the minutes by the Chairman as a correct record. The Company Secretaries record the proceedings of all meetings include pertinent issues, the substance of inquiries, if any, and responses thereto, members' suggestion and the decision made, as well as the rationale for those decisions. By doing so, the Company Secretaries keep the Board updated on the follow-up actions arising from the Board's decisions and/or requests at subsequent meetings. The Board is therefore able to perform its fiduciary duties and fulfil its oversight role towards instituting a culture of transparency and accountability in the Company.

1.6 Employee Code of Conduct

The Company has set out an Employee Code of Conduct ("the Codes") for its Directors, management and employees in discharging their duties and responsibilities. The Codes are established to promote the corporate culture which engenders ethical conduct that permeates throughout the Group.

The Codes is published on the Company's website at <https://www.unitrade.com.my/>.

1.7 Whistleblowing Policy

The Board had formalised a Whistleblowing Policy as the Group places high value on the level of trust and integrity. Therefore, the Whistleblowing Policy provides an avenue for all Directors, employees and stakeholders of the Group to disclose or report any improper conduct and to provide protection for those who report such allegations.

The Whistleblowing Policy can be assessed through the Company's website at <https://www.unitrade.com.my/>.

1.8 Anti-Bribery and Anti-Corruption Policy

In addition to the Code of Conduct, the Company has further established the Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") to comply with enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act. The ABAC Policy is to ensure that all Directors, management and employees are aware of their obligation to disclose and not to be involved in any corruption, bribes, conflict of interest or similar unethical acts that they may have in order to prevent the occurrence of bribery and corrupt practices in relation to the Group's business.

The ABAC Policy can be accessed through the Company's website at <https://www.unitrade.com.my/>.

Corporate Governance Overview Statement

1.9 Sustainability

The Board is aware of its responsibility for Environmental, Social and Governance (“ESG”) and sustainability to all various stakeholders and the communities in which it operates. As such, the ESG and sustainability aspects are considered by the Board in its corporate strategies.

The Board continuously and constantly communicates the targets and performance of the ESG and sustainability to all the stakeholders of the Group internally and externally.

The Board has delegated the oversight of all matters pertaining to ESG initiative and sustainability to RMSC. In addition, the Board has identified Mr. Simson Sim Xian Zhi, Executive Director as a designated person to manage the Group’s sustainability strategically in the operations of the Group.

The Company’s efforts in this regard have been set out in the Sustainability Statement on pages 26 to 79 in this Annual Report.

PART II : BOARD COMPOSITION

2. BOARD’S OBJECTIVES

2.1 Composition of the Board

The Company is lead by a capable and experienced Board. During the year, the Board consists of eight (8) members, comprising one (1) Independent Non-Executive Chairman, one (1) Senior Independent Non-Executive Director, one (1) Executive Vice Chairman, one (1) Group Managing Director, one (1) Executive Director and three (3) Independent Non-Executive Directors, as follows:-

Name	Designation and Directorate	Age	Gender
Dato’ Abdul Majit Bin Ahmad Khan	Independent Non-Executive Chairman	78	Male
Sim Keng Chor	Executive Vice Chairman	77	Male
Nomis Sim Siang Leng	Group Managing Director	48	Male
Simson Sim Xian Zhi	Executive Director	32	Male
Dato’ Lok Bah Bah @ Loh Yeow Boo	Senior Independent Non-Executive Director	75	Male
Cynthia Toh Mei Lee	Independent Non-Executive Director	51	Female
Ong Soo Chan	Independent Non-Executive Director	62	Female
Datin Shivajini A/P Sathya Seelan*	Independent Non-Executive Director	45	Female

Note:-

* Appointed as Independent Non-Executive Director on 14 June 2023.

The composition of the Board complies with Rule 15.02(1) of the AMLR of Bursa Securities and the recommended Practice 5.2 of MCGG.

The Board members are from different backgrounds with diverse perspectives. Such make-up is fundamental to the strategic success of the Group, as each Director has in-depth knowledge and experience in a variety of areas providing valuable direction to the Group. With more than half of the Board composed of Independent Directors, the Company is able to facilitate greater checks and balances during boardroom deliberations and decision making. The Independent Directors provide the Board with professional judgement, experience and objectivity without being subordinated to operational considerations or the ability to provide independent judgement in the best interest of the Company.

The Independent Directors are free from interests and influences that may conflict with their duties to the Company.

2.1 Composition of the Board (continued)

The size and composition of the Board are reviewed periodically by the NC to ensure that the size of the Board is appropriate and conducive for effective discussion and decision-making, with a strong element of independence. The Board is of the view that the current Board size is optimal based on the Group's operation and that it reflects a fair mix of strategy, accounting, finance, legal, regulatory, banking and economics, engineering and business management that are important to the stewardship of the Group.

A brief profile of each Director is presented in the Profile of Directors section of the Annual Report.

2.2 Re-election of Directors

In accordance with the Constitution of the Company, an election of Directors shall take place each year. At the annual general meeting of the Company where one-third (1/3) of the Directors for the time being or if the number is not three (3) or a multiple of three (3) then the number nearest one-third (1/3) shall retire from office provided always that all Directors including a GMD or Deputy GMD shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

The Directors to retire in every year shall subject nevertheless as hereinafter provided, be the Directors who have been longest in office since their last election but as between those who became Directors on the same day, the Directors to retire shall (unless they otherwise agree among themselves) be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment when he has previously vacated office.

The Directors shall have the power at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not be increased beyond the maximum number hereinbefore prescribed. Any Director so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election but not be taken into account in determining the Directors who are to retire by rotation at the meeting.

Based on the recent annual assessment, including fit and proper evaluations, the NC is satisfied with the performance of the Directors who are standing for re-election and has recommended to the Board their proposed re-election in accordance with the Constitution of the Company. The Board supported the NC's recommendations to re-elect the eligible Directors standing for re-election at the forthcoming Third Annual General Meeting ("3rd AGM") of the Company. The Directors who are retiring shall abstain from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board. The Directors who are standing for re-election at the forthcoming 3rd AGM are stated in the Notice of 3rd AGM.

2.3 Tenure of Independent Directors

The Board will justify and seek shareholders' approval in the event it retains an Independent Director who has served in that capacity for a cumulative period of more than nine (9) years.

As at the date of this statement, none of the Independent Directors has served the Company beyond nine (9) years.

2.4 Board Appointment

The selection, nomination and appointment of suitable candidates to the Board are made via a formal, rigorous and transparent process and taking into account objective criteria such as skills, knowledge, expertise, experience, professionalism, and merit needed on the Board. In the case of Independent Directors, the NC will evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

The assessment of the Independent Directors is in accordance with the criteria as set out in the Board Charter, Directors' Fit and Proper Policy and AMLR of Bursa Securities.

Corporate Governance Overview Statement

2.4 Board Appointment (continued)

The Board appointment process is as follows:-

- (a) Should there be a vacancy on the Board or if an additional Board appointment is required, the Board will consider making an appointment that will attain and maintain the best mix of diversity, consistent with skills, expertise, experience and background required to fill such a position. The NC shall prepare descriptions of the director characteristics the Board is looking for in a new appointment.
- (b) The NC may seek professional advice from independent search firms as and when it considers necessary to identify and short-list suitable candidates and a list of nomination for candidates proposed by the GMD and within the bounds of practicability, by any other director or major shareholder for consideration.
- (c) The NC meeting will be held to deliberate on the nomination of board candidates and review the profile of board candidates.
- (d) Interview between NC members and the shortlisted candidates will be held after the NC meeting.
- (e) The NC will then make a decision in recommending the appointment to the Board.
- (f) Based on the recommendation of the NC and upon review of the profile of board candidates, the Board will deliberate the appointment of new Director at the Board of Directors' meeting or to approve the appointment of new Director via Directors' Circular Resolution.

The Board has adopted a Directors' Fit and Proper Policy to assess the fitness and propriety of a candidate before being appointed or seeking re-election as a Director of the Group, including but not limited to the following:

- (a) The assessment on existing Directors, or candidates for nomination for appointment as Directors of the Company and make recommendations to the Board on these matters.
- (b) Ensuring that appropriate fit and proper assessments are carried out for each Responsible Person.
- (c) Reporting to the Board on matters that are relevant to a particular assessment of a Responsible Person's fitness and propriety.
- (d) Providing information to the Board on matters concerning the criteria and procedure for fit and proper assessments including addressing any gaps in the assessment.
- (e) Ensuring that the Group takes all reasonable steps to protect the information and documents, which are collected for fit and proper assessments purposes from misuse, unauthorised access, modifications or disclosure.

The Directors' Fit and Proper Policy is available on the Company's website at <https://www.unitrade.com.my/>.

2.5 Gender Diversity

As at the date of this statement, there are three (3) female Board members, representing 37.5% of female representation on the Board, adopting MCCG's target to achieve at least 30% female representation on the Board.

2.5 Gender Diversity (continued)

The Board had also adopted the Diversity Policy to promote diversity for the Board and workforce of the Group. The Diversity Policy provides the Group all measurable targets to be achieved through:-

- i. sustaining a balanced mix of Board structure that involves both male and female representatives from different skills, competencies and experiences are developed for the Group's future leadership succession;
- ii. embracing equal treatment and acceptance for the benefit of all stakeholders;
- iii. ensuring the selection, promotion, retention and development for all excluding any gender-based consideration;
- iv. fostering mentorship and development opportunity for all identified candidates; and
- v. cultivating a corporate culture and working environment which is free from harassment and discrimination.

The Diversity Policy is available on the Company's website at <https://www.unitrade.com.my/>.

2.6 NC

As at the date of this statement, the NC comprised the following members and the details of the meeting attendance of each member are set out below:-

Name	Designation	Directorate	No. of NC meetings attended
Dato' Lok Bah Bah @ Loh Yeow Boo	Chairman	Senior Independent Non-Executive Director	2/2
Cynthia Toh Mei Lee	Member	Independent Non-Executive Director	2/2
Ong Soo Chan	Member	Independent Non-Executive Director	2/2
Datin Shivajini A/P Sathya Seelan*	Member	Independent Non-Executive Director	1/1

Note:-

* Appointed as Member of NC on 14 June 2023

The NC is governed by its TOR approved by the Board which is available on the Company's website at <https://www.unitrade.com.my/>.

The NC meeting is held as and when required, but at least once a year. Two (2) NC meetings were held during FY2024. The NC has carried out the following activities during the financial year under review:-

- i. Reviewed the composition of the Board and Board Committee.
- ii. Assessed and was satisfied with the effectiveness of the Board as a whole and the Board committees and the contribution of each Director.
- iii. Reviewed and was satisfied with the mix of skills, knowledge, expertise and experience, composition and size of the Board in terms of gender, ethnicity and age.
- iv. Assessed the independence of Independent Directors and concluded that the Independent Directors are independent and have complied with the criteria of independence as set out in AMLR of Bursa Securities.
- v. Assessed and was satisfied with the character, experience, integrity, competence and time commitment of Directors.
- vi. Reviewed the term of office and performance of the AC and each of its members and concluded that the AC and each of its members have carried out their duties and responsibilities.
- vii. Reviewed and recommended to the Board the re-election of Directors at the Second Annual General Meeting ("2nd AGM") of the Company pursuant to the Company's Constitution.

Corporate Governance Overview Statement

2.6 NC (continued)

- viii. Reviewed the Directors' training programmes for the FY2024.
- ix. Reviewed and recommend the appointment of Datin Shivajini A/P Sathya Seelan as Independent Non-Executive Director of the Company after having reviewed her profile in detail.
- x. Reviewed and recommend the appointment of Datin Shivajini A/P Sathya Seelan as a member of AC, RMSC, NC and RC after having reviewed her profile in detail.

The NC is governed by its TOR approved by the Board which is available on the Company's website at <https://www.unitrade.com.my/>.

3. OVERALL BOARD EFFECTIVENESS

3.1 Annual Evaluation

The Board through the NC conducted an annual evaluation to review the performance of each individual Director and the effectiveness of the Board and its Board Committees as well as the independence of Independent Non-Executive Directors. The annual evaluation was conducted on self and peer evaluation model through customised questionnaires guided by the Corporate Governance Guide of Bursa Securities.

The results of the annual evaluation and comments by the Directors were tabled and discussed at the NC meeting and thereafter reported at the Board meeting by the Chairman of NC. All evaluations carried out by the NC are properly documented.

Pursuant to Rule 15.20 of the AMLR of Bursa Securities, the NC of a listed issuer must review the term of office and performance of an AC and each of its members annually to determine whether such AC and members have carried out their duties in accordance with their terms of reference. The NC had reviewed and assessed the performance of each of the members of the AC through and was satisfied with the performance and effectiveness of the AC and each of its members.

The NC had upon its annual evaluation conducted in July 2023, conclude that the Directors have discharged their duties satisfactory, objectively and professionally. The NC was also satisfied with the performance of the Board and its Board Committee.

3.2 Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision-making process. The Board through the NC has assessed the independence of its Independent Non-Executive Directors based on the criteria set out in the AMLR of Bursa Securities.

The NC and the Board have, upon their annual assessment, concluded that the current Independent Directors of the Company have fulfilled the criteria for "independence" as prescribed under Rule 1.01 and Guidance Note 9 of the AMLR of Bursa Securities. The Company has also fulfilled the requirement of at least one-third of its Board members being Independent Non-Executive Directors.

3.3 Directors' Training

The Board acknowledges that continuous education is vital for the Board members to keep abreast with the latest developments in the industry and business environment as well as changes to statutory requirements and regulatory guidelines.

3.3 Directors' Training (continued)

The Directors are mindful of the need to continue enhancing their skills and knowledge to maximise their effectiveness as Directors during their tenure. The Directors will continue to identify and attend other training courses to equip themselves effectively to discharge their duties as Directors on a continuous basis.

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

Name of Directors	Name of Programme	Trainer/Organiser	Date
Nomis Sim Siang Leng	PLCT Webinar - Being Digitally Enabled: Guidebook 4 Highlights	Bursa Securities	30/05/2023
	Cyber Threats & Risks Post-pandemic	Bursa Securities	09/06/2023
	PLCT Webinar on Rewards and Realities of Fostering an Inclusive Culture	Bursa Securities	22/06/2023
	MIA Webinar Series: ESG Oversight for Boards	Malaysian Institute of Accountants	25/07/2023
	Bursa PLCS Investor Relations Series 1	Bursa Securities	28/07/2023
	RDS Webinar: Charting New Markets: Transferring Listings to ACE/Main Market	Rosli Dahlan Saravana Partnership	10/08/2023
	RHB Research Company Updates: Spotlight on HPPHB, CLOUDPT, SLVEST, SAMAIDEN	RHB Bank Berhad	16/08/2023
	Introduction of Bursa Carbon Exchange (BCX) & Centralised Sustainability Intelligence Platform (CSIP)	Bursa Securities	16/08/2023
	Ambank Event - Sustaining The Family Legacy: How to Successfully Transition Across Generations	Ambank (M) Berhad	08/09/2023
	CIMB Event-The Cooler Earth Sustainability Summit	CIMB Bank Berhad	11/09/2023
	CIMB Sustainability	CIMB Bank Berhad	12/09/2023
	Bursa PLCS Investor Relations Series 2: Centralised Sustainability Intelligence & FTSE4GOOD	Bursa Securities	16/10/2023
	Investing Insights: Gloves, Water, Gold - All About Shariah Investing	CIMB Bank Berhad	29/11/2023
	HSBC Asian Business Forum	HSBC Bank Berhad	19/01/2024
	Fusion Solar Training	JJ-Lapp (M) Sdn Bhd	22/01/2024
	Ambank and Huawei Solar Insight	Ambank and Huawei Solar	23/01/2024
	KPMG Webinar- Navigating Capital Gains Tax	KPMG Tax Services Sdn Bhd	29/01/2024
	2024 Outlook, A Year for Policy Reform	Macquarie Malaysia	30/01/2024
Solar Panel Training by Astronergy	Astronergy	06/03/2024	
UOB's The Business Circle Learning Forum	United Overseas Bank (M) Berhad	27/03/2024	
Sim Keng Chor	ESG KPI and Target Setting Workshop	Joshua Rayan Communications	24/01/2024
Simson Sim Xian Zhi	PLCT Webinar - Being Digitally Enabled: Guidebook 4 Highlights	Bursa Securities	30/05/2023
	ESG KPI and Target Setting Workshop	Joshua Rayan Communications	24/01/2024
Cynthia Toh Mei Lee	The Audit Committee - How to Navigate Financial Reporting Oversight Amidst Potential Landmines of Misreporting	Malaysian Institute of Corporate Governance (MICG)	29/05/2023
	MIA Webinar Series: ESG Oversight for Boards	Malaysian Institute of Accountants	25/07/2023
	ESG KPI and Target Setting Workshop (QL In-House Training)	Joshua Rayan Communications	25/09/2023

Corporate Governance Overview Statement

3.3 Directors' Training (continued)

Name of Directors	Name of Programme	Trainer/Organiser	Date
Dato' Lok Bah Bah @ Loh Yeow Boo	MIA Webinar Series: Investigation & Prosecution of Money Laundering (AMLA) cases in Malaysia	Malaysian Institute of Accountants	25/09/2023
	MIA Webinar Series: Detecting & Deterring Financial Statement Fraud	Malaysian Institute of Accountants	15/09/2023
	MIA Webinar Series: ESG Oversight for Boards	Malaysian Institute of Accountants	25/07/2023
	MIA Webinar Series: Auditing of Construction Contracts & Property Development Activities	Malaysian Institute of Accountants	17/5-18/5/2023
Datin Shivajini Sathya Seelan*	Tax Audit & Investigation Framework	Malaysian Institute of Accountants	22/09/2023
	Budget Seminar 2023	Chartered Tax Institute of Malaysia	29/09/2023
	Mandatory Programme Accreditation	Bursa Securities	26/10/2023
	Update on Malaysian Transfer Pricing	Chartered Tax Institute of Malaysia	04/12/2023
	Critical Tax Issues in Malaysia	Chartered Tax Institute of Malaysia	03/12/2023
	Essential Tax Updates (2023/2024)	Chartered Tax Institute of Malaysia	04/03/2024
Ong Soo Chan	The End of Business-As-Usual & Evolving Board Duties	Cambridge Institute for Sustainability Leadership Programme (CISL)	14/04/2023
	ICDM Power Talk Series - Advancing Cyber Resilience: Board Top 3 Must-knows	Institute of Corporate Directors Malaysia	25/05/2023
	Earth Competent Board	Cambridge Institute for Sustainability Leadership Programme (CISL)	01/06/2023
	Islamic Finance for Board of Directors (IF4BOD)	ISRA Consulting	6/6 - 7/6/2023
	Anti-Bribery & Anti-Corruption Training - Promoting Good Governance: Understanding Anti-Corruption Laws in M'sia & Beyond	Wong & Partners	21/06/2023
	Sustainability: GSSIPS & GSFP Walk-through	CIMB Group	31/07/2023
	MIA Webinar Series: ESG Oversight for Boards	Malaysian Institute of Accountants	25/07/2023
	Refresher to Board: Basel Framework & IRB Models	CIMB Group	21/08/2023
	Cooler Earth Sustainability Summit	CIMB Group	09/11/2023
	FIDE Core Programme (Module A) - Asia Business School	Asia School of Business	2/10 - 5/10/2023
	FIDE Core Programme (Module B) - Asia Business School	Asia School of Business	16/10 - 19/10/2023
	ESG Briefing for BOD & Management - Joshua Ryan Integrate & Sustainability	Joshua Rayan Communications	26/02/2024
	Dato' Abdul Majit Bin Ahmad Khan	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors of Malaysia
AML/CFT & TFS: Adopt, Evolve, Transform Towards An Effective Compliance		Hong Leong Investment Bank Berhad	11/09/2023
Anti-Money Laundering		Hong Leong Investment Bank Berhad	07/06/2023

Note:-

* Appointed as Independent Non-Executive Director on 14 June 2023.

PART III : REMUNERATION

4. LEVEL AND COMPOSITION OF REMUNERATION

4.1 Remuneration Policies and Procedures

The Board has formalised the Directors and Senior Management's Remuneration Policy ("Remuneration Policy"). The primary objective of the Remuneration Policy is to provide a guidance for the Board and the RC in determining the remuneration of individual Directors and Management and create a strong performance-oriented environment which is able to attract, motivate and retain talent. The Remuneration Policy can be assessed through the Company's website at <https://www.unitrade.com.my/>.

Nevertheless, the RC is responsible to review the remuneration packages of the Executive Vice Chairman, GMD, Executive Directors, Non-Executive Directors, C-Level executive officers, taking into account of individual performance, time commitment, experience, level of responsibilities, as well as the performance of the Group and market conditions and recommend the same for Board approval.

The Non-Executive Directors' remuneration comprises fees and meeting allowances that are linked to their expected roles and level of responsibilities. The Directors' annual fees, which are determined by the Board as a whole, are approved by shareholders of the Company at each AGM. The meeting allowances of the Non-Executive Directors are also approved by the shareholders of the Company at the relevant AGM. All individual Directors shall abstain from making decisions in respect of his own remuneration.

4.2 RC

The RC is primarily responsible for recommending to the Board the remuneration packages of Executive Vice Chairman, GMD, Executive Directors, Non-Executive Directors and C-Level executive officers in all its forms.

As at the date of this statement, the RC comprised the following members and the details of the meeting attendance of each member are set out below:-

Name	Designation	Directorate	No. of RC meetings attended
Ong Soo Chan	Chairwoman	Independent Non-Executive Director	2/2
Dato' Lok Bah Bah @ Loh Yeow Boo	Member	Senior Independent Non-Executive Director	2/2
Cynthia Toh Mei Lee	Member	Independent Non-Executive Director	2/2
Datin Shivajini A/P Sathya Seelan*	Member	Independent Non-Executive Director	1/1

Note:-

* Appointed as Member of RC on 14 June 2023.

The RC meeting is held as and when required, but at least once a year. Two (2) RC meetings were held during FY2024. The RC has carried out the following activities during the financial year under review:

- Reviewed the directors' fee and benefit payables to the Directors of the Group for the FY2023 and recommended the same to the Board for approval.
- Reviewed the remuneration package of the Executive Directors, Non-Executive Directors and C-Level executive officers within the Group and recommended the same to the Board for approval.
- Reviewed the Salary Increment and Bonus Provisions for Executive Directors for the FY2023 and recommended the same to the Board for approval.
- Reviewed the methodology used by the Company on determining salary increments and performance bonuses.

The RC is governed by its TOR approved by the Board which is available on the Company's website at <https://www.unitrade.com.my/>.

Corporate Governance Overview Statement

5. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

5.1 Remuneration of Directors

The Board is mindful that fair remuneration is critical to attract, retain and motivate the directors of UIB as well as directors serving as members of the board committees.

The details of the Directors' remuneration of the Company and the Group on the named basis for the FY2024 are tabulated as follows:

THE COMPANY

Directors	Fees RM'000	Salaries RM'000	Bonuses RM'000	Other Emoluments RM'000	Benefits- in-kind RM'000	Total RM'000
Executive Directors						
Sim Keng Chor	-	-	-	-	-	-
Nomis Sim Siang Keng	-	-	-	-	-	-
Simson Sim Xian Zhi	-	-	-	-	-	-
Non-Executive Directors						
Dato' Abdul Majit Bin Ahmad Khan	55	-	-	7	-	62
Dato' Lok Bah Bah @ Loh Yeow Boo	55	-	-	7	-	62
Cynthia Toh Mei Lee	55	-	-	7	-	62
Ong Soo Chan	55	-	-	7	-	62
Datin Shivajini A/P Sathya Seelan*	47	-	-	5	-	52
TOTAL	267	-	-	33	-	300

THE GROUP

Directors	Fees RM'000	Salaries RM'000	Bonuses RM'000	Other Emoluments RM'000	Benefits- in-kind RM'000	Total RM'000
Executive Directors						
Sim Keng Chor	-	1,097	293	134	25	1,549
Nomis Sim Siang Keng	-	1,254	567	500	28	2,349
Simson Sim Xian Zhi	-	439	191	256	22	908
Non-Executive Directors						
Dato' Abdul Majit Bin Ahmad Khan	55	-	-	7	-	62
Dato' Lok Bah Bah @ Loh Yeow Boo	55	-	-	7	-	62
Cynthia Toh Mei Lee	55	-	-	7	-	62
Ong Soo Chan	55	-	-	7	-	62
Datin Shivajini A/P Sathya Seelan*	47	-	-	5	-	52
TOTAL	267	2,790	1,051	923	75	5,106

Note:-

* Appointed as Independent Non-Executive Director on 14 June 2023.

5.2 Remuneration of Key Senior Management

In determining the remuneration packages of the Group's Key Senior Management, factors that were taken into consideration included the Senior Management's responsibilities, skills, expertise and contribution to the Group's performance.

Due to confidentiality and sensitivity of information, the Board is of the view that it would not be in its best interest to make such disclosure on named basis in view of the competitive nature of human resource market and the Company should maintain confidentiality on employees' remuneration packages.

As an alternative, the Board decided to disclose the Key Senior Management's remuneration on an unnamed basis in bands of RM50,000, as follows:-

Range of Remuneration*	No. of Key Senior Management
RM550,000-RM600,000	1
RM600,000-RM650,000	1
RM700,000-RM750,000	1

Note:

* The remuneration including salary and other emoluments, bonus, contribution to the defined contribution plan and social security contributions, successive bands of RM50,000/- are not shown entirely as these are not represented.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I : AC

6. AC

6.1 Chairman of AC

The AC is chaired by a Senior Independent Non-Executive Director namely, Dato' Lok Bah Bah @ Loh Yeow Boo who is distinct from the Chairman of the Board. The Chairman of the AC is a member of Malaysian Institute of Accountants ("MIA") and Fellow of CPA Australia.

6.2 Financial Reporting

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and ensuring that the financial statements of the Group comply with the Companies Act 2016 and applicable approved financial reporting standards in Malaysia.

The AC assists the Board in discharging its fiduciary duties by ensuring that the audited financial statements and quarterly financial reports are prepared in accordance with the Companies Act 2016, Malaysian Financial Reporting Standards and AMLR of Bursa Securities. In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board aims to present a balance and fair assessment of the Company's financial position and prospects. The AC reviews the Company's quarterly financial results and annual audited financial statements to ensure accuracy adequacy and completeness prior to presentation to the Board for its approval.

The Statement of Directors' Responsibility in respect of the preparation of the annual audited financial statements is set out in page 100 of this Annual Report.

Corporate Governance Overview Statement

6.3 Cooling-Off Period for Former Key Audit Partner

The AC recognises the importance of upholding independence of its external auditors and that no possible conflict of interest whatsoever should arise. The TOR of the AC stated that no former key audit partner shall be appointed as a member of the AC before observing a cooling-off period of at least three (3) years in line with the practice 9.2 of MCCG. Presently, none of the current AC members is a former key audit partner involved in auditing of the Group.

6.4 Assessment of Suitability and Independence of External Auditors

The Board maintains a good professional relationship with the external and internal auditors through the AC in discussing with them their audit plans, audit findings and financial statements. In addition, the AC met with the external auditors during FY2024 without the presence of the Executive Board members and Management to discuss on audit findings, audit plans and the Company's financial statements.

The AC is responsible for the recommendation on the appointment and re-appointment of the Company's external auditors and the audit fees. The AC carried out an assessment of the performance and suitability of the external auditors based on the quality of services, sufficiency of resources, communication, interaction, independence and objectivity.

In safeguarding and supporting external auditors' independence and objectivities, the AC has adopted in its TOR, the External Auditors' assessment which sets out the assessment of external auditors' basis principles and the prohibition of non-audit services and the approval process for the provision of non-audit services.

The AC has obtained assurance from Messrs KPMG PLT, confirming that they are and have been independent throughout the conduct of the audit in accordance with the terms of relevant professional and regulatory requirements.

For FY2024, there was a rotation of the Audit Engagement Partner in accordance with Rotation Requirements prescribed by Malaysia Institute of Accountants. Due to this rotation, the AC has also met with new Audit Engagement Partner to understand the transition process and ensure a smooth handover.

Based on the AC's assessment of the External Auditors, the Board is satisfied with the independence, quality of service and adequacy of resources provided by the External Auditors in carrying out the annual audit for the FY2024. In view thereof, the Board has recommended the re-appointment of the External Auditors for the approval of shareholders at the forthcoming 3rd AGM.

6.5 Composition of the AC

The AC comprises four (4) Non-Executive Directors and all the AC members are Independent Directors. The present members of the AC are as follows:-

Designation	Name	Directorship
Chairman	Dato' Lok Bah Bah @ Loh Yeow Boo	Senior Independent Non-Executive Director
Member	Cynthia Toh Mei Lee	Independent Non-Executive Director
Member	Ong Soo Chan	Independent Non-Executive Director
Member	Datin Shivajini A/P Sathya Seelan*	Independent Non-Executive Director

Note:-

* Appointed as Member of AC on 14 June 2023.

All members of the AC are financially literate, competent and able to understand matters under the purview of the AC including the financial reporting process. The summary of activities undertaken by AC for FY2024 are set out in the AC Report of this Annual Report.

6.5 Composition of the AC (continued)

In line with the AMLR of Bursa Securities, the AC's responsibilities extend beyond reviewing and reporting on related party transactions and Conflict of Interest ("COI"). The AC's role is expanded to reviewing and reporting on related party transactions and COI that have 'arisen or persisted' and on the measures taken to resolve, eliminate or mitigate such COI.

The AC is governed by its TOR approved by the Board which is available on the Company's website at <https://www.unitrade.com.my/>.

PART II : RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

7. Effective Risk Management and Internal Control Framework

The Board assumes its overall responsibility in establishing a risk management framework and maintaining a sound system of risk management and internal control throughout the Group which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations that is not limited to financial aspects of the business but also operational and regulatory compliance. The RMSC and AC have been entrusted by the Board in managing the risks and establishment of the internal control system and processes of the Group. The ultimate objectives are to protect the Group's assets and safeguard shareholders' investments.

The Board acknowledges that the internal control system is devised to cater for particular needs of the Company and risk management system is to provide reasonable assurance against material misstatements or loss.

Our Group has outsourced its internal audit function to the independent professional service provider, Talent League Sdn. Bhd. ("Talent League" or "Outsourced Internal Auditors"), which reports directly to our AC. The Outsourced Internal Auditors carry out its function in accordance with the approved annual internal audit plan approved by the AC. The findings of the audits and the recommendations for improvement or actions to be taken by the management to rectify the issue will be presented in AC Meeting.

Any significant issue affecting the existing risks or emerging risks as well as the changes to the action plans to address the risks identified, will be discussed during the RMSC meetings and brought to the attention of the Board by the Chairman of RMSC.

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

8. Internal Audit Function

The Company recognised that an internal audit function is essential to ensure the effectiveness of the Group's system of internal control and is an integral part of the risk management process.

The Board has engaged an independent professional service firm, Talent League to assume the Group's risk management and its internal audit function, who reports and assists the RMSC and AC in managing the risks and establish the internal control system and processes of the Group. The Board has also ensured that the Outsourced Internal Auditors, Talent League, are free from any relationship and/or conflict of interest with the Group.

The Outsourced Internal Auditors is headed by its Executive Director, Mr. Roy Thean Chong Yew ("Mr. Thean"). He is also a Chartered Member of Institute of Internal Auditor. Mr. Thean is also a member of Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. Mr. Thean has more than twenty-two (22) years of audit experience. The number of staff deployed for the internal audit reviews will be five (5) staff. They will perform their works in accordance with a recognised framework such as the International Professional Practices Framework issued by the Institute of Internal Auditors. The internal audit function has been mandated to continually assess and monitor the Group's system of internal control.

The further details of Internal Audit Function are set out in the AC Report of this Annual Report.

Corporate Governance Overview Statement

9. RMSC

The RMSC is primarily responsible to assist the Board in establishing a sound framework to manage risks and sustainability matters.

As at the date of this statement, the RMSC comprised the following members and the details of the meeting attendance of each member are set out below:-

Name	Designation	Directorate	No. of RMSC meetings attended
Cynthia Toh Mei Lee	Chairwoman	Independent Non-Executive Director	2/2
Ong Soo Chan	Member	Independent Non-Executive Director	2/2
Nomis Sim Siang Leng	Member	Managing Director	2/2
Datin Shivajini A/P Sathya Seelan*	Member	Independent Non-Executive Director	2/2

Note:-

* Appointed as Member of RMSC on 14 June 2023.

The RMSC is governed by the TOR of RMSC which outlines its duties and responsibilities and the said TOR can be viewed at <https://www.unitrade.com.my/>.

The RSMC meeting is held as and when required, but at least once a year. Two (2) RMSC meetings were held during FY2024:-

- i. Reviewed the Statement on Risk Management and Internal Control for the FY2023 and recommended the same to the Board for approval.
- ii. Reviewed the Enterprise Risk Management Report.
- iii. To note the Sustainability progress report.

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

10. Communication with Stakeholders

The Board recognises the importance of effective, transparent, regular and timely communication with its shareholders and other stakeholders to keep them informed on the Group's latest financial performance, business and corporate developments.

Our Group endeavours to provide as much information as possible to its shareholders and stakeholders. It is mindful of legal and regulatory framework governing the release of material and price-sensitive information. Such material and price-sensitive information will not be released unless it has been duly announced or made public through proper channels.

The Group maintains a corporate website, <https://www.unitrade.com.my/> with the intention of building communication channel between our Company with the stakeholders setting out:-

- (a) Announcements submitted to Bursa Securities
- (b) Investor Relations section which provides relevant corporate information
- (c) General telephone number, fax number and email address

11. Conduct of General Meetings

The principal forum for dialogue and interaction with shareholders is the Company's annual general meeting ("AGM") and extraordinary general meeting. The Board encourages and welcomes participation from shareholders to ask questions regarding the resolutions being proposed at the meeting and also other matters pertaining to the business activities of the Group. All Directors, including the Chairperson of the AC, RC, NC, and RMSC, including the Chief Financial Officer, the external auditors and Sponsor are available at the AGM to provide responses to questions from the shareholders.

In accordance with Practice 13.1 of the MCCG, the notice for the Company's 2nd AGM was issued on 28 July 2023, providing shareholders with at least twenty-eight (28) days' notice before the AGM scheduled for 7 September 2023. This timeline ensures that shareholders were given sufficient time to read and consider the resolutions to be resolved.

The 2nd AGM of the Company held on 7 September 2023 was conducted virtually through live streaming from the Broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

At the Company's virtual 2nd AGM held on 7 September 2023, the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions.

In line with the AMLR of Bursa Securities, all resolution set out in the Notice of the 2nd AGM were voted by poll via Remote Participation and Electronic Voting facilities. The Company also appointed an independent scrutineer, SKY Corporate Services Sdn. Bhd., to validate the votes cast before the poll results is announced by the Chairman of the meeting.

The minutes of the 2nd AGM detailing the meeting proceedings, including issues and concerns raised by the shareholders together with the responses from the Company, was published on the Company's corporate website within 30 business days after the conclusion of the 1st AGM.

FUTURE PRIORITIES IN KEY AREAS OF CORPORATE GOVERNANCE PRACTICES

The Board shall continue to strive for high standards of corporate governance throughout the Group for the best interest of all stakeholders. The areas to be prioritised would be those principles which have not adopted by the Company as disclosed in the CG Report 2024.

The Board takes cognisance of the sustainability disclosures requirement under the AMLR of Bursa Securities in relation to the Enhanced Sustainability Reporting Framework and will continue to work towards complying the same.

This Corporate Governance Overview Statement and the CG Report are made in accordance with the resolution passed by the Board of Directors on 29 July 2024.

Additional Compliance Information

1. UTILISATION OF PROCEEDS

The Company was listed on the ACE Market of Bursa Securities on 14 June 2022 in conjunction with its Initial Public Offering (“IPO”), where the Company undertook a public issue of 312,500,000 new ordinary shares in the Company at an issue price of RM0.32 per share, raising proceeds of RM100 million.

The gross proceeds of RM100 million raised from the IPO have been utilised in the following manner as at 31 March 2024:-

Purpose of Utilisation	Proposed Utilisation ⁽¹⁾ (RM'000)	Reallocation (RM'000)	Actual Utilisation (RM'000)	Balance to be Utilised (RM'000)	Estimated Timeframe for Utilisation from The Date of Listing ⁽²⁾
Working Capital	50,500	(4,900) ⁽⁴⁾⁽⁵⁾	(45,600)	-	Within 18 months ⁽³⁾
Repayment of bank borrowings	39,800	-	(39,800)	-	Within 12 months
Capital expenditure for pipe fabrication centre	5,000	-	(4,497)	503	Within 36 months
Estimated listing expenses	4,700	283 ⁽⁴⁾	(4,983)	-	Immediate
Capital expenditure for temporary structural equipment	-	4,617 ⁽⁵⁾	(4,617)	-	Within 18 months ⁽³⁾
Total	100,000	-	(99,497)	503	

Notes:

⁽¹⁾ As per the Initial Public Offering (“IPO”) Prospectus dated 28 April 2022.

⁽²⁾ From the date of listing of the Company on the ACE Market of Bursa Securities on 14 June 2022. The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 28 April 2022.

⁽³⁾ Revised estimated timeframe as per Company's announcement dated 26 May 2023.

⁽⁴⁾ RM283,000 proceeds were reallocated for working capital was reallocated to defray listing expenses due to a shortfall where the funding costs were underestimated.

⁽⁵⁾ A total of RM4.6 million proceeds were reallocated from working capital to capital expenditure for temporary structural equipment, especially for the acquisition of heavy-duty shoring system. Such system is used primarily in construction and engineering projects, providing temporary support to structures under higher load conditions during the construction phase.

2. PRIVATE PLACEMENT

On 27 February 2024, the Company had announced to undertake a private placement of up to 156,250,000 new ordinary shares, representing not more than 10% of the total number of issued ordinary shares of the Company to third-party investor(s) (“Private Placement”).

Bursa Securities had on 27 March 2024, approved the listing and quotation of up to 156,250,000 Placement Shares to be issued pursuant to the Private Placement.

The Company had on 27 May 2024, completed the first tranche of the Private Placement and completed the issuance and allotment of a total of 68,220,000 Placement Shares and raised total net proceeds of RM18,247,650 from the Private Placement.

2. PRIVATE PLACEMENT (continued)

As at 30 June 2024, the gross proceeds of RM18.4 million from the Company's Private Placement has been utilised in the following manner:-

Details of Use of Proceeds	Proceed Raised RM'000	Actual Utilisation RM'000	Estimated Timeframe for Utilisation
Construction of centralised labour quarters	-	-	Within 18 months
Repayment of bank borrowings	18,247	18,247	Within 6 months
Estimated Private Placement expenses	172	172	Within 1 month
Total estimated proceeds	18,419	18,419	

3. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the external auditors' firm by the Group and the Company for the financial year ended 31 March 2024 are as follows:-

	Company (RM '000)	Group (RM '000)
Audit Fees	53	330
Non-Audit Fees	14	41
Total	67	371

4. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING ("RRPT")

The details for the Recurrent Related Party Transactions of Revenue or Trading Nature transacted pursuant to the Shareholders' Mandate during the financial year ended 31 March 2024 are stated in Section 2.4 of the Circular to Shareholders dated 31 July 2024, which is available on Bursa Securities' website and the Company's website.

5. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) entered into by Unitrade and its subsidiary companies during the two (2) years immediately preceding the date of this Annual Report:

- (a) Asset sale agreement dated 10 July 2023 between Conway Terminals Manufacturer Sdn. Bhd. and SLU for the disposal of a piece of freehold industrial land held under Individual Title Geran 215192, Lot No. 61798, Bandar Glenmarie, Daerah Petaling, Negeri Selangor measuring approximately 4,794 square meters in area together with a single storey detached factory annexed with three-storey office building, bearing postal address of No. 2, Jalan U1/15, Seksyen U1, 40150 Shah Alam, Selangor for a total consideration of RM19,400,000, which was completed on 27 December 2023.
- (b) Conditional share sales agreement dated 25 July 2023 between Unitrade and Winnson Marketing vendors for acquisition of 177,603 ordinary shares, representing 60.0% equity interest in Winnson Marketing for a purchase consideration of RM2,160,000, which was completed on 18 August 2024.
- (c) Heads of Agreement dated 31 July 2023 between Unitrade and IMSB vendors for acquisition of 1,020,000 ordinary shares in IMSB, representing 51.0% equity interest in IMSB for an indicative consideration of RM66,300,000.

Additional Compliance Information

5. MATERIAL CONTRACTS (continued)

- (d) Share sales agreement dated 12 December 2023 between Unitrade and IMSB vendors for acquisition of 1,020,000 ordinary shares in IMSB, representing 51.0% equity interest in IMSB for a consideration of RM66,300,000, which was completed on 8 January 2024.
- (e) Conditional sales and purchase agreement dated 12 March 2024 between Perfect CLQ and Nomis Sim Siang Leng and Simson Sim Xian Zhi (“the Vendors”), both Directors of the Company and Perfect CLQ, to acquire a piece of land held under HS(M) 12118 Lot No PT 5 Mukim of Sungai Buloh, District of Petaling, Selangor for a consideration of RM7,840,000 is conditional upon Perfect CLQ obtaining the Development Order from the relevant State Authority to develop and/or construct a centralised labour quarter on the said property within 3 months from the sales and purchase agreement. The State Authority has provided its letter dated 4 July 2024 of which the Perfect CLQ received on 17 July 2024, granted the Approval subject to the terms and conditions stated therein. Upon due consideration of all the terms and conditions of the Approval, Perfect CLQ is of the opinion that the cost of the project will substantially increase should they proceed with the development of the land in accordance to the terms and conditions. As such, Perfect CLQ and the Vendors have mutually agreed to rescind the sales and purchase agreement on 25 July 2024.

6. STATEMENT OF DIRECTORS’ RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required under Rule 15.26(a) of the ACE Market Listing Requirements of Bursa Securities to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Directors are responsible for ensuring that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016 and applicable Malaysian Financial Reporting Standards approved by the Malaysian Accounting Standards Board in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2024 and of the financial performance and cash flows of the Group for the year then ended and of the Company for the financial year then ended.

During the preparation of the financial statements for the financial year ended 31 March 2024, the Directors have:

- (i) applied the appropriate and relevant accounting policies consistently and in accordance with applicable approved accounting standards;
- (ii) made judgements and estimates that are reasonable and prudent; and
- (iii) applied the going concern basis for the preparation of the financial statements.

The Directors are also responsible for taking such steps that are necessary and reasonable to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

The Board is satisfied that it has met its obligation to present a balanced and understandable assessment of the Company’s position and prospects in the Directors’ Report and the Financial Statements of this Annual Report

The Statement is made in accordance with a resolution of the Board of Directors dated 30 July 2024.

Audit Committee Report

The primary objective of the Audit Committee (“AC” or “the Committee”) is to assist and support the Board of Directors (“Board”) in meeting its responsibilities for the oversight of the financial reporting process, the system of Internal Control, the internal and external audit processes, and any conflict of interest situations and related party transactions. The Board of Unitrade Industries Berhad (“UIB” or “the Company”) is pleased to present the following AC Report which illustrates the insights as to the manner in which the AC has discharged their duties and responsibilities during the financial year ended 31 March 2024 (“FY2024”). This report is prepared in compliance with Rule 15.15 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

In performing their duties and discharging their responsibilities, the AC is guided by its Terms of Reference (“TOR”). The AC’s TOR is available at the Company’s website at <https://www.unitrade.com.my/>.

COMPOSITION OF THE AC

The AC comprises four (4) members, all of whom are Independent Non-Executive Director which satisfy the requirements of Rule 15.09(1)(a) and (b) of the AMLR of Bursa Securities and Practice 9.4 under Principle B of the MCCG.

The members of the AC and their respective designation are as follows:-

Name	Designation	Directorship
Dato’ Lok Bah Bah @ Loh Yeow Boo*	Chairman	Senior Independent Non-Executive Director
Cynthia Toh Mei Lee	Member	Independent Non-Executive Director
Ong Soo Chan	Member	Independent Non-Executive Director
Datin Shivajini A/P Sathya Seelan*	Member	Independent Non-Executive Director

* Member of the Malaysia Institute of Accountants (“MIA”)

The profile of the AC members can be found in the Profile of Directors as set out from pages 10 to 11 of this Annual Report.

The AC also meets the AMLR which requires at least one member of the Committee must fulfill the financial expertise requisite of Rule 15.09(c) of the AMLR of Bursa Securities.

The Chairman of the Committee, Dato’ Lok Bah Bah @ Loh Yeow Boo, is a Fellow of CPA Australia and member of the MIA.

All AC members are financially literate with diverse backgrounds, experiences, and knowledge in the field of accountancy, tax, finance, and corporate laws. None of the members were former key audit partners of the Company’s existing External Auditors.

In order to assess the term of office of the AC members and performance of the AC in accordance with Rule 15.20 of the AMLR of Bursa Securities, each of the AC members has performed the annual self and peer evaluation assessment and the results were tabled to the Nomination Committee (“NC”) for review and discussion at the NC meeting held on 29 July 2024. The NC and the Board were satisfied with the overall performance of the AC as a whole and the performance of the AC members and confirmed that they have carried out their duties and responsibilities effectively in accordance with the Terms of Reference of the AC.

Audit Committee Report

ATTENDANCE OF MEETINGS

The AC conducted five (5) meetings during the FY2024. The details of attendance of each member at the AC meetings held during the FY2024 are as follows:-

Name of AC Members	No. of AC Meetings Attended	Percentage of Attendance
Dato' Lok Bah Bah @ Loh Yeow Boo	5/5	100%
Cynthia Toh Mei Lee	5/5	100%
Ong Soo Chan	5/5	100%
Datin Shivajini A/P Sathya Seelan (appointed on 14 June 2023)	4/4	100%

The Group Managing Director, Executive Director, Chief Financial Officer, External Auditors and Internal Auditors and relevant personnel from Management were invited to attend AC meetings to present their reports and provide updates and developments on issues arising from the audit reports. The AC Chairman thereafter reported the AC's recommendations to the Board for their consideration. He also updated the Board on significant matters discussed during the AC meetings.

Meeting agenda and materials were distributed to the AC members in advance to ensure that sufficient time is provided for them to peruse the relevant material in order to facilitate their deliberation and decision-making process in the scheduled meetings.

Discussions and deliberation at the AC meetings were recorded in the minutes of the AC meetings. Minutes of the AC meetings are tabled to the Board after they are confirmed at each subsequent AC meeting.

SUMMARY OF ACTIVITIES

For the FY2024, the main activities undertaken by the AC were as follows:

1. Financial Reporting

- (a) Reviewed the unaudited quarterly financial results of the Company and the Group prior to the recommendation to the Board for approval and subsequent release to Bursa Securities.
- (b) Reviewed the draft audited financial statements of the Company and the Group for the financial year ended 31 March 2023 ("FY2023") prior to the submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act 2016 and the applicable Financial Reporting Standards in Malaysia.
- (c) To review the ageing report on a quarterly basis.
- (d) Reviewed and made the recommendation to the Board in respect of the proposed dividend after reviewing and considering the solvency test presented.

2. External Audit

- (a) Reviewed the status of the audit for the FY2023 with External Auditors including the issues arising from their audit of the annual financial statements and their resolution of such issues as highlighted in their report to the AC.
- (b) Reviewed the Audit Planning Memorandum for the FY2024 presented by the External Auditors on 27 February 2024, entailing mainly the audit scope, key areas of audit emphasis and the audit approach.
- (c) Carried out annual assessment on the performance, suitability, capabilities and independence of the External Auditors based on amongst others, the External Auditors' competency and audit independence, objectivity and professional skepticism before recommending to the Board for their re-appointment and remuneration.

2. External Audit (continued)

- (d) Reviewed the audit fees and non-audit fees and recommended to the Board for approval.
- (e) Had private sessions with the External Auditors during the financial year, i.e 26 May 2023, 26 July 2023 and 27 February 2024 respectively without the presence of the Executive Directors and Management to discuss further with them any issues of concern, if any, arising from the audit.

3. Related Party Transactions/Conflict of Interest

- (a) Reviewed and considered any related party transactions (“RPTs”), conflict of interest (“COI”) and potential COI situations that may arise within the Company or the Group on a quarterly basis, including any transactions, procedure or course of conduct that may raise questions of Management integrity or impartiality.
- (b) Reviewed the RPTs and recurrent RPTs (“RRPTs”) entered and/or to be entered by the Group to ensure that the transactions entered into were on an arm’s length basis and not detrimental to the interests of minority shareholders.
- (c) Reviewed the Circular to Shareholders in relation to the Proposed Renewal of Shareholders’ Mandate for Existing RRPTs of a Revenue or Trading Nature and Proposed New Shareholders’ Mandate for RRPTs of a Revenue or Trading Nature prior to submitting the same to the Board for consideration and approval.

4. Internal Audit

- (a) At the meeting held on 26 July 2023, the AC reviewed the adequacy of the scope, functions, competency and resources of the internal audit function to ensure its effectiveness and efficiency.
- (b) Reviewed the reports from the Internal Auditors and assessed the Internal Auditors’ findings and the Management’s responses and the necessary recommendations.
- (c) Reviewed and discussed the effective implementation of the action plans taken by the Management in response to audit findings and weaknesses identified during the audit review.
- (d) Had private session with internal auditors on 26 May 2023 and 28 February 2024 respectively, without the presence of the Executive Directors and Management for discussion on internal audit related matters.

5. Others

- (a) Reviewed the Statement on Risk Management and Internal Control, AC Report, Corporate Governance Overview Statements and Corporate Governance Report prior to recommendation for Board’s approval for inclusion into the Annual Report.
- (b) Reviewed the Extension of Time for the Utilisation of Proceeds raised from the Initial Public Offering exercise prior to submitting the same to the Board for consideration and approval.
- (c) Reviewed the Proposed Acquisition of 60% Equity Interest in Winnson Marketing Sdn. Bhd. and its subsidiary for recommendation to the Board for approval.
- (d) Reviewed the Proposed Capital Expenditures of a to-be-designated and custom-built powder coating line for recommendation to the Board for approval.
- (e) Reviewed the Proposed Acquisition of Lands held under:-
 - HS(M) 12118, Lot No PT 5 Mukim of Sungai Buloh, District of Petaling, Selangor.
 - GM 460 Lot 212, 13th Mile Kepong Road, Mukim Ijuk, Kuala Selangor.

Audit Committee Report

5. Others (continued)

- (f) Reviewed the Proposed Acquisition of 51% Equity Interest in Intergreen Metals Sdn. Bhd.
- (g) Reviewed the list of Corporate Guarantee provided to the Suppliers.
- (h) Reviewed the Proposed Private Placement of up to 156,250,000 new Ordinary Shares in the Company, representing not more than 10% of the total number of issued Ordinary Shares in the Company.
- (i) Reported to the Board on significant issues and concerns discussed during the AC meeting.

INTERNAL AUDIT FUNCTION

The Company recognised that an internal audit function is essential in ensuring the effectiveness of the Group's systems of internal control and is an integral part of the risk management process. The internal audit function of the Group was carried out by Talent League, an independent professional internal audit services provider.

The Internal audit function has undertaken independent and systematic audit reviews in accordance with the annual internal audit plan approved by the AC before the commencement of work. Talent League reports directly to the AC and Risk Management and Sustainability Committee ("RMSC") on the adequacy and effectiveness of the risk management and internal control systems of the Group.

For FY2024, Talent League was free from any relationship or conflict of interest, which could impair their objectivity and independency during the internal audit review.

(1) Summary of Work

During the period under review, the Internal Auditors carried out the following activities:-

- (a) Performed audit according to the audit plan, reviewed following business processes of the Group and made recommendations to improve their effectiveness:-
 - Branch Reporting for Unitrade United Sdn. Bhd.'s Sarawak Branch
 - Recurrent Related Party Transactions
 - Production and Warehouse Management for Ricwil (Malaysia) Sdn. Bhd.
 - Supply Chain Management (Procurement) for Syarikat Logam Sdn. Bhd.
- (b) Performed follow-up reviews in assessing the progress of the agreed management's action plans and report to the management, AC and RMSC.

(2) Total costs incurred for the financial year ended 31 March 2024

The total cost incurred for the internal audit function for the FY2024 was RM50,485.

(3) Review of Internal Audit Function

The AC and the Board were satisfied with the performance of the Internal Auditors for the FY2024.

The AC is of the opinion that the internal audit function is independent and the Internal Auditors have performed their audit assignments with impartiality, proficiency and due professional care.

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

This Report was made in accordance with the resolution of the Board dated 29 July 2024.

Statement of Risk Management and Internal Control

1. Introduction

The Board of Directors (“the Board”) of Unitrade Industries Berhad (“Unitrade”) acknowledges the importance of maintaining good risk management and internal control system within Unitrade and its subsidiaries (collectively, “the Group”) and is pleased to provide the following statement on risk management and internal control (“Statement”) which outlines the nature and scope of risk management and internal control systems of the Group for the financial year ended 31 March 2024.

This statement has been prepared in accordance with Rule 15.26(b) of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance. This statement was prepared by taking into account of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“The Guidelines”) pursuant to Guidance Note 11 of ACE Market Listing Requirements. The scope of this Statement includes **Unitrade** and its operating subsidiaries (“**the Group**”).

2. Board Responsibilities

The Board recognises the importance of maintaining the risk management and internal control system to safeguard the assets of the Group as well as the investment of shareholders and the interests of customers, regulators, employees and other stakeholders. The Board, in discharging its responsibilities, is fully committed to maintaining appropriate risk management and internal control system and for reviewing their adequacy and effectiveness so as to provide assurance on the achievement of the objectives of the Group. However, in view of the limitations that are inherent in any risk management system, the system is designed to manage, rather than to eliminate, the risk of failure to achieve the business objectives of the Group. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement, losses or fraud.

The Board has delegated the oversight of the risk management to the Risk Management and Sustainability Committee (“RMSC”) which comprises the Group Managing Director and three Independent Non-Executive Directors, chaired by an Independent Non-Executive Director. Also, the oversight of the internal control function has been delegated by the Board to the Management of the Company and Audit Committee (“AC”) which comprises solely of Independent Non-Executive Directors. The Board, via the RMSC and AC, evaluates the adequacy and operating effectiveness of the risk management and internal control system and, where appropriate, requires the Management to implement controls to address emerging issues or areas of control deficiencies. The process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in this Annual Report of the Company.

3. Enterprise Risk Management Framework

The Board has established and developed an Enterprise Risk Management (“ERM”) framework to achieve the following objectives:

- communicate and disseminate across the organisation the vision, role and direction of the Group;
- identify, assess, evaluate and manage the various principal risks which affect the business of the Group;
- create a risk-awareness culture and risk ownership for more effective management of risks; and
- formulate a systematic process of review, tracking and reporting on keys risks identified and corresponding mitigation procedures.

A risk analysis of the Group is conducted on bi-yearly basis including reviewing the process in identifying, evaluating and putting up necessary action to assess and monitor the impacts of risks on the operation and business. The process requires the Management to identify and assess all types of risks in terms of likelihood and magnitude of impact as well as to address the adequacy and application of mechanisms in place to manage, mitigate, avoid or eliminate these risks. Significant risks identified are subsequently brought to the attention of the RMSC and Board at the quarterly meetings and recorded in Risk Registers. This serves as an on-going process of identifying, evaluating and managing risks faced by the Group and has been put in place for the financial year under review and up to the date of approval of this Statement for inclusion in this Annual Report.

The RMSC, AC and Board will review the findings with help from the internal audit team to enhance the Group’s internal controls, focusing on key risks and controls to adapt to business changes and the competitive environment.

Statement of Risk Management and Internal Control

4. Internal Audit Function

The Group has outsourced its internal audit function to an independent professional firm, Talent League Sdn. Bhd. ("Internal Auditor"), which assists both the AC and the Board by conducting independent assessment on the adequacy and operating effectiveness of the internal control system of the Group. To ensure independence from Management, the Internal Auditor reports directly to the AC through the execution of internal audit work based on a risk-based annual internal audit plan reviewed and approved by the AC before the commencement of work. Quarterly, the Internal Auditor also conducts private sessions with the AC without the presence of the Management.

The Internal Auditor uses the Committee of Sponsoring Organisation of the Treadway Commission - Internal Control (COSO - IC) Integrated Framework as a basis for evaluating the effectiveness of the internal control system. The Internal Auditor also makes reference to the International Professional Practices Framework during the course of the assignments. The internal audit function shall highlight any key areas of weaknesses in the risks and internal control management system of the Group to the AC and to include in their report the recommendations on the remedial actions to be taken to address the areas of weaknesses as highlighted for the reviews and recommendations of AC to the Board for implementation. In addition, the Internal Auditor shall perform follow-up reviews on previously reported issues and provide an update to the AC on the status of the implementations.

The Internal Auditor conducted internal audit review in four cycles, highlighting any identified risks in the risk management and internal control system. In relation to the financial year ended 31 March 2024, the Internal Auditor performed the following internal audit reviews:

Reported on	Company	Audited area
1 st Quarter 2024	The Group	Related Party Transactions Review
2 nd Quarter 2024	Ricwil ¹	Warehouse Management and Production
3 rd Quarter 2024	SLU ²	Supply Chain Management
4 th Quarter 2024	The Group	Risk Management Review

Notes:

¹ Ricwil (Malaysia) Sdn. Bhd., a wholly-owned subsidiary of Unitrade Industries Berhad.

² Syarikat Logam Unitrade Sdn. Bhd., a wholly-owned subsidiary of Unitrade Industries Berhad.

The Internal Auditor also attended AC meetings on a quarterly basis to present their Risk-Based Internal Audit Reports which includes findings on internal audit classified into several risk level, significant weakness identified, management responses and an overall audit opinion.

The Internal Auditor also carries out follow-up reviews subsequent to prior internal audit reviews to assess the status of the implementation of the management action plans, which are based on the recommended course of action. Based on the internal audit reviews conducted, none of the weaknesses identified have resulted in any material losses, contingencies, or uncertainties.

The total cost of the outsourced internal audit function for the financial year ended 2024 was RM50,485.

5. Other Internal Control Processes

Apart from risk management and internal audit, the system of internal controls of the Group also comprises the following key elements:

a. Organisation Structure and Delegation of Authority

The Group has an organisational structure that defines lines of responsibility, delegation of authority, segregation of duties and flow of information, aligned to the operational requirements of the business of the Group within management, which provides the levels of accountability and responsibility of the respective job functions of management.

The Group has established authorisation limits and approval levels for management to follow including those requiring approval from the Board.

5. Other Internal Control Processes (Continued)

b. Policies and Standard Operating Procedures (“SOP”)

SOP and various policies are formalised to serve as a guiding principle to all employees within the Group for their day-to-day activities to safeguard the assets of the Group against material losses. The policies and SOP are annually reviewed and updated to cater to the changing business environment and operational requirements, and statutory reporting needs. Ricwil has also documented policies and procedures to regulate relevant key processes in compliance with International Organisation for Standardisation (“ISO”) 9001:2015.

c. Integrity and Ethical Value

The tone from the top on integrity and ethical value are enshrined in the formal Code of Conduct for Directors (“the Code”) established and approved by the Board. The Code forms the foundation of the integrity and ethical value of the Group.

Integrity and ethical value expected from the employees are incorporated in the Employees Handbook whereby the ethical behaviours expected with customers, suppliers, employees to carry out their duties and responsibilities assigned are also established and formalised in the Handbook.

In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, a formal Anti-Bribery and Corruption Policy had been put in place to prevent the risk of bribery and conflict of interest within the Group with Whistleblowing Policy implemented for all stakeholders to raise genuine concerns about possible improprieties in matters of unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements at the earliest opportunity.

d. Board of Directors/Board Committee Meetings

The role, functions, composition, operation and processes of the Board are guided by the Board Charter. Board committees, namely AC, Nominating Committee, Remuneration Committee and RMSC are established with terms of references outlining their functions and duties delegated by the Board. AC and RMSC assist the Board to review the effectiveness of the ongoing monitoring processes on risk and control matters for areas within their scope of work.

Meetings of the Board and respective Board Committees are carried out on quarterly basis to review the performance of the Group, from financial and operational perspective.

e. Employee Handbook

Guidelines on the human resource management are in place to ensure the ability of the Group to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience in order to carry out their duties and responsibilities assigned.

Performance evaluations are carried out for all levels of staff to identify performance gaps, training needs, talent development and succession planning.

Emphasis is placed on enhancing the quality and ability of employees through a wide variety of training programmes and workshops to enhance their knowledge and expand the employees’ competency level in executing daily jobs. Relevant trainings and courses are provided to personnel across all functions to maintain a high level of competency and capability.

f. Information and Communication

The Group has put in place information and communication infrastructures and channels, i.e., computerised systems, secured intranet and electronic mail system, so that operation data and management information can be communicated timely and securely to dedicated personnel within the Group for decision making and for communication with relevant external stakeholders for execution and information collection. The management and board meetings are held for effective two-way communication of information at different level of management and the Board.

Statement of Risk Management and Internal Control

5. Other Internal Control Processes (Continued)

g. Monitoring and Review Activities

The Managing Director reviews the operational information and is involved in the daily operations of the Group. The Group conducts management meeting every month which is chaired by our Managing Director and attended by the various Head of Department to review and discuss on various matters covering operational, financial, business development and human resources areas.

h. Company Secretary

The Company Secretary provides the necessary advice and guidance on matters relating to the Constitution of the Company, Board policies and procedures, and compliance with relevant regulatory requirements, codes or guidance.

i. COVID-19 Management

The Group emphasised the safety and health of employees and stakeholders by enforcing precautionary measures and guidelines in factory premises as stipulated by the relevant authorities since the breakout of the COVID-19 pandemic.

6. Review of The Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide (“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 Malaysian Institute of Accountants (“MIA”) for inclusion in the annual report of the Group for the year ended 31 March 2024, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- a. has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- b. is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors’ Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

7. Conclusion

The Board has received assurance from the Managing Director and Chief Financial Officer that the risk management and internal control systems adopted by the Group are operating adequately and effectively, in all material aspects, based on their observations in the course of their management of daily operations of the Group. The Board is of the view that the risk management and internal control systems are operating satisfactorily and effectively to safeguard the interest of stakeholders and assets of the Group, and have not resulted in any material losses, contingencies or uncertainties for the financial year under review and up to date of this report that would require disclosure in this Annual Report of the Company. The Board continues to take measures to review and, where necessary, enhance the risk management and internal control systems of the Group to meet the strategic objectives of the Group.

The Board is committed towards maintaining a sound internal control system and an effective risk management throughout the Group and reaffirms its commitment to continuously review and where necessary, enhance further the risk management and internal control systems.

This Statement is made in accordance with the resolution of the Board of Directors dated 30 July 2024.



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Directors' Report

for the financial year ended 31 March 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

Principal activities

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities except as disclosed in the financial statements during the financial year.

Ultimate holding company

The Directors regard Unitrade SAS Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company during the financial year and until the date of this report.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Owners of the Company	20,605	11,250
Non-controlling interests	1,457	-
	22,062	11,250

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the amounts of dividends paid by the Company and declared by the Directors were as follows:-

	Company RM'000
i) In respect of the financial year ended 31 March 2023	
• first and final single tier ordinary dividend of 0.30 sen per ordinary share declared on 28 July 2023 and paid on 6 October 2023	4,688
ii) In respect of the financial year ended 31 March 2024	
• first interim single tier ordinary dividend of 0.44 sen per ordinary share declared on 7 March 2024 and paid on 5 April 2024	6,875
	11,563

Directors of the Company

Directors who served during the financial year until the date of this report are:

Sim Keng Chor
 Nomis Sim Siang Leng
 Simson Sim Xian Zhi
 Dato' Abdul Majit Bin Ahmad Khan
 Dato' Lok Bah Bah @ Loh Yeow Boo
 Cynthia Toh Mei Lee
 Ong Soo Chan
 Datin Shivajini Sathya Seelan

The names of the Directors of the Company's subsidiaries during the financial year until the date of this report excluding those who are listed above are as follows:

Teh Beng Khim
 Koh Sui Ming
 Lai Tek Kim
 Chan Yoke Keng
 Leong Kok Hou
 Yan Yik Wai
 Leong Kok Kuan (Resigned as Director and re-appointed as alternate to Leong Kok Hou on 9 January 2024)
 Pong Wing Seng (Resigned on 21 May 2024)

Directors' interests in shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 31.3.2024
	At 1.4.2023	Bought	Sold	
<i>Interests in the Company, Unitrade Industries Berhad:</i>				
Direct interest				
Sim Keng Chor				
- own	168,173,000	1,641,800	-	169,814,800
- spouse	70,278,000	-	-	70,278,000
Nomis Sim Siang Leng	39,987,000	-	-	39,987,000
Simson Sim Xian Zhi	32,858,000	-	-	32,858,000
Koh Sui Ming	1,000,000	-	-	1,000,000
Cynthia Toh Mei Lee	200,000	-	-	200,000
Dato' Abdul Majit Bin Ahmad Khan	200,000	-	-	200,000
Dato' Lok Bah Bah @ Loh Yeow Boo	150,000	-	(150,000)	-
Ong Soo Chan	200,000	-	-	200,000
<i>Deemed interest through Unitrade SAS Sdn. Bhd.</i>				
Sim Keng Chor				
- own*	394,327,000	-	-	394,327,000
- spouse*	394,327,000	-	-	394,327,000

Directors' Report

for the financial year ended 31 March 2024

Directors' interests in shares (continued)

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows (continued):

	Number of ordinary shares			At 31.3.2024
	At 1.4.2023	Bought	Sold	
<i>Interests in the ultimate holding company, Unitrade SAS Sdn. Bhd.</i>				
Direct interest				
Sim Keng Chor				
- own	1	-	-	1
- spouse	1	-	-	1

* *Deemed interest by virtue of Sim Keng Chor's and Teh Beng Khim's shareholdings in Unitrade SAS Sdn. Bhd. holding 50% each, and his/her spouse's shareholdings in the Company.*

By virtue of his interest of more than 20% in the shares of the Company, Sim Keng Chor is also deemed to have interest in the ordinary shares of the subsidiaries during the financial year to the extent that Unitrade Industries Berhad has an interest.

The other Directors holding office at 31 March 2024 do not have any interest in the ordinary shares of the Company and of its related corporations during the year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or related corporations 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 paid to or receivable by directors in respect of the financial year ended 31 March 2024 are as follows:

	Group RM'000	Company RM'000
Fees	267	267
Remuneration	4,764	33
Benefit-in-kind	75	-
	5,106	300
<i>Trading with a company in which certain Director who has substantial financial interests and certain companies in the Group in the ordinary course of business</i>		
Sale transactions	15,119	-
Purchase transactions	(16,084)	-
	(965)	-

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

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year. There were no debenture issued during the financial year.

Options granted over unissued shares

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

Indemnity and insurance costs

During the financial year, the total amount of insurance effected for Directors and Officers of the Company and its subsidiaries is RM5,000,000. The premium paid for Directors and Officers liabilities insurance is RM13,500. There were no indemnity effected and insurance costs paid for auditors of the Group and of the Company.

Other statutory information

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

- i) all known bad debts have been written off and adequate allowance made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- i) that would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

In the opinion of the Directors, except for the gain on disposal of asset classified as held for sale, impairment loss on trade and other receivables and, impairment loss on inventories as disclosed in Note 23 to the financial statements, the financial performance of the Group and the Company for the financial year ended 31 March 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Directors' Report

for the financial year ended 31 March 2024

Significant events

Significant events are disclosed in Note 32 to the financial statements.

Subsequent events

Subsequent events are disclosed in Note 33 to the financial statements.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM330,000 and RM53,000 respectively.

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

Sim Keng Chor

Director

Nomis Sim Siang Leng

Director

Shah Alam

Date: 30 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					
Property, plant and equipment	3	232,656	179,608	-	-
Right-of-use assets	4	2,023	424	-	-
Investment properties	5	22,112	17,241	-	-
Intangible assets	6	44,924	630	-	-
Investment in subsidiaries	7	-	-	298,830	234,337
Other investments	8	41	41	-	-
Deferred tax assets	9	4,651	3,410	-	-
Total non-current assets		306,407	201,354	298,830	234,337
Inventories	10	266,998	202,872	-	-
Trade and other receivables	11	466,097	380,844	10,200	19,331
Current tax assets		4,005	3,773	5	-
Derivative financial assets	12	-	106	-	-
Other investments	8	-	31,064	-	31,064
Deposits placed with licensed banks	13	11,518	9,359	6,750	-
Cash and cash equivalents	14	71,911	87,140	168	6,237
		820,529	715,158	17,123	56,632
Asset classified as held for sale	15	-	2,320	-	-
Total current assets		820,529	717,478	17,123	56,632
Total assets		1,126,936	918,832	315,953	290,969
Equity					
Share capital	16	291,335	291,335	291,335	291,335
Merger reserve	16	(174,337)	(174,337)	-	-
Retained earnings/(Accumulated losses)		221,815	212,773	(906)	(593)
Equity attributable to owners of the Company		338,813	329,771	290,429	290,742
Non-controlling interests	7	20,596	-	-	-
Total equity		359,409	329,771	290,429	290,742
Liabilities					
Loans and borrowings	17	126,070	117,740	-	-
Lease liabilities		1,334	211	-	-
Deferred tax liabilities	9	5,893	3,415	-	-
Trade and other payables	18	13,842	-	13,842	-
Total non-current liabilities		147,139	121,366	13,842	-
Loans and borrowings	17	420,448	367,586	-	-
Lease liabilities		804	223	-	-
Trade and other payables	18	198,457	99,370	11,682	55
Current tax liabilities		679	516	-	172
Total current liabilities		620,388	467,695	11,682	227
Total liabilities		767,527	589,061	25,524	227
Total equity and liabilities		1,126,936	918,832	315,953	290,969

The notes on pages 122 to 175 are integral part of these financial statements.

Statements of Profit or Loss and Other 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
Revenue	19	1,613,400	1,394,677	11,557	13,023
Cost of sales		(1,528,436)	(1,317,517)	-	-
Gross profit		84,964	77,160	11,557	13,023
Other income		26,123	8,882	1	-
Administrative expenses		(48,911)	(46,229)	(1,678)	(2,509)
Net loss on impairment of financial instruments	23	(12,107)	(2,193)	-	-
Results from operating activities		50,069	37,620	9,880	10,514
Finance income	20	1,387	1,439	1,702	2,369
Finance costs	21	(24,615)	(18,365)	(62)	-
Profit before tax		26,841	20,694	11,520	12,883
Tax expense	22	(4,779)	(5,297)	(270)	(461)
Profit and total comprehensive income for the year	23	22,062	15,397	11,250	12,422
Profit and total comprehensive income attributable to:					
Owners of the Company		20,605	15,397	11,250	12,422
Non-controlling interest		1,457	-	-	-
Profit and total comprehensive income for the year		22,062	15,397	11,250	12,422
Basic earnings per ordinary share (sen)	24	1.3	1.0		
Diluted earnings per ordinary share (sen)	24	1.3	1.0		

The notes on pages 122 to 175 are integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 31 March 2024

Group	Note	Attributable to owners of the Company		Non-distributable		Distributable		Non-controlling interest		Total RM'000
		Share capital RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total RM'000			
At 1 April 2022		194,500	(174,337)	210,189	230,352	-	230,352	-	230,352	
Issuance of ordinary shares		100,000	-	-	100,000	-	100,000	-	100,000	
Profit and total comprehensive income for the year		-	-	15,397	15,397	-	15,397	-	15,397	
Share issuance expenses		(3,165)	-	-	(3,165)	-	(3,165)	-	(3,165)	
Dividends to owners of the Company	25	-	-	(12,813)	(12,813)	-	(12,813)	-	(12,813)	
At 31 March 2023/1 April 2023		291,335	(174,337)	212,773	329,771	-	329,771	-	329,771	
Acquisition of subsidiaries	31	-	-	-	-	19,139	-	19,139	19,139	
Profit and total comprehensive income for the year		-	-	20,605	20,605	1,457	20,605	1,457	22,062	
Dividends to owners of the Company	25	-	-	(11,563)	(11,563)	-	(11,563)	-	(11,563)	
At 31 March 2024		291,335	(174,337)	221,815	338,813	20,596	338,813	20,596	359,409	

Note 16

Note 16

The notes on pages 122 to 175 are integral part of these financial statements.

Statement of Changes in Equity

for the financial year ended 31 March 2024

Company	Note	← <i>Non-distributable</i> →		Total RM'000
		Share capital RM'000	Accumulated losses RM'000	
At 1 April 2022		194,500	(202)	194,298
Profit and total comprehensive income for the year		-	12,422	12,422
Issuance of ordinary shares		100,000	-	100,000
Share issuance expenses		(3,165)	-	(3,165)
Dividend to owners of the Company	25	-	(12,813)	(12,813)
At 31 March 2023/1 April 2023		291,335	(593)	290,742
Profit and total comprehensive income for the year		-	11,250	11,250
Dividends to owners of the Company	25	-	(11,563)	(11,563)
At 31 March 2024		291,335	(906)	290,429

Note 16

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 before tax		26,841	20,694	11,520	12,883
<i>Adjustments for:</i>					
Impairment loss on:					
- trade receivables		11,471	3,299	-	-
- other receivables		792	-	-	-
- inventories	10	3,008	4,592	-	-
Depreciation of:					
- property, plant and equipment	3	11,068	9,468	-	-
- right-of-use assets	4	436	238	-	-
- investment properties	5	217	274	-	-
Amortisation of intangible assets	6	112	129	-	-
Write off of property, plant and equipment		2,369	170	-	-
Write off of intangible assets		-	98	-	-
Gain on disposal of:					
- property, plant and equipment		(3,214)	(1,340)	-	-
- investment property		(1)	-	-	-
- assets classified as held for sale		(17,080)	-	-	-
Finance income	20	(1,387)	(1,439)	(1,702)	(2,369)
Dividend income from subsidiaries	19	-	-	(11,557)	(13,023)
Reversal of impairment loss on:					
- trade receivables		(156)	(1,106)	-	-
- inventories	10	(92)	(84)	-	-
Unrealised foreign exchange loss/(gain)	23	100	(95)	-	-
Finance cost	21	24,615	18,365	62	-
Operating profit/(loss) before changes in working capital		59,099	53,263	(1,677)	(2,509)
Change in inventories		(54,991)	(52,231)	-	-
Change in trade and other receivables		(45,783)	45,878	9,131	(29,668)
Change in trade and other payables		64,452	(13,414)	61	(147)
Cash generated from/(used in) operations		22,777	33,496	7,515	(32,324)
Interest paid		(404)	(500)	-	-
Tax paid, net		(6,726)	(11,973)	(447)	(289)
Net cash from/(used in) operating activities		15,647	21,023	7,068	(32,613)

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 investing activities					
Acquisition of:					
- property, plant and equipment	(i)	(25,249)	(14,447)	-	-
- investment property	5	(5,087)	-	-	-
- intangible assets	6	(82)	(160)	-	-
- other investments	8	-	(31,064)	-	(31,064)
- subsidiaries, net of cash and cash equivalents acquired	31	(45,540)	-	(45,960)	-
Subscription of shares in subsidiaries	7	-	-	-	(29,500)
Proceeds from disposal of:					
- property, plant and equipment		8,426	3,765	-	-
- investment property		568	-	-	-
- assets classified as held for sale		19,400	-	-	-
Change in pledged deposits		(1,559)	(166)	(6,750)	-
Change in other investments		31,064	-	31,064	-
Dividend received		-	-	11,557	13,023
Interest received		1,387	1,439	1,702	2,369
Interest paid		(62)	-	(62)	-
Net cash used in investing activities		(16,734)	(40,633)	(8,449)	(45,172)
Cash flows from financing activities					
Dividends paid to owners of the Company		(4,688)	(12,813)	(4,688)	(12,813)
Net proceeds from issuance of ordinary shares	16	-	96,835	-	96,835
Net drawdown/(repayment) of loans and borrowings		16,299	(44,757)	-	-
Repayment of lease liabilities	(ii)	(420)	(240)	-	-
Repayment of hire purchase liabilities		(1,142)	(832)	-	-
Interest paid		(24,321)	(17,913)	-	-
Net cash (used in)/from financing activities		(14,272)	20,280	(4,688)	84,022
Net (decrease)/increase in cash and cash equivalents		(15,359)	670	(6,069)	6,237
Cash and cash equivalents at beginning of the year		87,140	86,470	6,237	-
Cash and cash equivalents at end of the year	14	71,781	87,140	168	6,237

Notes to statements of cash flows

(i) Acquisition of property, plant and equipment

Group

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM26,566,000 (2023: RM16,559,000) of which RM1,317,000 (2023: RM353,000) were financed by hire purchase arrangements and RMNil (2023: RM1,759,000) were financed by term loans.

(ii) Cash flow for leases as a lessee

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Included in net cash from operating activities:				
Payment relating to:				
- short-term leases	25	-	-	-
- low-value assets	55	40	-	-
Interest paid in relation to lease liabilities	46	19	-	-
	126	59	-	-
Included in net cash from financing activities				
Payment of lease liabilities	420	240	-	-
Total cash outflows for leases	546	299	-	-

Reconciliation of liabilities

	Note	Group Lease liabilities RM'000
At 1 April 2022		571
Acquisition of new lease		103
Repayment of lease liabilities		(240)
At 31 March 2023/1 April 2023		434
Acquisition of new lease		1,181
Modification of lease		133
Acquisitions through business combinations	31	810
Repayment of lease liabilities		(420)
At 31 March 2024		2,138

Notes to the Financial Statements

Unitrade Industries Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

No. 2, Jalan Astaka U8/87
Seksyen U8, Bukit Jelutong
40150 Shah Alam
Selangor Darul Ehsan

Registered office

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”). The financial statements of the Company as at and for the financial year ended 31 March 2024 do not include other entities.

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements.

The Directors regard Unitrade SAS Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company during the financial year and until the date of this report.

These financial statements were authorised for issue by the Board of Directors on 30 July 2024.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

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

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards and amendments:

- from the annual period beginning on 1 April 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024;
- from the annual period beginning on 1 April 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025;
- from the annual period beginning on 1 April 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026; and
- from the annual period beginning on 1 April 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the abovementioned accounting standards and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the contingent consideration in a business combination, which is measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgments

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Notes to the Financial Statements

1. Basis of preparation (continued)

(d) Use of estimates and judgments (continued)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4.1 - extension options and incremental borrowing rate in relation to leases entered into during the year

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the lease. The Company first determined the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the lease.

- Note 6.3 - Impairment of goodwill under intangible assets

The Group tests goodwill for impairment at least annually in accordance with its accounting policy.

For the purposes of assessing impairment, goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose.

Significant judgement is required in the estimation of the present value of future cash flows generated by the cash-generating units, which involves uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's tests for impairment of goodwill.

- Note 10 - valuation of inventories

The determination of inventories written down to net realisable value involved a high degree of judgement as it involves estimating future selling prices and rate of obsolescence of the inventories.

- Note 27.4 - measurement of expected credit loss ("ECL")

The Group applied judgements to determine that financial instruments of the Group are recognised and measured in accordance with the accounting standard, MFRS 9.

- Note 31 - business combinations: fair value of the considerations transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.

2. Changes in material accounting policies

2.1 Material accounting policy information

The Group also adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 April 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

3. Property, plant and equipment

Group	Note	Computers, office										Total RM'000
		Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery and other equipment RM'000	Computers, office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Temporary structural support equipment RM'000	Renovation RM'000	Capital work in progress RM'000		
Cost												
At 1 April 2022		86,980	-	49,195	11,096	2,527	7,504	35,563	4,174	229	197,268	
Additions		-	-	451	2,380	345	507	11,861	1,015	-	16,559	
Disposals		-	-	-	(493)	-	(313)	(3,677)	-	-	(4,483)	
Write off		-	-	-	-	(367)	-	(143)	-	-	(510)	
Transfer to intangible assets	3.5	-	-	-	-	-	-	-	-	-	-	
- Offset of accumulated depreciation		-	-	-	-	(50)	-	-	-	-	(50)	
- Transfer of carrying amount	6	-	-	-	-	(10)	-	-	-	-	(10)	
At 31 March 2023/ 1 April 2023		86,980	-	49,646	12,983	2,445	7,698	43,604	5,189	229	208,774	
Additions		-	-	203	2,452	236	1,919	20,546	1,164	46	26,566	
Acquisitions through business combinations	31	24,929	13,372	1,408	3,491	100	1,671	-	160	-	45,131	
Disposals		-	-	-	-	(12)	(2,492)	(8,754)	-	-	(11,258)	
Write off		-	-	-	-	(17)	-	(3,459)	-	-	(3,476)	
At 31 March 2024		111,909	13,372	51,257	18,926	2,752	8,796	51,937	6,513	275	265,737	

3. Property, plant and equipment (continued)

Group	Note	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery and other equipment RM'000	Computers, office furniture and fittings RM'000	Motor vehicles RM'000	Temporary structural equipment RM'000	Renovation RM'000	Capital work in progress RM'000	Total RM'000
Depreciation and impairment loss (continued)											
At 31 March 2023/ 1 April 2023											
		-	-	2,251	4,399	1,132	6,043	14,360	752	229	29,166
Depreciation for the year											
		-	41	1,002	1,587	385	907	6,538	608	-	11,068
	Disposals	-	-	-	-	(3)	(2,492)	(3,551)	-	-	(6,046)
	Write off	-	-	-	-	(17)	-	(1,090)	-	-	(1,107)
At 31 March 2024											
	Accumulated depreciation	-	41	3,253	5,986	1,497	4,458	16,257	1,360	-	32,852
	Accumulated impairment loss	-	-	-	-	-	-	-	-	229	229
Carrying amounts											
At 1 April 2022											
		86,980	-	47,933	7,754	1,526	1,893	25,105	3,931	-	175,122
At 31 March 2023/ 1 April 2023											
		86,980	-	47,395	8,584	1,313	1,655	29,244	4,437	-	179,608
At 31 March 2024											
		111,909	13,331	48,004	12,940	1,255	4,338	35,680	5,153	46	232,656

Notes to the Financial Statements

3. Property, plant and equipment (continued)

3.1 Material accounting policy information

(a) Recognition and measurement

Freehold land and capital work-in-progress are measured at cost less accumulated impairment losses, if any. Other items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

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

Property, plant and equipment under construction (capital work-in-progress) are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative years are as follows:

Freehold land	Indefinite
Leasehold land	59 - 94 years
Buildings	50 years
Plant, machinery and other equipment	5 - 10 years
Computers, office equipment, furniture and fittings	3 - 13 years
Motor vehicles	3 - 7 years
New temporary structural support equipment	10 years
Used temporary structural support equipment	5 years
Renovation	3 - 10 years

3.2 Assets acquired under hire purchase

Included in property, plant and equipment of the Group are plant and machinery and motor vehicles acquired under hire purchase arrangements with carrying amounts of RM2,230,000 and RM2,810,000 (2023: RM1,946,000 and RM1,498,000) respectively.

3.3 Assets acquired under term loans

Included in property, plant and equipment of the Group are plant, machinery and other equipment acquired under term loan arrangements with carrying amounts of RM4,727,000 (2023: RM5,223,000).

3.4 Security

The property, plant and equipment of the Group with carrying amount of RM164,028,000 (2023: RM165,559,000) are pledged to licensed banks as security for financing facilities granted to the Group (see Note 17).

3.5 Equipment subject to operating lease

The Group leases its temporary structural support equipment to third parties. Each of the lease typically runs for a period of less than 1 year.

3. Property, plant and equipment (continued)

3.5 Equipment subject to operating lease (continued)

The following are recognised in profit or loss:

Group	2024 RM'000	2023 RM'000
Rental income	16,307	15,620

3.6 Transfer to intangible assets

In the previous financial year, a computer software previously recognised under computers, office equipment, furniture and fittings with a carrying amount of RM10,000 was reclassified to intangible assets.

4. Right-of-use-assets

Group	Note	Buildings RM'000
At 1 April 2022		559
Additions		103
Depreciation		(238)
At 31 March 2023/1 April 2023		424
Additions		1,181
Acquisitions through business combinations	31	721
Modification of lease		133
Depreciation		(436)
At 31 March 2024		2,023

The Group leases buildings that run for a period of 2 to 7 years (2023: 2 to 3 years), with an option to renew the lease after that date.

4.1 Judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances including its past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.2 Material accounting policy information

(a) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

Notes to the Financial Statements

4. Right-of-use-assets (continued)

4.2 Material accounting policy information (continued)

(b) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5. Investment properties

Group	Note	2024 RM'000	2023 RM'000
Cost			
At the beginning of the year		17,799	21,630
Additions		5,087	-
Acquisition through business combination	31	568	-
Transfer to asset classified as held for sale			
- Offset of accumulated depreciation		-	(1,511)
- Transfer of carrying amount	15	-	(2,320)
Disposal		(568)	-
At the end of the year		22,886	17,799
Depreciation			
At the beginning of the year		558	1,795
Charge for the year		217	274
Offset of accumulated depreciation on property transferred to asset classified as held for sales		-	(1,511)
Disposal		(1)	-
At the end of the year		774	558
Carrying amounts			
At the end of the year		22,112	17,241

Included in the investment properties are land and buildings amounting to RM18,738,000 (2023: RM13,790,000) that are leased to third parties. The lease contains an initial non-cancellable period of 1 to 2 years, with fixed monthly rental.

The Group's investment properties with carrying amount of RMNil (2023: RM13,819,000) are pledged to licensed banks as security for financing facilities granted to the Group (see Note 17).

The following are recognised in profit or loss in respect of investment properties:

Group	2024 RM'000	2023 RM'000
Rental income	1,317	3,114
Direct operating expenses on income generating investment properties	(243)	(695)
Direct operating expenses on non-income generating investment properties	(26)	(46)

5. Investment properties (continued)

The operating lease payments to be received are as follows:

Group	2024 RM'000	2023 RM'000
Less than one year	7	208

5.1 Fair value information

Fair value of investment properties is categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024				
Land and buildings	-	-	77,157	77,157
2023				
Land and buildings	-	-	71,964	71,964

Level 3 fair value

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

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach: Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	<ul style="list-style-type: none"> Average price per square foot (2024: RM153 - RM1,798; 2023: RM157 - RM2,787). 	The estimated fair value would increase /(decrease) if the price per square foot is higher/ (lower).

Valuation process applied by the Group for Level 3 fair value

The fair value of investment properties is determined by the Directors based on comparison of the Group's investment properties with similar properties that were listed for sale within the same locality or other comparable localities.

5.2 Material accounting policy information

a) Recognition and measurement

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

b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each investment property. Freehold land is not depreciated.

The estimated useful lives of investment properties for the current and comparative periods is 50 years.

Notes to the Financial Statements

6. Intangible assets

Group	Note	Computer software RM'000	Goodwill RM'000	Total RM'000
Cost				
At 1 April 2022		867	-	867
Additions		160	-	160
Transfer from property, plant and equipment	6.1	10	-	10
Write off		(181)	-	(181)
At 31 March 2023/1 April 2023		856	-	856
Additions		82	-	82
Acquisitions through business combinations	6.2	-	44,324	44,324
At 31 March 2024		938	44,324	45,262
Amortisation				
At 1 April 2022		180	-	180
Charge for the year		129	-	129
Write off		(83)	-	(83)
At 31 March 2023/1 April 2023		226	-	226
Charge for the year		112	-	112
At 31 March 2024		338	-	338
Carrying amounts				
At 1 April 2022		687	-	687
At 31 March 2023/1 April 2023		630	-	630
At 31 March 2024		600	44,324	44,924

6.1 Reclassification from property, plant and equipment

In the previous financial year, a computer software previously recognised under computers, office equipment, furniture and fittings with a carrying amount of RM10,000 was reclassified to intangible assets.

6.2 Acquisitions through business combinations

On 18 August 2023, the Group acquired 177,603 ordinary shares representing 60% of the equity interest in Winnson Marketing Sdn. Bhd. and its subsidiaries.

On 8 January 2024, the Group acquired 1,020,000 ordinary shares representing 51% of the equity interest in Intergreen Metals Sdn. Bhd. and its subsidiaries.

The goodwill amounts are provisional amounts, pending the finalisation of the purchase price allocation (PPA) exercise within 12 months from the date of acquisition (see Note 31).

6. Intangible assets (continued)

6.3 Impairment testing for goodwill

For the purpose of annual impairment testing of goodwill, the carrying value has been allocated to two of the Group's CGU identified according to business segments as follows:

	2024 RM'000
Wholesale, distribution and manufacturing	1,348
Metal recycling	42,976
	44,324

Metal recycling

The recoverable amount was determined based on the higher of value in use or fair value less costs of disposal calculations.

Fair value less costs of disposal was estimated by management using the market approach. The main valuation inputs used were fair value of consideration transferred and acquisition-related costs determined by management. Management considers that it is not reasonably possible for the consideration transferred to change significantly as the subsidiaries were acquired during the year.

Value-in-use was estimated by management based on present value of 5 years future cash flow projections from cash-generating unit.

The key assumptions used in the determination of the value-in-use are as follows:

- i. Projected gross margins - projected gross margin reflects the average historical gross margin adjusted for projected market and economic conditions and internal resource efficiency;
- ii. Discount rate (11%) - discount rate is used to reflect management's estimate of the risks specific to the CGU. In determining the appropriate discount rate, consideration has been given to the applicable weighted average cost of capital; and
- iii. Revenue growth - the bases used to determine the future earnings potential are historical sales and expected growth rates of the relevant industry.

Based on the impairment testing, the recoverable amount is higher than the carrying amount of the goodwill.

6.4 Material accounting policy information

a) Recognition and measurement

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

b) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful life for the current and comparative financial periods is 10 years.

Notes to the Financial Statements

7. Investments in subsidiaries

Company	Note	RM'000
At 1 April 2022		189,637
Cost of investments	7.1	44,700
At 31 March 2023/1 April 2023		234,337
Cost of investments	7.2	64,493
At 31 March 2024		298,830

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
Syarikat Logam Unitrade Sdn. Bhd. ("SLU")	Malaysia	Stockist, exporter, importer, wholesaler, distributor and supplier of building materials, plumbing engineering hardware and providing engineering services.	100	100
Unitrade Sdn. Bhd. ("USB")	Malaysia	Buying, selling, renting and operating self-owned or leased non-residential buildings.	100	100
Ricwil (Malaysia) Sdn. Bhd. and its subsidiary ("Ricwil Group")	Malaysia	Assembling and manufacturing of construction and industrial requisites.	100	100
Subsidiary of Ricwil (Malaysia) Sdn. Bhd.				
Unitrade United Sdn. Bhd. and its subsidiary ("Unitrade United")	Malaysia	Sales and rental of temporary structural support equipment.	100	100
Subsidiary of Unitrade United Sdn. Bhd.				
UU Equipments Sdn. Bhd. ("UUE")	Malaysia	Sale and renting of construction equipment and machinery, development and property and transport services.	100	-
Perfect CLQ Sdn. Bhd. ("CLQ")*#	Malaysia	Rental of centralised labour quarters for workers' accommodation.	100	-
Winnson Marketing and its subsidiary ("Winnson Group")*	Malaysia	Selling and distribution of all types of hydraulic hoses, engineering hardware and related parts.	60	-

7. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
Subsidiary of Winnson Marketing Sdn. Bhd.				
Winnson Engineering Sdn. Bhd. (“WESB”)*	Malaysia	Selling and distribution of all types of hydraulic hoses, engineering hardware and related parts.	60	-
Intergreen Metals Sdn. Bhd. and its subsidiary (“Intergreen Group”)	Malaysia	Trading, production, and as transport and forwarding agents, carriers of aluminium ingots, metals, mineral and substances.	51	-
Subsidiary of Intergreen Metals Sdn. Bhd.				
Intergreen Metals (Balakong) Sdn. Bhd. (“IMBSB”)	Malaysia	Trading in scrap metals and related activities.	46	-

* Not audited by KPMG PLT.

Subsidiary incorporated during the financial year.

7.1 In the previous financial year, the Company subscribed for additional ordinary shares in its subsidiaries and the said purchase consideration was partially satisfied by capitalisation of the amount due from the subsidiaries.

	Company 2023 RM'000
Total consideration from subscription of shares	44,700
Less: Capitalisation of the amount due from subsidiaries	(15,200)
Net cash outflow	29,500

7.2 On 18 August 2023, the Company acquired 177,603 ordinary shares representing 60% of the equity interest in Winnson Marketing Sdn. Bhd. and its subsidiary (“Winnson Group”) for a total cash consideration of RM2,160,000.

On 8 January 2024, the Company acquired 1,020,000 ordinary shares representing 51% of the equity interest in Intergreen Metals Sdn. Bhd. and its subsidiary (“Intergreen Group”) for a total consideration of RM66,300,000. The acquisition of Intergreen was satisfied via a cash consideration of RM43,800,000 and contingent consideration of RM22,500,000. The fair value of the contingent consideration of RM18,533,000 was estimated by using the present value of the future expected cash flows based on a discount rate of 11%.

The details of the acquisition is disclosed in Note 31 to the financial statements.

Notes to the Financial Statements

7. Investments in subsidiaries (continued)

7.3 Non-controlling interest in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	Winnson Group RM'000	Intergreen Group RM'000	Total RM'000
2024			
NCI percentage of ownership interest and voting interest	40%	49%	
Carrying amount of NCI	685	19,911	20,596
Profit allocated to NCI	143	1,314	1,457
		Winnson Group 2024 RM'000	Intergreen Group 2024 RM'000
Summarised financial information before intra-group elimination			
As at 31 March			
Non-current assets		774	40,192
Current assets		1,914	101,732
Non-current liabilities		(408)	(16,478)
Current liabilities		(1,633)	(94,864)
Net assets		647	30,582
Year ended 31 March			
Revenue		2,203	205,602
Profit for the year		359	2,695
Total comprehensive income		359	2,695
Cash flows from operating activities		959	26,244
Cash flows used in investing activities		(45)	(2,407)
Cash flows used in financing activities		(919)	(1,888)
Net (decrease)/increase in cash and cash equivalents		(5)	21,949

7.4 Material accounting policy information

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

8. Other investments

Group	Note	Shares RM'000	Highly liquid investments with other financial institutions RM'000	Total RM'000
2024				
Non-current				
Fair value through other comprehensive income	8.1	41	-	41
Current				
Fair value through profit or loss		-	-	-
2023				
Non-current				
Fair value through other comprehensive income	8.1	41	-	41
Current				
Fair value through profit or loss		-	31,064	31,064
Company				
2024				
Current				
Fair value through profit or loss		-	-	-
2023				
Current				
Fair value through profit or loss		-	31,064	31,064

8.1 Equity investments designated at fair value through other comprehensive income

The Group designated the investments shown below as equity securities as at fair value through other comprehensive income because these equity securities represent investments that the Group intends to hold for long-term strategic purposes.

Group	Shares		Total RM'000
	Unquoted RM'000	Quoted in Malaysia RM'000	
2024			
Non-current			
Fair value through other comprehensive income	16	25	41
Market value of quoted investments	-	25	25
2023			
Non-current			
Fair value through other comprehensive income	16	25	41
Market value of quoted investments	-	25	25

Notes to the Financial Statements

9. Deferred tax assets/(liabilities)

9.1 Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Asset		Liabilities		Net	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Property, plant and equipment	-	-	(5,240)	(4,639)	(5,240)	(4,639)
Right-of-use of assets	-	-	(534)	(102)	(534)	(102)
Lease liabilities	542	104	-	-	542	104
Inventories	2,963	2,949	-	-	2,963	2,949
Provisions	2,628	1,008	-	-	2,628	1,008
Others	571	675	(2,172)	-	(1,601)	675
Tax assets/(liabilities)	6,704	4,736	(7,946)	(4,741)	(1,242)	(5)
Set off of tax	(2,053)	(1,326)	2,053	1,326	-	-
	4,651	3,410	(5,893)	(3,415)	(1,242)	(5)

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

9.2 Movement in temporary differences during the year

Group	At	Recognised	At	Recognised	Acquisitions	At
	1.4.2022 RM'000	in profit or loss (Note 22) RM'000	31.3.2023/ 1.4.2023 RM'000	in profit or loss (Note 22) RM'000	through business combination (Note 31) RM'000	31.3.2024 RM'000
Property, plant and equipment	(3,229)	(1,410)	(4,639)	-	(601)	(5,240)
Right-of-use of assets	(134)	32	(102)	(350)	(82)	(534)
Lease liabilities	137	(33)	104	353	85	542
Inventories	2,444	505	2,949	(22)	36	2,963
Provisions	1,052	(44)	1,008	1,600	20	2,628
Others	406	269	675	(101)	(2,175)	(1,601)
	676	(681)	(5)	1,480	(2,717)	(1,242)

10. Inventories

	Group	
	2024 RM'000	2023 RM'000
Raw materials	20,355	21,636
Finished goods	272	827
Trading goods	246,371	180,409
	266,998	202,872
<i>Recognised in profit or loss:</i>		
Inventories recognised as cost of sales	1,517,554	1,297,995
Write-down to net realisable value	3,008	4,592
Reversal of write-down	(92)	(84)

The write-down and reversal are included in cost of sales.

The determination of inventories written down to net realisable value involved a high degree of judgement as it involves estimating future selling prices and rate of obsolescence of the inventories.

10.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a weighted average or first-in, first-out basis.

11. Trade and other receivables

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade					
Trade receivables		435,847	372,667	-	-
Less: Allowance for impairment losses		(31,814)	(22,851)	-	-
		404,033	349,816	-	-
Amount due from related parties	11.1	8,655	6,500	-	-
		412,688	356,316	-	-
Non-trade					
Other receivables	11.2	47,615	20,736	-	-
Less: Allowance for impairment losses		(792)	-	-	-
		46,823	20,736	-	-
Goods & services tax ("GST") receivable		-	520	-	-
Amounts due from subsidiaries	11.3	-	-	9,773	19,328
Amount due from an associate	11.4	1,132	-	-	-
Deposits		2,511	876	-	-
Prepayments		2,943	2,396	427	3
		53,409	24,528	10,200	19,331
		466,097	380,844	10,200	19,331

Notes to the Financial Statements

11. Trade and other receivables (continued)

11.1 The trade amount due from related parties are subject to negotiated terms.

11.2 Included in other receivables of the Group are advance payments totaling RM45,819,000 (2023: RM18,664,000) paid to suppliers for procurement of materials.

11.3 The non-trade amounts due from the subsidiaries are unsecured, interest free and repayable on demand.

11.4 The non-trade amount due from an associate is unsecured, interest free and repayable on demand.

12. Derivative financial assets

Group	2024		2023	
	Nominal value RM'000	Assets RM'000	Nominal value RM'000	Assets RM'000
Derivatives held for trading at fair value through profit or loss				
- Forward exchange contracts	-	-	25,162	106

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's payables denominated in currencies other than the functional currency of the Group entities. Forward exchange contracts entered into by the Group had maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

13. Deposits placed with licensed banks

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deposits placed with licensed banks	11,518	9,359	6,750	-

The fixed deposits placed with licensed banks are pledged as security for banking facilities granted to the Group (see Note 17).

14. Cash and cash equivalents

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances		71,911	87,140	168	6,237
Cash and cash equivalents in the statements of financial position		71,911	87,140	168	6,237
Bank overdraft	17	(130)	-	-	-
Cash and cash equivalents in the statements of cash flows		71,781	87,140	168	6,237

15. Asset classified as held for sale

Group	Note	2024 RM'000	2023 RM'000
Investment properties	5	-	2,320

In the previous financial year, the investment properties were presented as an asset held for sale following the commitment of the Company to sell a detached 3-storey office cum single story factory building for a total cash consideration of RM19,400,000.

The carrying value of investment properties are the same as its carrying value before it was being reclassified to current asset. The sale was completed on 27 December 2023.

16. Share capital, invested equity and merger reserve

16.1 Share capital

Group and Company	Note	Number of shares '000	Amount RM'000
Issued and fully paid shares with no par value classified as equity instruments:			
At 1 April 2022		1,250,000	194,500
Issuance of ordinary shares	32	312,500	100,000
Less: Share issuance expenses		-	(3,165)
At 31 March 2023/1 April 2023/31 March 2024		1,562,500	291,335

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

The new ordinary shares issued during the financial period rank equally in all respects with the existing shares of the Company.

16.2 Merger reserve

The merger reserve comprises the difference between cost of investment recorded by the Company and the share capital of acquired entities in previous financial year.

Notes to the Financial Statements

17. Loans and borrowings

Group	Note	Group	
		2024 RM'000	2023 RM'000
Non-current			
Term loans	17.1	36,934	28,740
Hire purchase liabilities	17.2	2,318	1,936
Revolving credits	17.3	86,818	87,064
		126,070	117,740
Current			
Term loans	17.1	3,150	2,185
Hire purchase liabilities	17.2	1,257	877
Revolving credits	17.3	17,848	17,429
Bankers' acceptances	17.4	398,063	347,095
Bank overdraft	14	130	-
		420,448	367,586
		546,518	485,326

Reconciliation of movement of liabilities to cash flows arising from financing activities

Group Audited	Hire purchase liabilities RM'000	Term loans RM'000	Bankers' acceptances RM'000	Revolving credits RM'000	Foreign currency trade financing RM'000	Bank overdraft RM'000	Total liabilities from financing activities RM'000
At 1 April 2022	3,292	30,809	390,599	103,160	943	-	528,803
Net changes from financing cash flows	(832)	(1,643)	(43,504)	1,333	(943)	-	(45,589)
Acquisition of property, plant and equipment	353	1,759	-	-	-	-	2,112
At 31 March 2023/1 April 2023	2,813	30,925	347,095	104,493	-	-	485,326
Net changes from financing cash flows	(1,142)	(2,453)	18,579	173	-	-	15,157
Acquisitions through business combinations (Note 31)	587	11,612	32,389	-	-	924	45,512
Acquisition of property, plant and equipment	1,317	-	-	-	-	-	1,317
Other changes	-	-	-	-	-	(794)	(794)
At 31 March 2024	3,575	40,084	398,063	104,666	-	130	546,518

17. Loans and borrowings (continued)

17.1 Term loans

The term loans are secured by certain property, plant and equipment (see Note 3), escrow account maintained with a licensed bank, deposits placed with licensed banks (see Note 13), joint and several guarantees by certain Directors of the subsidiaries, and corporate guarantees issued by the Company and related parties.

The term loans are repayable in fixed principal instalments over 5 to 20 years, with monthly interest to be serviced separately based on prevailing rates.

17.2 Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	Future minimum lease payments 2024 RM'000	Interest 2024 RM'000	Present value of minimum lease payments 2024 RM'000	Future minimum lease payments 2023 RM'000	Interest 2023 RM'000	Present value of minimum lease payments 2023 RM'000
Group						
Less than one year	1,408	(151)	1,257	1,007	(130)	877
Between one to five years	2,476	(158)	2,318	2,080	(144)	1,936
	3,884	(309)	3,575	3,087	(274)	2,813

Certain hire purchase liabilities are secured by deposits placed with licensed banks (see Note 13), joint and several guarantees by certain Directors of the subsidiaries, and corporate guarantees issued by the Company and related parties.

17.3 Revolving credits

The revolving credits are secured by certain property, plant and equipment (see Note 3), deposits placed with licensed banks (see Note 13), escrow account maintained with a licensed bank and corporate guarantees issued by the Company.

17.4 Bankers' acceptances

The bankers' acceptances are secured by certain property, plant and equipment (see Note 3), deposits placed with licensed banks (see Note 13), joint and several guarantees by certain Directors of the subsidiaries, and corporate guarantees issued by the Company and related parties.

Notes to the Financial Statements

17. Loans and borrowings (continued)

17.4 Bankers' acceptances (continued)

a) Loan covenants

The Group secured three bankers' acceptances amounting to RM54,276,000 at 31 March 2024. The bankers' acceptances contain a debt covenant stating that:

- Syarikat Logam Unitrade Sdn. Bhd. ("SLU") shall not declare and pay dividend exceeding 30% of its net profit. At 31 March 2024, SLU has declared a first interim single tier dividend of RM6,864,000 which was 30.33% of its net profit.
- Ricwil (Malaysia) Sdn. Bhd. ("Ricwil") shall not declare and pay dividend exceeding 30% and 50% of its profit before tax. At 31 March 2024, Ricwil has declared a first interim single tier dividend of RM514,000 which was 51% of its profit before tax.

There is no significant impact on the classification of loans and borrowings as the bankers' acceptances are already classified current liabilities.

Subsequently in July 2024, the Group obtained a waiver from the financier to waive the breach.

Certain loans and borrowings that were previously secured by investment properties and a fixed and floating charge over all the present and future assets of Unitrade United were discharged during the financial year.

18. Trade and other payables

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Non-trade					
Contingent consideration payable	18.4, 31	13,842	-	13,842	-
Current					
Trade					
Trade payables		135,145	64,238	-	-
Supplier factoring facilities	18.1	21,217	22,014	-	-
Amount due to related parties	18.2	977	13	-	-
		157,339	86,265	-	-
Non-trade					
Other payables and accruals		26,570	13,105	116	55
Amount due to related parties	18.3	2,982	-	-	-
Contingent consideration payable	18.4, 31	4,691	-	4,691	-
Dividend payable		6,875	-	6,875	-
		41,118	13,105	11,682	55
		198,457	99,370	11,682	55

18. Trade and other payables (continued)

18.1 Supplier factoring facilities

Supplier factoring is an arrangement where the licensed bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group when the amount is due. The principal purpose of this arrangement is to facilitate efficient payment processing and enable the willing suppliers to sell their receivables due from the Group to the licensed bank before their due date. From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating. The Group does not incur any additional interest towards the bank on the amounts due to the suppliers.

Group	2024 RM'000	2023 RM'000
Carrying amount of financial liabilities		
Presented in trade and other payables:		
- of which suppliers have received payment from finance provider	21,217	22,014
Range of payment due dates (after invoice date)		
Trade payables that are part of the arrangement	120 days	120 days
Comparable trade payables that are not part of the arrangement	30 - 120 days	30 - 120 days

The payments to the bank are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating - i.e. payments for the purchased goods and services.

18.2 The trade amount due to related parties are subject to negotiated terms.

18.3 The non-trade amounts due to related parties are unsecured, interest free and repayable on demand.

18.4 Contingent consideration payable represents the discounted amount payable in relation to the acquisition of a subsidiary (see Note 31.2).

Notes to the Financial Statements

19. Revenue

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contracts with customers				
- Sale of goods	1,596,738	1,378,877	-	-
- Rendering of repair and maintenance services	355	180	-	-
	1,597,093	1,379,057	-	-
Other revenue:				
Rental of temporary structural support equipment	16,307	15,620	-	-
Dividend income from subsidiaries	-	-	11,557	13,023
Total revenue	1,613,400	1,394,677	11,557	13,023
Primary geographical markets:				
Malaysia	1,502,138	1,378,795	11,557	13,023
Overseas	111,262	15,882	-	-
	1,613,400	1,394,677	11,557	13,023
Timing and recognition:				
Contracts with customers at point in time	1,597,093	1,379,057	-	-

19.1 Nature of goods and services

Nature of goods or services	Sale of goods	Rental of temporary structural support equipment	Rendering of repair and maintenance services
Timing of recognition or method used to recognise revenue	Revenue is recognised at point in time when the goods are delivered and accepted by the customers at their premises.	Revenue is recognised when the services are provided over the rental period.	Revenue is recognised when the services are rendered.
Significant payment terms	Credit period up to 120 days from invoice date.	Credit period of 30 to 120 days from invoice date.	Credit period of 30 to 120 days from invoice date.
Variable element in consideration	Discount or incentives given to customers.	Not applicable.	Discount given to customers.
Obligation for returns or refunds	Not applicable.	Not applicable.	Not applicable.
Warranty	Not applicable.	Not applicable.	Not applicable.

20. Finance income

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest income of financial assets that are not at fair value through profit or loss:				
- Deposits placed with licensed banks	852	904	308	295
- Deposits with other financial institutions	535	535	486	390
- Amount due from subsidiaries	-	-	908	1,684
	1,387	1,439	1,702	2,369

21. Finance costs

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense on:				
- bankers' acceptances	17,612	13,110	-	-
- hire purchase liabilities	173	155	-	-
- lease liabilities	46	19	-	-
- term loans	1,633	1,175	-	-
- revolving credits	4,275	3,330	-	-
- bank overdraft	91	67	-	-
- others	785	509	62	-
	24,615	18,365	62	-

Notes to the Financial Statements

22. Tax expense

22.1 Recognised in profit or loss

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax expense				
Current year	6,375	5,022	266	461
(Over)/Under provision in prior year	(116)	(406)	4	-
	6,259	4,616	270	461
Deferred tax expense				
Origination and reversal of temporary differences	(1,361)	846	-	-
Over provision in prior year	(119)	(165)	-	-
	(1,480)	681	-	-
Total tax expense	4,779	5,297	270	461

22.2 Reconciliation of tax expense

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax	26,841	20,694	11,520	12,883
Income tax using Malaysian tax rate of 24% (2023: 24%)	6,442	4,967	2,765	3,092
Effect of lower real property gains tax rate at 10%	(2,376)	-	-	-
Non-deductible expenses	1,264	1,029	391	588
Tax exempt income	(316)	(128)	(2,890)	(3,219)
	5,014	5,868	266	461
(Over)/Under provision in prior year				
- current tax expense	(116)	(406)	4	-
- deferred tax expense	(119)	(165)	-	-
	4,779	5,297	270	461

23. Profit for the year

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the year is arrived at after charging/(crediting):					
Auditors' remuneration					
Audit fees					
- KPMG PLT		313	208	53	50
- Other auditors		17	-	-	-
Non-audit fees					
- KPMG PLT		10	10	10	10
- Local affiliates of KPMG PLT		31	30	4	4
Material expenses/(income)					
Depreciation of:					
- property, plant and equipment	3	11,068	9,468	-	-
- right-of-use assets	4	436	238	-	-
- investment properties	5	217	274	-	-
Amortisation of intangible assets	6	112	129	-	-
Impairment loss on inventories	10	3,008	4,592	-	-
Reversal of impairment loss on inventories	10	(92)	(84)	-	-
Initial public offering expenses		-	1,826	-	1,826
Write off of property, plant and equipment		2,369	170	-	-
Gain on disposal of:					
- property, plant and equipment		(3,214)	(1,340)	-	-
- investment properties		(1)	-	-	-
- asset classified as held for sale		(17,080)	-	-	-
Unrealised foreign exchange loss/(gain)		100	(95)	-	-
Realised foreign exchange (gain)/loss		(2,341)	16	-	-
Late payment charges from trade receivables		(1,755)	(2,349)	-	-
Personnel expenses (including key management personnel)					
- Contributions to state plans		3,143	3,389	-	-
- Salaries, wages and others		27,072	25,182	51	74
Rental income	5	(1,317)	(3,114)	-	-
Expenses arising from leases					
Expenses relating to short-term leases	a	25	-	-	-
Expenses relating to leases of low-value assets	a	55	40	-	-
Net loss on impairment of financial instruments					
Financial assets at amortised cost		12,107	2,193	-	-

Notes to the Financial Statements

23. Profit for the year (continued)

Note a

The Group leases office and equipment with contract term of 1 year or less. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

24. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, calculated as follows:

	2024	2023
Group		
Profit attributable to ordinary shareholders (RM'000)	20,605	15,397
Weighted average number of ordinary shares at year end ('000)	1,562,500	1,498,288 ⁽¹⁾
Basic earnings per ordinary share (sen)	1.3	1.0

⁽¹⁾ The weighted average number of ordinary shares as at 31 March 2023 was arrived at after the public issue of 312,500,000 ordinary shares on 14 June 2022.

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per ordinary share is equal to the basic earnings per ordinary share.

25. Dividends

Dividends recognised by the Group:

	Sen per share	Total RM'000	Date of payment
2024			
Company			
First and final 2023 single tier dividend	0.30	4,688	6 October 2023
First interim 2024 single tier dividend	0.44	6,875	5 April 2024
		<u>11,563</u>	
2023			
Company			
First and final 2022 single tier dividend	0.82	12,813	4 October 2022

26. Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed based on the Group's management and internal reporting structure. For each of the strategic business units, the Group's Managing Director (the chief operating decision maker) and the Board of Directors reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Wholesale and distribution of building materials for mechanical and engineering ("M&E") works comprising pipes, valves, fittings and accessories, and civil works comprising reinforcement steel, structural steel and other building materials;
- Metal recycling;
- Manufacturing and sale of pre-insulated pipes; and
- Rental of temporary structural support equipment.

Other non-reportable segments comprise operations related to investment holding and leasing of properties. None of these segments met the quantitative thresholds for reporting segments in 2024 and 2023.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group's Managing Director and the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Managing Director. Hence, no disclosure is made on segment liabilities.

Segment capital expenditure

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

Notes to the Financial Statements

26. Operating segments (continued)

Group	Wholesale and distribution RM'000	Metal recycling RM'000	Manufacturing RM'000	Rental RM'000	Other non-reportable segments RM'000	Total RM'000
2024						
Segment profit	43,654	5,202	4,222	10,854	(2,030)	61,902
<i>Included in the measure of segment profit are:</i>						
Revenue from external customers	1,366,595	205,602	24,942	16,261	-	1,613,400
Inter-segment revenue	25,305	-	2,932	401	11,557	40,195
Inventories written down	(3,008)	-	-	-	-	(3,008)
Reversal of inventories written down	92	-	-	-	-	92
<i>Not included in the measure of segment profit are:</i>						
Depreciation of:						
- property, plant and equipment	(3,574)	(464)	(128)	(6,902)	-	(11,068)
- right-of-use assets	(28)	(130)	(66)	(212)	-	(436)
- investment properties	(215)	(1)	(1)	-	-	(217)
Amortisation of intangible assets	(93)	-	(13)	(6)	-	(112)
Finance costs	(22,739)	(677)	(329)	(808)	(62)	(24,615)
Finance income	565	13	14	-	795	1,387
Segment assets	851,478	149,224	24,629	49,931	7,350	1,082,612
<i>Included in the measure of segment assets are:</i>						
Additions to non-current assets other than financial instruments and deferred tax assets [#]	7,305	4,122	236	21,253	-	32,916

[#] Additions to non-current assets consist of additions to property, plant and equipment, investment properties, right-of-use assets and intangible assets.

26. Operating segments (continued)

Group	Wholesale and distribution RM'000	Manufacturing RM'000	Rental RM'000	Other non- reportable segments RM'000	Total RM'000
2023					
Segment profit	31,039	9,552	9,992	(2,854)	47,729
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	1,345,146	34,430	15,101	-	1,394,677
Inter-segment revenue	35,094	3,178	699	13,023	51,994
Inventories written down	(4,592)	-	-	-	(4,592)
Reversal of inventories written down	84	-	-	-	84
<i>Not included in the measure of segment profit are:</i>					
Depreciation of:					
- property, plant and equipment	(3,533)	(174)	(5,761)	-	(9,468)
- right-of-use assets	(10)	(25)	(203)	-	(238)
- investment properties	(273)	(1)	-	-	(274)
Amortisation of intangible assets	(124)	-	(5)	-	(129)
Finance costs	(17,525)	(447)	(393)	-	(18,365)
Finance income	749	5	-	685	1,439
Segment assets	803,132	35,824	42,573	37,303	918,832
<i>Included in the measure of segment assets are:</i>					
Additions to non-current assets other than financial instruments and deferred tax assets*					
	4,348	281	12,193	-	16,822

* Additions to non-current assets consist of additions to property, plant and equipment, right-of-use assets and intangible assets.

Notes to the Financial Statements

26. Operating segments (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and other material items

	Group	
	2024 RM'000	2023 RM'000
Profit or loss		
Total profit for reportable segments	63,932	50,583
Other non-reportable segments	(2,030)	(2,854)
Depreciation and amortisation	(11,833)	(10,109)
Finance income	1,387	1,439
Finance costs	(24,615)	(18,365)
Consolidated profit before tax	26,841	20,694

	External revenue RM'000	Depreciation and amortisation RM'000	Finance income RM'000	Finance costs RM'000	Segment assets RM'000	Additions to non- current assets RM'000
2024						
Total reportable segments	1,613,400	(11,833)	592	(24,553)	1,075,262	32,916
Other non-reportable segments	-	-	795	(62)	7,350	-
Consolidated total	1,613,400	(11,833)	1,387	(24,615)	1,082,612	32,916
2023						
Total reportable segments	1,394,677	(10,109)	754	(18,365)	881,529	16,822
Other non-reportable segments	-	-	685	-	37,303	-
Consolidated total	1,394,677	(10,109)	1,439	(18,365)	918,832	16,822

Geographical segments

The Group operates primarily in Malaysia and as such, no geographical segment disclosures are made.

Major customers

There are no customers with revenue equal or more than 10% of the Group's total revenue.

27. Financial instruments

27.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost (“AC”)
- (b) Fair value through other comprehensive income (“FVOCI”)
 - Equity instrument designated upon initial recognition (“EIDUIR”)
- (c) Fair value through profit or loss (“FVTPL”)
 - Mandatorily required by MFRS 9

	Carrying amount RM'000	AC RM'000	FVOCI - EIDUIR RM'000	Mandatorily at FVTPL RM'000
Group				
2024				
Financial assets				
Other investments	41	-	41	-
Trade and other receivables [#]	463,154	463,154	-	-
Deposits placed with licensed banks	11,518	11,518	-	-
Cash and cash equivalents	71,911	71,911	-	-
	546,624	546,583	41	-
Financial liabilities				
Loan and borrowings	(546,518)	(546,518)	-	-
Trade and other payables	(212,299)	(193,766)	-	(18,533)
	(758,817)	(740,284)	-	(18,533)
2023				
Financial assets				
Other investments	31,105	-	41	31,064
Derivative financial assets	106	-	-	106
Trade and other receivables [*]	377,928	377,928	-	-
Deposits placed with licensed banks	9,359	9,359	-	-
Cash and cash equivalents	87,140	87,140	-	-
	505,638	474,427	41	31,170
Financial liabilities				
Loan and borrowings	(485,326)	(485,326)	-	-
Trade and other payables	(99,370)	(99,370)	-	-
	(584,696)	(584,696)	-	-

[#] Exclude prepayments.

^{*} Exclude GST receivable and prepayments.

Notes to the Financial Statements

27. Financial instruments (continued)

27.1 Categories of financial instruments (continued)

	Carrying amount RM'000	AC RM'000	FVOCI - EIDUIR RM'000	Mandatorily at FVTPL RM'000
Company				
2024				
Financial assets				
Trade and other receivables [^]	9,773	9,773	-	-
Deposits placed with licensed banks	6,750	6,750	-	-
Cash and cash equivalents	168	168	-	-
	16,691	16,691	-	-
Financial liabilities				
Trade and other payables	(25,524)	(6,991)	-	(18,533)
2023				
Financial assets				
Trade and other receivables [^]	19,328	19,328	-	-
Other investments	31,064	-	-	31,064
Cash and cash equivalents	6,237	6,237	-	-
	56,629	25,565	-	31,064
Financial liabilities				
Trade and other payables	(55)	(55)	-	-

[^] Exclude prepayments.

27.2 Net gains and losses from financial instruments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net (losses)/gains on:				
Financial assets measured at amortised cost	(9,158)	1,204	1,217	1,684
Financial assets measured at FVTPL	429	641	486	685
Financial liabilities at measured at amortised cost	(22,565)	(18,517)	(62)	-
	(31,294)	(16,672)	1,641	2,369

27. Financial instruments (continued)

27.3 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

27.4 Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from amount due from subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

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

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually. Most of the trade receivables are secured by either personal guarantee from directors of its customers or corporate guarantees from its customers' related companies.

The exposures of credit risk for trade receivables as at the end of the current and previous reporting periods by geographic region was mainly domestic.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 120 days. The Group's debt recovery process is that above 90 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team.

Notes to the Financial Statements

27. Financial instruments (continued)

27.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

The Group uses an allowance matrix to measure ECLs of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

The Group estimates the expected credit losses on trade receivables using a provision matrix with reference to the probability of a receivable progressing through successive stages of delinquency to 90 days past due and by imputing expected delay that potentially will impact the Group.

Loss rates are based on actual credit loss experience over a period of one to three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2024			
Current (not past due)	241,593	(3)	241,590
1 - 30 days past due	7,461	(35)	7,426
31 - 60 days past due	86,223	(33)	86,190
61 - 90 days past due	1,162	(1)	1,161
	336,439	(72)	336,367
Credit impaired			
More than 90 days past due	84,360	(8,039)	76,321
Individually impaired	23,703	(23,703)	-
	444,502	(31,814)	412,688
2023			
Current (not past due)	243,153	(3)	243,150
1 - 30 days past due	5,603	(1)	5,602
31 - 60 days past due	68,991	(56)	68,935
61 - 90 days past due	20,508	(15)	20,493
	338,255	(75)	338,180
Credit impaired			
More than 90 days past due	20,045	(1,909)	18,136
Individually impaired	20,867	(20,867)	-
	379,167	(22,851)	356,316

27. Financial instruments (continued)

27.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

There are trade receivables where the Group has not recognised any loss allowance although the debts have become past due and exceeded the credit terms granted to the debtors. The Directors are of the opinion that no allowance is necessary in respect of these receivables as there are no indications as of reporting date that the debtors will not meet their payment obligations within the next 12 months.

The movements in the allowance for impairment in respect of trade receivables during the period are shown below.

	Lifetime ECL RM'000	Credit impaired RM'000	Net balance RM'000
Group			
Balance at 1 April 2022	4,225	16,433	20,658
Net measurement of loss allowance	(2,241)	4,434	2,193
Balance at 31 March 2023/1 April 2023	1,984	20,867	22,851
Net measurement of loss allowance	6,127	5,188	11,315
Amount written off	-	(2,352)	(2,352)
Balance at 31 March 2024	8,111	23,703	31,814

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide performance guarantees to suppliers in respect of credit facilities granted to the subsidiaries. The Group and the Company monitor on an ongoing basis the results and repayment of the subsidiaries.

The Company also provides corporate guarantees to licensed banks in respect of credit facilities granted to the subsidiaries. The Company monitors on an ongoing basis the results and repayment of the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk for the Group consists of the performance guarantees given to suppliers amounting to RM62,626,000 (2023: RM15,316,000) as at the end of the reporting period.

The maximum exposure to credit risk for the Company as at the end of the report period consists of:

- (i) performance guarantees given to suppliers of a subsidiary amounting to RM57,100,000 (2023: RM13,700,000); and
- (ii) corporate guarantees given to licensed banks in respect of credit facilities granted to the subsidiaries of the Company amounting to RM500,778,000 (2023: RM419,377,000).

As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

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

Notes to the Financial Statements

27. Financial instruments (continued)

27.4 Credit risk (continued)

Cash and cash equivalents and deposits placed with licensed banks

The bank balances are held with banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Highly liquid investments with other financial institutions

These investments are held with licensed other financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by its carrying amount in the statements of financial position.

These licensed other financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from advance payment paid to suppliers for procurement of materials.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

In managing the credit risk of other receivables, the Group manages their sundry debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The movements in the allowance for impairment in respect of other receivables during the year are shown below.

	Credit impaired RM'000	Net balance RM'000
Group		
Balance at 1 April 2022/31 March 2023/1 April 2023	-	-
Net measurement of loss allowance	792	792
Balance at 31 March 2024	792	792

Inter-company balances

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

27. Financial instruments (continued)

27.4 Credit risk (continued)

Inter-company balances (continued)

Recognition and measurement of impairment loss

Generally, the Company considers advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when subsidiaries' financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when:

- The subsidiary is unlikely to repay its advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' advances.

	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
Company			
2024			
Low credit risk	9,773	-	9,773
2023			
Low credit risk	19,328	-	19,328

27.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Financial Statements

27. Financial instruments (continued)

27.5 Liquidity risk (continued)

Maturity analysis

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

Group	Carrying amount RM'000	Contractual interest rate/ Discount rate		Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
			%					
2024								
<i>Non-derivative financial liabilities</i>								
Term loans	40,084	3.50 - 7.29	65,923	5,396	5,412	12,709	42,406	
Bankers' acceptances	398,063	3.36 - 5.19	398,063	398,063	-	-	-	
Hire purchase liabilities	3,575	1.99 - 9.39	3,888	1,407	1,129	1,352	-	
Lease liabilities	2,138	3.00 - 5.82	2,228	898	476	719	135	
Revolving credit	104,666	3.66 - 5.88	137,798	22,346	15,770	24,479	75,203	
Bank overdraft	130	7.20	130	130	-	-	-	
Trade and other payables	193,766	-	193,766	193,766	-	-	-	
Contingent consideration payables	18,533	11.00	22,500	5,000	7,500	10,000	-	
Financial guarantee	-	-	62,626	62,626	-	-	-	
	760,955		886,922	689,632	30,287	49,259	117,744	
2023								
<i>Non-derivative financial liabilities</i>								
Term loans	30,925	3.13 - 6.18	45,884	3,516	3,298	8,444	30,626	
Bankers' acceptances	347,095	2.59 - 4.58	347,095	347,095	-	-	-	
Hire purchase liabilities	2,813	2.08 - 9.39	3,087	1,007	845	1,235	-	
Lease liabilities	434	3.96 - 5.30	461	240	164	57	-	
Revolving credit	104,493	2.45 - 4.89	135,985	21,229	9,397	25,976	79,383	
Trade and other payables	99,370	-	99,370	99,370	-	-	-	
Financial guarantee	-	-	15,316	15,316	-	-	-	
	585,130		647,198	487,773	13,704	35,712	110,009	
<i>Derivative financial liabilities</i>								
<i>Forward exchange contracts (gross settled):</i>								
Inflow	(106)	-	(25,268)	(25,268)	-	-	-	
Outflow	-	-	25,162	25,162	-	-	-	
	585,024		647,092	487,667	13,704	35,712	110,009	

27. Financial instruments (continued)

27.5 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2024							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	6,991	-	6,991	6,991	-	-	-
Contingent consideration payables	18,533	11.00	22,500	5,000	7,500	10,000	-
Financial guarantee	-	-	557,878	557,878	-	-	-
	25,524		587,369	569,869	7,500	10,000	-
2023							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	55	-	55	55	-	-	-
Financial guarantee	-	-	433,077	433,077	-	-	-
	55		433,132	433,132	-	-	-

27.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's and the Company's financial position or cash flows.

27.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases, borrowings and cash and bank balances that are denominated in a currency other than the functional currency of the Group. The currency giving rise to this risk is primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

The Group's exposure to foreign currency risk is monitored on an ongoing basis and the Group will use forward exchange contracts to hedge its foreign currency risk when necessary. Forward exchange contracts, if any, would have maturities of less than one year. Where necessary, the forward contracts are rolled over at maturity.

Notes to the Financial Statements

27. Financial instruments (continued)

27.6 Market risk (continued)

27.6.1 Currency risk (continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group) risk, based on carrying amounts as at the end of the reporting period was:

Group	Denominated in USD	
	2024 RM'000	2023 RM'000
Cash and cash equivalents	1,286	2,900
Trade and other receivables	14,356	2,269
Trade and other payables	(3,079)	(4,539)
Exposure in the statement of financial position	12,563	630

Currency risk sensitivity analysis

A 10% (2023: 10%) strengthening of the Ringgit Malaysia ("RM") against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

Group	2024 RM'000	2023 RM'000
USD	(955)	(48)

A 10% (2023: 10%) weakening of Ringgit Malaysia ("RM") against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

27.6.2 Interest rate risk

The Group's fixed rate borrowings, deposits placed with licensed banks and investments with other financial institutions are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings and other investments are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group monitors the fluctuation in market interest rate on an ongoing basis and only enters into agreement to obtain borrowings when it is absolutely necessary from banks that offer the most favourable interest rate.

27. Financial instruments (continued)

27.6 Market risk (continued)

27.6.2 Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed rate instruments				
Financial assets	11,518	9,359	6,750	-
Financial liabilities	(402,479)	(351,156)	-	-
Lease liabilities	(2,138)	(434)	-	-
	(393,099)	(342,231)	6,750	-
Floating rate instruments				
Financial assets	-	31,064	-	31,064
Financial liabilities	(144,039)	(134,170)	-	-
	(144,039)	(103,106)	-	31,064

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/ (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss			
	100 bp increase 2024 RM'000	100 bp decrease 2024 RM'000	100 bp increase 2023 RM'000	100 bp decrease 2023 RM'000
Group				
Floating rate instruments	(1,095)	1,095	(784)	784
Company				
Floating rate instruments	-	-	236	(236)

Notes to the Financial Statements

27. Financial instruments (continued)

27.7 Fair value information

The carrying amounts of cash and bank balances, short-term receivables and payables and short-term borrowing approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their values and carrying amounts shown in the statement of financial position.

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2024										
Financial assets										
Other investments	25	-	16	41	-	-	-	-	41	41
	25	-	16	41	-	-	-	-	41	41
Financial liabilities										
Contingent consideration payable	-	-	(18,533)	(18,533)	-	-	-	-	(18,533)	(18,533)
Term loans	-	-	-	-	-	-	(27,660)	(27,660)	(27,660)	(40,084)
Hire purchase liabilities	-	-	-	-	-	-	(3,361)	(3,361)	(3,361)	(3,575)
Revolving credit	-	-	-	-	-	-	(77,758)	(77,758)	(77,758)	(104,666)
	-	-	(18,533)	(18,533)	-	-	(108,779)	(108,779)	(127,312)	(166,858)

27. Financial instruments (continued)

27.7 Fair value information (continued)

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2023										
Financial assets										
Other investments	25	31,064	16	31,105	-	-	-	-	31,105	31,105
Forward exchange contracts	-	106	-	106	-	-	-	-	106	106
	25	31,170	16	31,211	-	-	-	-	31,211	31,211
Financial liabilities										
Term loans	-	-	-	-	-	-	(30,244)	(30,244)	(30,244)	(30,925)
Hire purchase liabilities	-	-	-	-	-	-	(2,638)	(2,638)	(2,638)	(2,813)
Revolving credit	-	-	-	-	-	-	(102,368)	(102,368)	(102,368)	(104,493)
	-	-	-	-	-	-	(135,250)	(135,250)	(135,250)	(138,231)
Company										
2024										
Financial liability										
Contingent consideration payable	-	-	(18,533)	(18,533)	-	-	-	-	(18,533)	(18,533)
2023										
Financial asset										
Other investments	-	31,064	-	31,064	-	-	-	-	31,064	31,064

Notes to the Financial Statements

27. Financial instruments (continued)

27.7 Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

The fair value of quoted shares is derived from quoted price (unadjusted) by reference to the stock exchange which they are listed on.

Level 2 fair value

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Fair value of highly liquid investments with other financial institutions is calculated based on the net assets value of the highly liquid investments as advised by the other financial institutions.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year and previous year.

Level 3 fair value

Fair values within Level 3 are determined based on the discounted cash flows valuation technique using a rate based on the current market rate of borrowings of the respective Group entities at the reporting date.

Valuation processes applied by the Group for Level 3 fair value

Non-derivatives financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The market rate of interest of loans and borrowings is determined by references to similar borrowing arrangements.

28. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with regulatory requirements.

28. Capital management (continued)

The debt-to-equity ratios at 31 March 2024 and at 31 March 2023 were as follows:

Group	Note	2024 RM'000	2023 RM'000
Total borrowings	17	546,518	485,326
Lease liabilities		2,138	434
Less: Cash and cash equivalents	14	(71,911)	(87,140)
Net debt		476,745	398,620
Total equity attributable to owners of the Company		338,813	329,771
Debt-to-equity ratio (times)		1.4	1.2

There were no changes in the Group's approach to capital management during the financial year.

Certain subsidiaries are required to comply with various financial covenants, failing which, the banks may call an event of default. The Group has breached certain covenants at the end of reporting period (see Note 17).

29. Capital commitment

	Group	
	2024 RM'000	2023 RM'000
Plant and equipment		
Contracted but not provided for	2,528	1,983

Notes to the Financial Statements

30. Related parties

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 11 and 18.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
A. Company in which certain Director has significant influence				
Sales	15,119	4,961	-	-
Purchase of goods	(16,084)	(117)	-	-
B. Subsidiaries				
Interest income	-	-	908	1,684
Net advances to	-	-	65,947	(12,781)
C. Key management personnel				
Directors' emoluments				
Company's Directors				
Fees	267	192	267	192
Remuneration	4,764	6,316	33	28
Benefit-in-kind	75	68	-	-
	5,106	6,576	300	220
Subsidiaries' directors				
Fees	8	-	-	-
Remuneration	3,874	2,566	-	-
Benefit-in-kind	36	24	-	-
	3,918	2,590	-	-
Other key management personnel:				
Remuneration	1,261	2,420	-	-
Benefit-in-kind	21	23	-	-
	1,282	2,443	-	-

Other key management personnel comprise persons other than the directors of the Company and subsidiaries, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

31. Acquisition of subsidiaries

31.1 Acquisition of subsidiaries – Winnson Marketing Sdn. Bhd. and its subsidiary

On 18 August 2023, the Group acquired 177,603 ordinary shares representing 60% of the equity interest in Winnson Marketing Sdn. Bhd. and its subsidiary (“Winnson Group”) for a total cash consideration of RM2,160,000.

During the financial year, Winnson Group contributed revenue and profit after tax of RM2,203,000 and RM359,000 respectively for the period from the acquisition date to 31 March 2024.

The following summarises the consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Fair value consideration transferred

	Group RM'000
Cash and cash equivalents	2,160

Identifiable assets acquired and liabilities assumed

	Note	Group RM'000
Property, plant and equipment	3	1,672
Right-of-use assets	4	133
Inventories		869
Trade and other receivables		652
Cash and cash equivalents		7
Loans and borrowings	17	(1,262)
Lease liabilities		(146)
Deferred tax liabilities	9	(69)
Trade and other payables		(440)
Current tax liabilities		(63)
Fair value of identifiable net assets		1,353

Net cash outflow arising from acquisition:

	Group RM'000
Purchase consideration settled in cash	(2,160)
Cash and cash equivalents acquired	(917)
	(3,077)

Notes to the Financial Statements

31. Acquisition of subsidiaries (continued)

31.1 Acquisition of subsidiaries – Winnson Marketing Sdn. Bhd. and its subsidiary (continued)

Goodwill

	Group RM'000
Goodwill was recognised as a result of the acquisition as follows:	
Total consideration transferred	2,160
Fair value of identifiable net assets	(1,353)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the asset and liabilities of the acquiree (40%)	541
Goodwill	1,348

The business combination of Winnson Group was based on provisional fair value of its identifiable assets, liabilities, and contingent liabilities. In accordance with MFRS 3, Business Combination, the Group will be carrying out the Purchase Price Allocation (“PPA”) exercise within 12 months from the date of acquisition.

Acquisition-related costs

The Group incurred acquisition-related costs of RM78,000 related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in other expenses in the Group’s consolidated statement of profit or loss and other comprehensive income.

31.2 Acquisition of subsidiaries – Intergreen Metals Sdn. Bhd. and its subsidiary

On 8 January 2024, the Group acquired 1,020,000 ordinary shares representing 51% of the equity interest in Intergreen Metals Sdn. Bhd. and its subsidiaries (“Intergreen Group”) for a total consideration of RM66,300,000. The acquisition of Intergreen was satisfied via a cash consideration of RM43,800,000 and contingent consideration of RM22,500,000.

During the financial year, Intergreen Group contributed revenue and profit after tax of RM205,602,000 and RM2,695,000 respectively for the period from the acquisition date to 31 March 2024.

The following summarises the consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Fair value consideration transferred

	Group RM'000
Cash and cash equivalents	43,800
Contingent consideration	18,533
	62,333

31. Acquisition of subsidiaries (continued)

31.2 Acquisition of subsidiaries – Intergreen Metals Sdn. Bhd. and its subsidiary (continued)

Identifiable assets acquired and liabilities assumed

	Note	Group RM'000
Property, plant and equipment	3	43,459
Right-of-use assets	4	588
Investment property	5	568
Inventories		11,182
Trade and other receivables		50,710
Deposits placed with licensed bank		600
Cash and cash equivalents		1,337
Loans and borrowings	17	(44,250)
Lease liabilities		(664)
Deferred tax liabilities	9	(2,648)
Trade and other payables		(22,593)
Current tax liabilities		(335)
Fair value of identifiable net assets		37,954

Contingent consideration

The purchase consideration relating to the acquisition of Intergreen Group involves a 3 years profit guarantee with the following conditions.

- (i) When Intergreen Group achieves the guaranteed profit after tax for the relevant financial period, the retention sum shall be released by the Group's solicitor to the selling shareholders on a proportionate basis within three (3) days from the date of receipt by the Group of the signed copy of the audited accounts for the relevant financial period as follows:
 - (a) RM5,000,000, if the entity generates up to RM10,000,000 of profit after tax for the financial period commencing from 1 January 2023 and ended 31 March 2024 ("FPE 31 March 2024");
 - (b) RM7,500,000, if the entity generates up to RM15,000,000 of profit after tax for the financial year commencing from 1 April 2024 and ending 31 March 2025 ("FYE 31 March 2025"); and
 - (c) RM10,000,000, if the entity generates up to RM20,000,000 of profit after tax for the financial year commencing from 1 April 2025 and ending 31 March 2026 ("FYE 31 March 2026").
- (ii) In the event that the audited profit after tax for any of the relevant financial period shall fall short of the guaranteed profit after tax for that relevant financial period, the Group and selling shareholders agree that an amount equivalent to such shortfall ("Clawback Amount") shall be utilised from the retention sum pay for such shortfall to the Group and the selling shareholders shall authorise the Group's solicitors to release from the retention sum the Clawback Amount to the Group. The consideration shall also be reduced accordingly by an amount equivalent to such Clawback Amount.
- (iii) In the event the entire guaranteed profit after tax of RM45,000,000 is achieved cumulatively by the end of FYE 31 March 2025, then the remaining retention sum including interest accrued at prevailing fixed deposit interest rate of the bank issuing the bank guarantee (after deducting all amounts already released to the selling shareholders and the total Clawback Amount) shall be released to the selling shareholders.

The Group included RM18,533,000 as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition. The fair value of the contingent consideration of RM18,533,000 was estimated by using the present value of the future expected cash flows based on a discount rate of 11%.

Notes to the Financial Statements

31. Acquisition of subsidiaries (continued)

31.2 Acquisition of subsidiaries – Intergreen Metals Sdn. Bhd. and its subsidiary (continued)

Net cash outflow arising from acquisition of subsidiary

	Group RM'000
Purchase consideration settled in cash	(43,800)
Cash and cash equivalents acquired	1,337
	(42,463)

Goodwill

	Group RM'000
Goodwill was recognised as a result of the acquisition as follows:	
Total consideration transferred	62,333
Fair value of identifiable net assets	(37,954)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the asset and liabilities of the acquiree (49%)	18,597
Goodwill	42,976

The business combination of Intergreen Group was based on provisional fair value of its identifiable assets, liabilities, and contingent liabilities. In accordance with MFRS 3, *Business Combination*, the Group will be carrying out the Purchase Price Allocation (“PPA”) exercise within 12 months from the date of acquisition.

Acquisition-related costs

The Group incurred acquisition-related costs of RM645,000 related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in other expenses in the Group’s consolidated statement of profit or loss and other comprehensive income.

32. Significant events

2024

On 18 August 2023, the Company acquired 177,603 ordinary shares representing 60% of the equity interest in Winnson Group for a total cash consideration of RM2,160,000 (see Note 31).

On 8 January 2024, the Company acquired 1,020,000 ordinary shares representing 51% of the equity interest in Intergreen Group for a total consideration of RM66,300,000. The acquisition of Intergreen was satisfied via a cash consideration of RM43,800,000 and contingent consideration of RM22,500,000 (see Note 31).

32. Significant events (continued)

2023

In conjunction with and as an integral part of the listing of the Company's on ACE Market of Bursa Malaysia Securities, the following listing scheme was undertaken by the Company:

- (i) Public issue of 312,500,000 new ordinary shares in the Company at an issue price of RM0.32 per share ("IPO Price") allocated in the following manner:
- 78,125,000 new shares available for application by the Malaysian Public;
 - 63,500,000 new shares available for applicable by the eligible directors and employees as well as persons who have contributed to the success of the Company;
 - 117,187,500 new shares by way of private placement to Bumiputera investors approved by Ministry of International Trade and Industry of Malaysia; and
 - 53,687,500 new shares by way of private placement to selected investors.
- (ii) Offer for sale of 125,000,000 existing shares in the following manner:
- 78,125,000 existing shares by way of private placement to Bumiputera investors approved by Ministry of International Trade and Industry of Malaysia; and
 - 46,875,000 existing shares by way of private placement to selected investors.

The Company's entire enlarged issued and paid-up share capital comprising 1,562,500,000 ordinary shares were listed on the ACE Market of Bursa Malaysia Securities Berhad on 14 June 2022.

33. Subsequent events

a. Private placement

On 27 May 2024, the Company issued 68,220,000 new ordinary shares through a first tranche of private placement at an issue price of RM0.27 per share for total consideration of RM18,419,400.

34. Comparative figures

The following figures have been reclassified to conform with current year presentation.

	Note	Group 31.03.2023 As restated RM'000	As previously reported RM'000
Trade receivables			
Trade receivables		372,667	375,620
Less: Allowance for impairment losses		(22,851)	(22,851)
		349,816	352,769
Amount due from related parties		6,500	3,547
	11	356,316	356,316

The reclassification did not result in an impact to the Group's financial statements other than the presentation on Note 11 to the financial statements.

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 115 to 175 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board 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 of 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 the Directors:

Sim Keng Chor

Director

Nomis Sim Siang Leng

Director

Shah Alam

Date: 30 July 2024

Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Koh Sui Ming**, the Officer primarily responsible for the financial management of Unitrade Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 115 to 175 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Koh Sui Ming, NRIC: 691006-04-5353, MIA: CA 9352, at Shah Alam in the State of Selangor on 30 July 2024.

Koh Sui Ming

Before me:

KAPT(B) Hj. Saibani Bin Hj. Adnan

Commissioner for Oaths

Selangor, Malaysia

30 July 2024

Independent Auditors' Report

to the Members of Unitrade Industries Berhad

(Registration No: 202101013724 (1414023-X))

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Unitrade Industries Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 115 to 175.

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 cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independent Auditors' Report

to the Members of Unitrade Industries Berhad

(Registration No: 202101013724 (1414023-X))

(Incorporated in Malaysia)

Key Audit Matters (continued)

Valuation of trade receivables	
Refer to Note 1(d) Basis of preparation: Use of estimates and judgements, Note 11 – Trade and other receivables and Note 27.4 – Financial Instruments - Credit risk - Trade receivables.	
The key audit matter	How the matter was addressed in our audit
<p>As at 31 March 2024, the trade receivables of the Group amounted to RM412.7 million. The Group has significant trade receivables, which comprised of a high volume of individual customers. Some of these individual customers have long outstanding debts, leading to the increase in credit risk exposure in the financial statements. These factors heightened the risk over the recoverability of the Group's trade receivables.</p> <p>Valuation of trade receivables is identified as a key audit matter because it requires the Group to exercise significant judgement and estimation in assessing the recoverability of the trade receivables.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> Assessed the Group's credit evaluation, control and monitoring processes by evaluating the design and implementation of control over the allowance for impairment loss on trade receivables and monitoring of credit limit; Tested the invoices to their respective age bracket to ascertain the accuracy of trade receivables ageing on a sample basis; Assessed the recoverability of trade receivables by testing the receipts of cash after year end and considering the historical trend of payments and bad debts record for debts deemed doubtful on a sample basis; and Challenged the key assumptions applied in determining the allowance for impairment loss on trade receivables by taking into account the historical trend of recoverability of the trade receivables within the Group. <p>For expected credit loss of trade receivables:</p> <ul style="list-style-type: none"> Evaluated the judgements and assumptions made by the Group in making the estimate; Evaluated the completeness, relevance, reliability and accuracy of source data used in making the estimate; Assessed the adequacy of the expected credit loss on trade receivables by comparing our expectations against the loss allowance made by Group; and Assessed the adequacy of Group's disclosure on expected credit loss and relevant credit risks of trade receivables.

Key Audit Matters (continued)

Valuation of inventories	
Refer to Note 1(d) Basis of preparation: Use of estimates and judgements, and Note 10 – Inventories.	
The key audit matter	How the matter was addressed in our audit
<p>As at 31 March 2024, the inventories of the Group amounted to RM267.0 million.</p> <p>Valuation of inventories is identified as a key audit matter due to the significance of the balance and the level of judgement required to determine the net realisable value as it involved estimating future selling prices and rate of obsolescence of inventories in assessing the amount of impairment needed to record the value of the inventories at the lower of cost and net realisable value and inventories that were slow moving.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • Evaluated the completeness, accuracy and relevance of data used by the Group for allowance for inventory written down; • Evaluated the method used by the Group to calculate allowance for inventory write down; • Compared on a sample basis, the carrying amount of inventories against net realisable value determined based on sales transaction subsequent to year end to check that the inventories were measured at the lower of cost and net realisable value; and • Assessed inventory movement to identify potential slow-moving inventories and evaluated the adequacy of allowance for inventory write down provided by the Group.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

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 annual report 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 annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Independent Auditors' Report

to the Members of Unitrade Industries Berhad

(Registration No: 202101013724 (1414023-X))

(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 internal control of the Group and of the Company.
- 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 ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- 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 gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group for the current year and of the Company for the current period 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 auditors' 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 7 to the financial statements.

Other Matter

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

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 30 July 2024

Chew Beng Hong
Approval Number: 02920/02/2026 J
Chartered Accountant

Analysis of Shareholdings

as at 1 July 2024

Ordinary Shares

Total Number of Issued Shares : 1,630,720,000
 Class of Shares : Ordinary Shares
 Voting Rights : One vote for each ordinary share held
 Number of Shareholders : 3,892

Distribution of Shareholding as at 1 July 2024

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 99	3	0.077	150	0.000
100 to 1,000	897	23.047	413,800	0.025
1,001 to 10,000	1,088	27.955	6,981,850	0.428
10,001 to 100,000	1,529	39.286	60,901,700	3.735
100,001 to 81,535,999 (*)	373	9.584	653,953,700	40.102
81,536,000 and above (**)	2	0.051	908,468,800	55.710
Total	3,892	100	1,630,720,000	100

Remarks:

* Less than 5% of issued shares

** 5% and above of issued shares

Substantial Shareholders Shareholdings as at 1 July 2024

Name	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Unitrade SAS Sdn. Bhd.	788,654,000	48.362	-	-
Sim Keng Chor	171,314,800	10.505	858,932,000*	52.672
Teh Beng Khim	70,278,000	4.310	959,968,800*	58.868

* Deemed interest pursuant to Section 8 and Section 59 (11) (c) of the Act

Directors' Shareholdings as at 1 July 2024

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Dato' Abdul Majit Bin Ahmad Khan	200,000	0.012	-	-
Dato' Lok Bah Bah @ Loh Yeow Boo	-	-	-	-
Nomis Sim Siang Leng	39,987,000	2.452	-	-
Sim Keng Chor	171,314,800	10.505	858,932,000*	52.672
Simson Sim Xian Zhi	32,858,000	2.015	-	-
Cynthia Toh Mei Lee	200,000	0.012	-	-
Ong Soo Chan	200,000	0.012	-	-
Datin Shivajini A/P Sathya Seelan	-	-	-	-

* Deemed interest pursuant to Section 8 and Section 59 (11) (c) of the Act

Top Thirty (30) Shareholders as at 1 July 2024

No.	Name of Shareholders	Holdings	
		No. of Shares	% of Issued Capital
1.	Unitrade SAS Sdn. Bhd.	788,654,000	48.362
2.	CimSec Nominees (Tempatan) Sdn. Bhd. CIMB for Sim Keng Chor (PB)	119,814,800	7.347
3.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Teh Beng Khim (MY3941)	55,218,332	3.386
4.	AmSec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - Ambank (M) Berhad for Sim Keng Chor	42,000,000	2.576
5.	AmSec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account – AmBank (M) Berhad for Nomis Sim Siang Leng (Smart)	22,849,666	1.401
6.	CIMB Group Nominees (Tempatan) Sdn. Bhd. CIMB Bank Berhad (EDP 2)	21,000,000	1.288
7.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Simson Sim Xian Zhi	18,424,666	1.130
8.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Koon Poh Tat	17,000,000	1.042
9.	HSBC Nominees (Asing) Sdn. Bhd. J.P. Morgan Securities PLC	16,734,500	1.026
10.	Teh Beng Khim	15,059,668	0.923
11.	Su Ming Yaw	15,000,000	0.920
12.	Nomis Sim Siang Leng	13,568,668	0.832
13.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Su Ming Keat	12,790,900	0.784
14.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Liew Kang Leong	12,300,000	0.754
15.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Hock Chai (LIM0803C)	11,125,000	0.682
16.	Leong Kok Hou	10,000,000	0.613
17.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Roshan A/L Mahendran	10,000,000	0.613
18.	Mycron Steel Berhad	10,000,000	0.613
19.	Tay Ah Heng	10,000,000	0.613
20.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Kwee Hock (7004011)	9,219,000	0.565
21.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Simson Sim Xian Zhi (7004419)	8,721,000	0.535
22.	W T Steel Sdn. Bhd.	7,831,300	0.480
23.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Agrobulk Holdings Sdn. Bhd.	7,500,000	0.460
24.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lau Eng Guang	7,472,500	0.458
25.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Choi Ong (7014162)	6,521,000	0.400
26.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Leong Kok Hou (7014750)	6,455,000	0.396
27.	Maybank Nominees (Tempatan) Sdn. Bhd. Simson Sim Xian Zhi (12022241)	5,712,334	0.350
28.	YL Eminent Sdn. Bhd.	5,700,000	0.350
29.	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pang Tse Fui	5,530,000	0.339
30.	Cartaban Nominees (Asing) Sdn. Bhd. Exempt An For Barclays Capital Securities Ltd. (SBL/PB)	5,195,000	0.319

List of Properties

No.	Location	Existing Use	Tenure	Land Area/ Built-up Area (sq ft)	Approximate Age of Building	Net Book Value as at 31 March 2024 (RM'000)	Date of Last Revaluation (R)/ Acquisition (A)
(a)	Freehold Industrial Land and Buildings No. 2, Jalan Astaka U8/87, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan	<ul style="list-style-type: none"> Headquarters of the Group (4-storey) Factory (1-storey) Open shed warehouse (1-storey) Open shed warehouse (1-storey with mezzanine office) Warehouse (1-storey with mezzanine office) 	Freehold	529,703/ 327,171	0-21 years	133,049	5 January 2022 (R) 9 July 2019 (A)
(b)	Freehold Industrial Land and Building No. 1, Jalan Tiang U8/92, Section U8, Bukit Jelutong Industrial Park, Shah Alam, Selangor Darul Ehsan	Vacant (3-storey building with enclosed warehouse and open sided warehouse)	Freehold	231,887/ 143,864	19 years	18,642	22 July 2004 (A)
(c)	Leasehold Industrial Land and Building Lot 14985, off Jalan Kebun Nenas, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan	Metal recycling yard	Leasehold for 99 years, expiring on 18 July 2075	93,549/ 18,292	0-15 years	6,335	5 July 2023 (R) 15 February 2016 (A)
(d)	Freehold Industrial land GM1121, Lot No 6982, Mukim of Tebrau, District of Johor Bahru, State of Johor	Metal recycling yard	Freehold	123,354/ Not applicable	-	5,908	5 July 2023 (R) 28 March 2019 (A)
(e)	Freehold Industrial land GM1118, Lot No 6981, Mukim of Tebrau, District of Johor Bahru, State of Johor	Vacant	Freehold	123,139/ Not applicable	-	5,534	5 July 2023 (R) 22 October 2021 (A)

No.	Location	Existing Use	Tenure	Land Area/ Built-up Area (sq ft)	Approximate Age of Building	Net Book Value as at 31 March 2024 (RM'000)	Date of Last Revaluation (R)/ Acquisition (A)
(f)	Freehold Industrial land GM 6793, Lot No.24940, Mukim off Teluk Panglima Garang, District of Kuala Langat, State of Selangor	Vacant	Freehold	115,389/ Not applicable	-	4,875	5 July 2023 (R) 22 June 2021 (A)
(g)	Freehold Commercial Land GM 1765, Lot No. 5265, Mukim Off Sg Karang, District of Kuantan, State of Pahang	Metal recycling yard	Freehold	117,327/ Not applicable	-	3,465	5 July 2023 (R) 28 March 2019 (A)
(h)	Leasehold Industrial Land HSD 19928, Lot No. PT340, Pekan Simpang Tiga Ijok, District Kuala Selangor, State of Selangor	Warehouse	Leasehold for 99 years, expiring on 31 March 2107	130,685/ Not applicable	-	3,180	5 July 2023 (R) 15 February 2016 (A)
(i)	St.Regis Condominium No. 26-7, Level 26, St Regis, The Residence, No.6, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 WP Kuala Lumpur	Vacant	Freehold	Not applicable/ 1,541	6 years	2,744	30 March 2018 (A)
(j)	Forest City Service Apartment C-22-10, Laman Perkasa, Jalan Forest City 5, Pulau Satu, Forest City, 81550, Gelang Patah Johor	Vacant	Freehold	Not applicable/ 517	5 years	509	29 March 2022 (A)

Notice of 3rd Annual General Meeting

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting (“3rd AGM”) of Unitrade Industries Berhad (“Unitrade” or “Company”) will be conducted virtually at Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 5 September 2024 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if though fit, passing with or without modifications, the following resolutions set out in this Notice:-

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 Auditors thereon. | Please refer to Note 1 |
| 2. To approve the payment of Directors’ fees to the Non-Executive Directors of the Company for the period from the date of the forthcoming Annual General Meeting (“AGM”) until the conclusion of the next AGM of the Company:-

(a) Director’s fee of RM5,000 per month to Dato’ Abdul Majit Bin Ahmad Khan
(b) Director’s fee of RM5,000 per month to Dato’ Lok Bah Bah @ Loh Yeow Boo
(c) Director’s fee of RM5,000 per month to Ms. Cynthia Toh Mei Lee
(d) Director’s fee of RM5,000 per month to Ms. Ong Soo Chan
(e) Director’s fee of RM5,000 per month to Datin Shivajini A/P Sathya Seelan | Ordinary Resolution 1
Ordinary Resolution 2
Ordinary Resolution 3
Ordinary Resolution 4
Ordinary Resolution 5 |
| 3. To approve the payment of the meeting allowance of RM1,000 per meeting day for the Non-Executive Directors for the period from the date of the forthcoming AGM until the conclusion of the next AGM of the Company. | Ordinary Resolution 6 |
| 4. To re-elect the following Directors who retire by rotation in accordance with Clause 134 of the Constitution of the Company and being eligible, have offered themselves for re-election:

(a) Dato’ Lok Bah Bah @ Loh Yeow Boo
(b) Mr. Simson Sim Xian Zhi
(c) Ms. Ong Soo Chan | Ordinary Resolution 7
Ordinary Resolution 8
Ordinary Resolution 9 |
| 5. To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 10 |

As Special Business

To consider and, if thought fit, to pass the following resolutions, with or without modifications:

- | | |
|---|-------------------------------|
| 6. Authority under Section 76 of the Companies Act 2016 (“the Act”) for the Directors to allot and issue shares

“ THAT pursuant to Section 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM of the Company and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance. | Ordinary Resolution 11 |
|---|-------------------------------|

THAT in connection with the above, pursuant to Section 85 of the Act and Clause 65 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares pursuant to this mandate by the Company, with such waiver resulting in a dilution to their shareholding percentage in the Company and the Board is exempted from the obligation to offer such new shares first to the existing shareholders of the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

7. Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

“**THAT** subject to the provisions of the Constitution of the Company and the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), approval be and is hereby given to the Company and its subsidiaries (“Group”) to enter into and give effect to the recurrent related party transactions of a revenue or trading nature particulars which are set out in Section 2.4 and with the specified classes of related parties as specified in Section 2.4 of the Circular to Shareholders dated 31 July 2024, provided that:

Ordinary Resolution 12

- (a) such arrangements and/or transactions are necessary for the Group’s day-to-day operations;
- (b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm’s length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;
- (c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and
- (d) the disclosure is made in the annual report on the aggregate value of transactions conducted pursuant to the shareholders’ mandate during the financial year in relation to:
 - (i) the related transacting parties and their respective relationship with the Company; and
 - (ii) the nature of the recurrent transactions.

THAT such authority conferred shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company at which time the mandate will lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

Notice of 3rd Annual General Meeting

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

Any Other Business

8. To transact any other business that may be transacted at the 3rd AGM of which due notice shall have been given in accordance with the Act and the Constitution of the Company.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA7009143) (SSM PC No.: 202008001023)
TAN AI NING (MAICSA7015852) (SSM PC No.: 202008000067)
NELSON FOO CHEAN EE (MAICSA7070316) (SSM PC No.: 202008003986)
COMPANY SECRETARIES

SELANGOR DARUL EHSAN
31 July 2024

Explanatory Notes

(A) Audited Financial Statements

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. Hence, this item is not put forward for voting.

(B) Ordinary Resolution 1 to 6 – Payment of Directors’ fees and Meeting Allowance to Non-Executive Directors

Section 230(1) of the Act provides amongst others, that the Directors’ fees and any benefits payable to the Directors of the listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders’ approval shall be sought at this 3rd AGM on the Directors’ remuneration in six (6) separate resolutions as below:-

- Ordinary Resolutions 1 to 5 on payment of Directors’ fees to the Non-Executive Directors for the period from the date of the forthcoming AGM until the conclusion of the next AGM of the Company.
- Ordinary Resolution 6 on payment of the meeting allowance for the Non-Executive Directors

Directors’ Fees

During a review in 2024, the Board, at the recommendation of the Remuneration Committee, agreed that the Directors’ fees to the Non-Executive Directors shall remain unchanged, subject to shareholders’ approval at this 3rd AGM.

Meeting Allowance

There is no revision to the proposed meeting allowance for the Non-Executive Directors since 2022. The total estimated amount of the Directors’ meeting allowance is calculated based on the number of scheduled meetings for the Board and Board Committees as well as the number of Non-Executive Directors involved in these Meetings.

Any Non-Executive Directors who are shareholders of the Company will abstain from voting on Resolutions 1 to 6 concerning remuneration to the Non-Executive Directors at the 3rd AGM.

In the event that the proposed Non-Executive Directors’ fees and benefits payable are insufficient due to the enlarged Board size, the Company will seek shareholders’ approval at the 4th AGM of the Company for the additional Directors’ fees and benefits payable to meet the shortfall.

(C) Ordinary Resolution 7 to 9 – Re-election of Directors

Pursuant to Malaysian Code of Corporate Governance 2021, the profiles of the Directors who are standing for re-election as per Agenda item no. 4 is set out in the Board of Directors' profile of the Annual Report 2024.

The Nomination Committee ("NC") has considered the performance and contribution of each of the retiring Directors for seeking re-election. In addition, the NC has also conducted an assessment on the fitness and propriety of the retiring Directors including the review of their fit and proper declarations in accordance with the Directors' Fit and Proper Policy. The said retiring Directors have abstained from deliberations and decision on their own eligibility and sustainability to stand for re-election. Based on the recommendation of the NC, the Board is satisfied with the performance and contributions of the retiring Directors' and supports their re-election based on the following justifications:-

Ordinary Resolution 7 – Re-election of Dato' Lok Bah Bah @ Loh Yeow Boo as Senior Independent Non-Executive Directors

1. Dato' Lok Bah Bah @ Loh Yeow Boo fulfils the requirements of independence set out in the AMLR of Bursa Securities as well as the Malaysian Code on Corporate Governance ("MCCG"). He remains objective and independent in expressing his views and participating in the Board's deliberation and decision-making process.
2. He also exercised his due care and carried out his professional duties during his tenure as a Senior Independent Non-Executive Director of the Company.

Ordinary Resolution 8 – Re-election of Mr. Simson Sim Xian Zhi as Executive Director

1. Mr. Simson Sim Xian Zhi oversees the overall operations and business direction of the rental business of the Group. He is also a designated person to manage the Group's sustainability strategically in the operations of the Group.
2. He shows exemplary leadership in building business and creating value, he has contributed significantly to the Group by providing valuable inputs and steered the Group forward with notable achievements during his tenure as Executive Director of the Company.

Ordinary Resolution 9 – Re-election of Ms. Ong Soo Chan as Independent Non-Executive Director

1. Ms. Ong Soo Chan fulfils the requirements of independence set out in the AMLR of Bursa Securities as well as the MCCG. She remains objective and independent in expressing her views and participating in the Board's deliberation and decision-making process.
2. She also exercised her due care and carried out her professional duties during her tenure as an Independent Non-Executive Director of the Company.

(D) Ordinary Resolution 11 – Authority pursuant to Section 76 of the Act for the Directors to Allot and Issue Shares

The Company had, during its 2nd AGM held on 7 September 2023, obtained its shareholders' approval for the general mandate for the issuance of shares pursuant to Section 76 of the Act. This general mandate will expire at the conclusion of this AGM.

On 27 February 2024, the Company had announced to undertake a private placement of up to 156,250,000 new ordinary shares, representing not more than 10% of the total number of issued ordinary shares of the Company to third-party investor(s) ("Private Placement").

Bursa Securities had on 27 March 2024, approved the listing and quotation of up to 156,250,000 Placement Shares to be issued pursuant to the Private Placement.

The Company had on 27 May 2024, completed the first tranche of the Private Placement and completed the issuance and allotment of a total of 68,220,000 Placement Shares and raised total net proceeds of RM18,419,400 from the Private Placement.

Notice of 3rd Annual General Meeting

The details of the utilisation of proceeds raised from the Private Placement as at 31 July 2024 are as follows:-

Details of use of proceeds	Proceed Raised RM'000	Actual Utilisation RM'000	Estimated Timeframe for Utilisation
Construction of centralised labour quarters	-	-	Within 18 months
Repayment of bank borrowings	18,247	18,247	Within 6 months
Estimated Private Placement expenses	172	172	Within 1 month
Total estimated proceeds	18,419	18,419	

Ordinary Resolution 11 proposed under item 6 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 76 of the Act. The mandate, if passed, serves as a measure to meet the Company's immediate working capital needs in the short term without relying on conventional debt financing (which result in higher finance costs to be incurred) for the purpose of funding investment project(s), working capital and/or acquisition(s). This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 65 of the Constitution of the Company will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

(E) Ordinary Resolution 12 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

For further information on Ordinary Resolution 12, please refer to the Circular to Shareholders dated 31 July 2024 accompanying the Annual Report of the Company for the financial year ended 31 March 2024.

Notes:

- The 3rd AGM of the Company will be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting ("RPEV") facilities to be provided by Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at <https://meeting.boardroomlimited.my>. Please refer to the Administrative Guide for Shareholders for the 3rd AGM on the procedures to register, participate and vote remotely via the RPEV facilities.
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which specifies that the Chairman of the Meeting shall be present at the main venue of the 3rd AGM and is in accordance with Clause 74 of the Company's Constitution which allows a meeting of members to be held at more than one (1) venue, using any technology or method so that all members of the Company can participate and be able to exercise their rights to participate and vote at the general meeting. No shareholders or proxy from the public should be physically present nor admitted at the Broadcast Venue on the day of the 3rd AGM.
- Members may submit questions relating to resolutions to be tabled at the 3rd AGM or financial performance/prospect of the Company to the Board via Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> no later than 10.00 a.m. on Tuesday, 3 September 2024. Alternatively, members may submit questions via real time submission of typed texts via RPEV facilities during the live streaming of the 3rd AGM.
- A member of the Company entitled to attend and vote at the 3rd AGM is entitled to appoint proxy(ies) to attend and vote in his instead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- A member of the Company may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his shareholdings to be represented by each proxy.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”) which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
7. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation’s seal or under the hand of an officer or attorney duly authorised.
8. The instrument appointing a proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the office of the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Alternatively, the instrument appointing a proxy may be electronically submitted to Boardroom Share Registrars Sdn. Bhd. via Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide for further information on electronic submission of Proxy Forms.
9. Pursuant to Rule 8.31A of the AMLR of Bursa Securities, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
10. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 27 August 2024 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting and entitled to appoint proxy or proxies.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

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Proxy Form



UNITRADE

UNITRADE INDUSTRIES BERHAD

(Registration No.: 202101013724 (1414023-X))

(Incorporated in Malaysia)

No. of Shares held	
CDS Account No.	

I/We* _____ (full name of shareholder, in capital letters) NRIC No./Passport No./Company No.*)

_____ of _____

_____ (full address) telephone no. _____

and email address _____ being a member/members* of UNITRADE INDUSTRIES BERHAD hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

and/ or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Third Annual General Meeting of the Company to be conducted virtually at Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 5 September 2024 at 10.00 a.m. or at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

No.	RESOLUTION		FOR	AGAINST
1.	To approve the payment of Directors' fees of RM5,000 per month to Dato' Abdul Majit Bin Ahmad Khan for the period from the date of the forthcoming Annual General Meeting ("AGM") until the conclusion of the next AGM of the Company.	Ordinary Resolution 1		
2.	To approve the payment of Directors' fees of RM5,000 per month to Dato' Lok Bah Bah @ Loh Yeow Boo for the period from the date of the forthcoming AGM until the conclusion of the next AGM of the Company.	Ordinary Resolution 2		
3.	To approve the payment of Directors' fees of RM5,000 per month to Ms. Cynthia Toh Mei Lee for the period from the date of the forthcoming AGM until the conclusion of the next AGM of the Company.	Ordinary Resolution 3		
4.	To approve the payment of Directors' fees of RM5,000 per month to Ms. Ong Soo Chan for the period from the date of the forthcoming AGM until the conclusion of the next AGM of the Company.	Ordinary Resolution 4		
5.	To approve the payment of Directors' fees of RM5,000 per month to Datin Shivajini A/P Sathya Seelan from the date of the forthcoming AGM until the conclusion of the next AGM of the Company.	Ordinary Resolution 5		
6.	To approve the payment of the meeting allowance of RM1,000 per meeting day for the Non-Executive Directors for the period from the date of the forthcoming AGM until the conclusion of the next AGM of the Company.	Ordinary Resolution 6		
7.	To re-elect Dato' Lok Bah Bah @ Loh Yeow Boo as Director.	Ordinary Resolution 7		
8.	To re-elect Mr. Simson Sim Xian Zhi as Director.	Ordinary Resolution 8		
9.	To re-elect Ms. Ong Soo Chan as Director.	Ordinary Resolution 9		
10.	To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 10		
11.	To approve the authority pursuant to Section 76 of the Companies Act 2016 for the Directors to allot and issue shares.	Ordinary Resolution 11		
12.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 12		

*Strike out whichever is not desired.

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Signature/Common Seal of Member/(s) _____ Date _____

Number of shares held : _____

Fold this flap for sealing

Notes:

1. The 3rd Annual General Meeting (“3rd AGM”) of the Company will be conducted on a virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting (“RPEV”) facilities to be provided by Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd. at <https://meeting.boardroomlimited.my>. Please refer to the Administrative Guide for Shareholders for the 3rd AGM on the procedures to register, participate and vote remotely via the RPEV facilities.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which specifies that the Chairman of the Meeting shall be present at the main venue of the 3rd AGM and is in accordance with Clause 74 of the Company’s Constitution which allows a meeting of members to be held at more than one (1) venue, using any technology or method so that all members of the Company can participate and be able to exercise their rights to participate and vote at the general meeting. No shareholder or proxy from the public should be physically present nor admitted at the Broadcast Venue on the day of the 3rd AGM.
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4. A member of the Company entitled to attend and vote at the 3rd AGM is entitled to appoint proxy(ies) to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
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6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”) which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

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AFFIX
STAMP

The Share Registrar
UNITRADE INDUSTRIES BERHAD
(Registration No.: 202101013724 (1414023-X))

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

First fold here

7. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation’s seal or under the hand of an officer or attorney duly authorised.
8. The instrument appointing a proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the office of the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Alternatively, the instrument appointing a proxy may be electronically submitted to Boardroom Share Registrars Sdn. Bhd. via Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide for further information on electronic submission of Proxy Forms.
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Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 3rd AGM dated 31 July 2024.

www.unitrade.com.my

UNITRADE INDUSTRIES BERHAD

202101013724 (1414023-X)

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