



**YOONG ONN**  
**Corporation Berhad**

Company No. 200801012850 (814138-K)

# Exceptional-Quality

Home linen for homes across the world.



Annual Report  
— **2023**



Yoong Onn Corporation Berhad is Malaysia's leading integrated manufacturer and distributor of home linen which focuses on the production of exceptional-quality bed and bath linen, bedding accessories and curtains.

Our Group serves as a one-stop supply centre for home linen and bedding accessories. We market our home linen products under twelve (12) main proprietary brand names and undertakes our own in-house design. Our Group is also a supplier of homeware and household items, which complements our own manufactured home linen and bedding accessories products.

We are constantly looking beyond customers' expectations to deliver exceptional-quality home linen products for homes across the world.

We export to countries including Australia, Brunei, Cambodia, Dubai, Fiji, Indonesia, Japan, Mozambique, Myanmar, New Caledonia, Nigeria, Papua New Guinea, Philippine, Singapore, Taiwan, Thailand, Turkey and Vietnam.

## 16<sup>TH</sup> ANNUAL GENERAL MEETING

**Date**

Thursday,  
23 November 2023

**Time**

10.00 a.m.

**Meeting Platform**

<https://meeting.boardroomlimited.my>

Jean Perry®  
PARIS

AnnTaylor®  
home beauté

COTONSOF

GENOVA®  
LETTO

Diana®  
HOME

IC  
Louis Casa®  
ITALY

Novelle®  
home

NIKI CAINS®  
LIVING CULTURE

bedtalk®

Sarah Miller®

RedDanielle®  
home

OASIS™  
NATURE'S FINEST FEEL

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### NEW FEATURE IN THIS ANNUAL REPORT

The digital version of Yoong Onn Corporation Berhad Annual Report 2023 is available on our website.

Go to <https://yoongonn.com/investor-relation/annual-reports/> or scan the QR code with your smartphone.

## Corporate Information

### Board of Directors

**Tan Sri Datuk Sri Dr Suleiman Bin Mohamed**  
Independent Non-Executive Chairman  
(appointed on 7 March 2023)

**Mr. Chew Hon Foong**  
Managing Director and  
Chief Executive Officer

**Mr. Chew Hon Keong**  
Executive Director and  
Chief Operating Officer

**Puan Hasmaliza Binti Othman**  
Independent Non-Executive Director  
(appointed on 1 March 2023)

**Mr. Fung Kam Foo**  
Independent Non-Executive Director  
(appointed on 25 May 2023)

**Dato' Tang Swee Guan**  
Independent Non-Executive Director  
(appointed on 26 June 2023)

**Mr. Yeoh Chong Keng**  
Non-Independent Non-Executive  
Director  
(resigned on 31 May 2023  
and re-appointed on 24 August 2023)

**Datuk Kamaludin Bin Yusoff**  
Independent Non-Executive Chairman  
(resigned on 31 May 2023)

**Datuk Hairuddin Bin Mohamed**  
Independent Non-Executive Director  
(resigned on 31 May 2023)

**Mr. Lee Kim Seng**  
Independent Non-Executive Director  
(resigned on 31 May 2023)

### Audit Committee

Dato' Tang Swee Guan  
(Chairman)  
Puan Hasmaliza Binti Othman  
Mr. Fung Kam Foo  
Mr. Yeoh Chong Keng

### Nomination Committee

Puan Hasmaliza Binti Othman  
(Chairwoman)  
Dato' Tang Swee Guan  
Mr. Fung Kam Foo  
Mr. Yeoh Chong Keng

### Remuneration Committee

Mr. Fung Kam Foo  
(Chairman)  
Dato' Tang Swee Guan  
Puan Hasmaliza Binti Othman  
Mr. Yeoh Chong Keng

### Company Secretaries

Lau Yen Hoon (MAICSA 7061368)  
(SSM PC No.: 202008002143)  
Tan Siew Hong (MAICSA 7066226)  
(SSM PC No.: 201908001915)

### Registered Office

Unit 30-01, Level 30, Tower A  
Vertical Business Suite,  
Avenue 3 Bangsar South,  
No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur  
Tel: (603) 2783 9191  
Fax: (603) 2783 9111  
Email: info@my.tricorglobal.com

### Corporate Office & Factory

Lot No. PT 16690-16692  
Jalan Permata 2  
Arab-Malaysian Industrial Park  
71800 Nilai  
Negeri Sembilan Darul Khusus  
Tel: (606) 799 6012  
Fax: (606) 799 7015  
Website: www.yoongonn.com  
Email: info@yoongonn.com

### Marketing Office

A-13-03, EkoCheras Office Tower  
No. 693, Batu 5, Jalan Cheras  
56000 Cheras  
Kuala Lumpur  
Tel: (603) 9133 3388  
Fax: (603) 9133 3688  
Email: marketing@yoongonn.com

### Showroom & Warehouse

Lot No. PT 16750  
Jalan Permata 2  
Arab-Malaysian Industrial Park  
71800 Nilai  
Negeri Sembilan Darul Khusus  
Tel: (606) 799 3688  
Fax: (606) 799 8826  
Email: inventory@homes-  
harmony.com

### Investor Relations

Website: www.yoongonn.com  
Info@yoongoon.com  
Tel: (606) 799 6012  
Fax: (606) 799 7015

### Share Registrar

Boardroom Share Registrars  
Sdn Bhd  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel: (603) 7890 4700  
Fax: (603) 7890 4670  
Email: info.my@boardroomlimited.  
com

### Principal Bankers

AmBank (M) Berhad  
Hong Leong Bank Berhad  
United Overseas Bank (Malaysia)  
Bhd

### Auditors

HLB Ler Lum Chew PLT  
(201906002362 & AF 0276)  
A Member of HLB International

### Solicitors

Iza Ng Yeoh & Kit

### Stock Exchange Listing

Main Market of Bursa Malaysia  
Securities Berhad  
Sector: Consumer Products  
Stock Name: YOOCB  
Stock Code: 5159

## Corporate Structure



**YOONG ONN**  
**Corporation Berhad**  
Company No. 200801012850 (814138-K)



**DESIGN/  
MANUFACTURING  
AND TRADING**

**Sleep Focus Sdn Bhd**

Company No.  
199601028900 (401252-V)

**100%**



**DISTRIBUTION/  
TRADING/  
INSTITUTIONAL SUPPLY  
AND PROPERTY RENTAL**

**Syarikat Yoong Onn Sdn Bhd**

Company No.  
198801004608 (171966-W)

**100%**

**100%**



**DISTRIBUTION/  
TRADING  
AND RETAILING**

**Elegant Total Home Sdn Bhd**

Company No.  
199301013799 (268537-K)

**100%**



**DISTRIBUTION/  
TRADING  
AND RETAILING**

**Monsieur (M) Sdn Bhd**

Company No.  
198401009347 (121889-W)



## Profile of Directors



**Tan Sri Datuk Sri Dr Suleiman Bin Mohamed**

**Independent  
Non-Executive Chairman**

Gender Age Nationality



76



Appointed to Board  
7 March 2023

He was appointed to the Board of Yoong Onn Corporation Berhad on 7 March 2023. He is currently the Chancellor of Perdana University. He is also a member of the Board of visitors of Prince Court medical centre (PCMC). At the international front he holds honorary chairman of Saraya - The Blue Economy (a new business model that transforms society - invented by Prof Dr Gunter Pauli).

He was a veteran politician having served UMNO and Barisan National for more than thirty years at divisional, state and national level. He was a member of Parliament for four terms starting 1986 and retired in 2004. During that term he served as deputy minister in the Prime Minister Department from 1987 to 1995, deputy minister of Information from 1995 to 1999 and Deputy Minister of Health from 1999 to 2004.

Tan Sri Dr Suleiman is a prolific writer. He has written thirteen books mainly on social and political subjects. In 2017 he was awarded The National Book Award by the government. He holds PhD degree in Malay study from University Kebangsaan Malaysia. In 2017 he was awarded Panglima Setia Mahkota (PSM), which carries the title Tan Sri from DYMM Yang Di Pertuan Agong.

Currently, he is an Independent Non-Executive Chairman of Xin Hwa Holdings Berhad and Chairman of UBB Amanah Berhad.



**Chew Hon Foong**

**Managing Director**

Gender Age Nationality



64



Appointed to Board  
17 April 2008


He is the co-founder was appointed to the Board of Yoong Onn Corporation Berhad on 17 April 2008. He has more than forty (40) years of experience in the home linen industry. He has been instrumental in the development, growth and success of the Yoong Onn Corporation Berhad Group during his tenure with the Group.

He started his career in 1979 when he joined Yoon On, a partnership company, which is involved in trading and retailing of textiles and home linen. With his strong business acumen, he was involved in developing and creating own brands of bed linen which was marketed under the names *Diana* and *Novelle* in 1982.

In 1988, together with his brother, Chew Hon Keong, he established Syarikat Yoong Onn Sdn Bhd and took over the entire business of the partnership company, Yoon On. His main intention is to expand the business to include international trades. Besides overseeing the Group activities, he is actively involved in creating fabric designs for both the mass and niche markets. He has extensive experience in the development and creation of home linen designs and he is currently heading the Group's in-house design team. He is mainly responsible for the overall operations of the Group with emphasis on strategic business planning and promoting brand equity of products.




He does not have any other directorships of public companies.

## Profile of Directors



**Chew Hon Keong**  
**Executive Director**

Gender Age Nationality


Appointed to Board  
**17 April 2008**

He is the co-founder and was appointed to the Board of Yoong Onn Corporation Berhad on 17 April 2008. He has more than forty (40) years of experience in the home linen industry. His career started in 1979 when he joined Yoon On, a partnership, which is involved in trading and retailing of textiles and home linen. He also assisted in establishing Syarikat Yoong Onn Sdn Bhd in 1988.

As the other partner of Yoon On, he was also involved in many aspects of the business in textiles and home linen, which includes technical specification in fabrics. His capability has enabled the Company to develop new range of product to cater for different markets and industries.



With an in-depth knowledge in the production processes, he together with his brother, Chew Hon Foong were involved in the establishment of Sleep Focus Sdn Bhd in 1996 and the construction of Nilai manufacturing plant for the Group's manufacturing operations. He is primarily responsible in overseeing the overall management and strategic business development of the Group with emphasis on product development and product research.

He does not have any other directorships of public companies.



**Dato' Tang Swee Guan**  
**Independent Non-Executive Director**

Gender Age Nationality

Appointed to Board  
**26 June 2023**

He is a Chartered Accountant by profession and appointed to the board of Yoong Onn Corporation Berhad on 26 June 2023. He serves as the Chairman of the Audit Committee and is a member of Remuneration Committee and Nomination Committee of the Company.

He has more than 40 years of experience in the areas of accounting, auditing, tax, secretarial and risks management both in the United Kingdom and Malaysia. He is an approved tax agent under the Malaysia Income Tax Act 1967, an approved company auditor under the Companies Act 2016 and an approved Company Secretary under the Companies Act 2016.

He was with Price Waterhouse from 1983 to 1989 after which he was the Group Financial Controller of Baxter Healthcare SA in 1990. He has been Managing Partner of Peter Tang & Associates, an audit and accounting firm since January 1992.

He was the co-founder and the Executive Director of Taxand Malaysia Sdn Bhd (later known as Tricor Taxand Sdn Bhd), a boutique tax advisory firm which is a member of the Taxand Global which has presence in nearly 50 countries. As a co-business owner, he was instrumental in building Taxand to what it is today.

In 2015, he was appointed Executive Director of Axcelasia Inc which was a holding company of various entities offering integrated professional services. Axcelasia Inc was listed on 27 November 2015 on the Catalist Board of the Singapore Stock Exchange SGX. He subsequently became the Chief Executive Officer of Axcelasia Inc.

In terms of community service, he was a member of the Audit Committee of the Council of University Tunku Abdul Rahman (UTAR).

He does not have any other directorship of public listed Companies.

## Profile of Directors



**Hasmaliza  
Binti Othman**

**Independent  
Non-Executive Director**

Gender Age Nationality



49



Appointed to Board  
**1 March 2023**

She is a lawyer by profession and was appointed to the Board of Yoong Onn Corporation Berhad on 1 March 2023. She serves as Chairwoman for Nomination Committee and a member of the Audit Committee and Remuneration Committee.

She graduated in 1999 with LLB. Honours from International Islamic University Malaysia (IIUM) and was called to the Malaysian Bar on 1 June 2000. She is currently a Partner in a legal firm.

She specialises in commercial and banking litigation. Apart from that she is well versed in employment law and family law as well as land law. She is also knowledgeable in Syariah law.

Currently, she does not have any other directorships of public listed companies.



**Fung Kam Foo**

**Independent  
Non-Executive Director**

Gender Age Nationality



60



Appointed to Board  
**25 May 2023**

He was appointed to the board of Yoong Onn Corporation Berhad on 25 May 2023. He serves as the Chairman of the Remuneration Committee and a member of Audit Committee and Nomination Committee of the Company.

Mr Fung has more than 35 years of experience in the different sub-sectors of the tech industry in Malaysia.

In his career, Mr Fung has held numerous leadership roles including CEO in various organisations in the Tech sector such as PIKOM, The National Tech Association of Malaysia, tx123 (M) Sdn Bhd (a joint JV between Maybank and a local IT Company) and senior roles in Digital Equipment Corp USA (one time 2<sup>nd</sup> largest Global IT Company) and government agencies such as Malaysia Digital Economy Corporation (MDEC).

Among his career highlights include:-

- a) As the de-facto PIKOM CEO, turned around a loss-making industry organisation in 1994 to a profitable, thriving & highly respected one within 2 years. Instrumental in creating the highly popular and profitable PC Fair series of cash & carry shows.
- b) Built a strong network of contacts & goodwill in the Malaysian tech industry amongst founder CEOs of tech companies.
- c) As CEO of JV between Maybank and a local tech company 2001-2003, pioneered the successful implementation of Malaysia's first end-to-end e-Procurement system.
- d) Leveraging on his entrepreneurial instinct, established a start-up in 2000 pioneering a new practice in permission marketing.
- e) Founding team member of the MDEC GAIN program in scaling growth of Malaysian tech companies globally.



## Profile of Directors

He currently serves as Independent Non-Executive Directors 3 Bursa-listed companies Innity Corp Bhd (August 2019), IFCA MSC Bhd (October 2021) and Yoong Onn Corp Bhd (May 2023).

As a certified coach with the International Coaching Federation (ICF) Organisation, he is actively involved in business, life and executive coaching and mentorship through organisations such as Malaysian Global Innovation & Creativity Centre (MaGIC), MDEC, Cradle, Beyond4 and the 100Soonicorn Programs.

For his outstanding achievement and contribution to the local ICT industry's development during his time at PIKOM, he was recognised as one of Malaysia's 'Top 50 IT Personalities' by Computerworld Magazine in year 2000.

Currently, he is an independent Non-Executive Director of Innity Corp Bhd and IFCA MSC Bhd.



### Yeoh Chong Keng

**Non-Independent  
Non-Executive Director**

Gender Age Nationality



71



Resigned  
**31 May 2023**

Re-Appointed to Board  
**24 August 2023**

He is a lawyer by profession and was appointed to the Board of Yoong Onn Corporation Berhad on 28 September 2009. He resigned as an Independent Non-Executive Director of the Company on 31 May 2023 and was re-appointed as Non-Independent Non-Executive Director of the Company on 24 August 2023. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

He was admitted in 1980 as an Utter Barrister, Lincoln's Inn, Bar of England and Wales. He was admitted as an Advocate & Solicitor of the High Court of Malaya in 1981. He is a Notary Public, a qualified Mediator and an appointed member of the Disciplinary Committee under the Disciplinary Board, Bar Council of Malaysia. Prior to studying law, he served as a senior officer in the Royal Malaysia Police Force.

Since 1992, he has been the Managing Partner of a legal firm in Kuala Lumpur. As counsel, he has represented several large corporations both within and without Malaysia. Apart from that, he has also acted as counsel for the Government of Hong Kong in several cases.

He retired as an independent director of The Store Corporation Berhad and Tokio Marine Life Insurance Berhad after having served 17 years and 12 years on the board respectively. Currently, he is an Independent Director in Tokio Marine Insurans (Malaysia) Berhad and chairs the Risk Management and Compliance Committee and the Nomination Committee in addition to being a member of the Audit and Remuneration Committee. As well, he is an Independent and Non-Executive Director of Land and General Berhad having been appointed on 21 November 2022. He chairs the Remuneration Committee and is a member of the Audit Committee in Land and General Berhad.


#### Notes to Profile of Directors:

1. Chew Hon Keong is the brother of Chew Hon Foong  
Save as disclosed, none of the directors has any family relationship with any director of the Company.
2. Save for Chew Hon Foong and Chew Hon Keong, who have interests in recurrent related party transactions as disclosed under additional compliance information in this Annual Report, none of the directors has any conflict of interest with the Company.
3. None of the directors has been convicted of any offences within the past five (5) years or imposed with any public sanction or penalty by the any regulatory bodies during the financial year ended 30 June 2023 other than traffic offences, if any.
4. Please refer to the analysis of shareholdings of this Annual Report for details of the directors' shareholdings in the Company.
5. Chew Hon Foong, Chew Hon Keong and Yeoh Chong Keng attended all the five (5) Board meetings, Tan Sri Datuk Sri Dr Suleiman Bin Mohamed and Hasmaliza Binti Othman attended one (1) Board meeting of the Company held during the financial year ended 30 June 2023.

## Profile of Key Senior Management

### Tan Peng (Jon)

**Chief Financial Officer**

Gender	Age	Nationality
	63	

He is a member of the Malaysia Institute of Certified Public Accountants (“MICPA”), the Chartered Institute of Management Accountants and the Malaysian Institute of Accountants.

He started his career in 1986 with a professional services company providing management consultancy services including feasibility study, system design, risk management and internal control. In 1988, he joined KPMG Peat Marwick as Auditor until 1992 during which he qualified as a member of MICPA.



From 1993 to 2006, he worked for public listed companies and held various senior positions like Director, Chief Financial Officer, Senior General Manager and Company Secretary, his responsibilities including acquiring a stockbroking company, strategic business development, restructuring of a financially distress (PN17) public listed company, reverse take-over, merger and acquisition, bonds issuance, project feasibility study, funds raising and other corporate exercises.

In 2006, he joined Syarikat Yoong Onn Sdn Bhd as the Financial Controller and actively involved in the initial public offering exercise of Yoong Onn Corporation Berhad. In 2009, Yoong Onn Corporation Berhad was listed on the Main Market of Bursa Malaysia Securities Berhad and he was appointed as the Chief Financial Officer oversees the Group’s overall financial and corporate advisory functions.

In 2020, he was awarded the Best Chief Financial Officer for Investor Relations (Micro Cap) at the 10<sup>th</sup> Malaysian Investor Relations Awards 2020 by the Malaysian Investor Relations Association.

### Chew Hon Yoong

**Head of Production**

Gender	Age	Nationality
	66	

He graduated with a Bachelor of Engineering Degree from the University of New South Wales, Australia.

His career started in 1982 when he joined Sepakat Setia Perunding Sdn Bhd as Design Consultancy Engineer. He left in 1990 and worked as a Project Manager for Airod Sdn Bhd, a company involved in aircraft engineering and maintenance. He left the company in 1992 and worked in various other companies before joining Sleep Focus Sdn Bhd and being involved in the construction of the Group’s Nilai manufacturing plant as well as managing the manufacturing function of the Group.

He was appointed the Head of production in 2009 and responsible for managing the production of home linen and homeware products and has contributed significantly in providing technical expertise in the Group’s manufacturing operations, including development of processes in manufacturing from cutting, sewing and stitching as well as packing and packaging of our end products.

## Profile of Key Senior Management

### Jimmy Sun Kien Keong

**Head of Sales,  
Marketing and Operations**

Gender Age Nationality



62



He has a Diploma in Management & Retail Management and diploma in Fashion Designing with Allan School of Design.

Jimmy joined Syarikat Yoong Onn Sdn Bhd in 1999 as the Assistant Marketing Manager for Sales and Marketing Department. He was promoted as Marketing Manager and subsequently appointed as the Head of Sales and Marketing in 2010. He oversees the Company Sales, Marketing, Merchandising, Products Branding and Products development. He responsible for the formulation of Standard Operating Policy and Procedures for the Sales and Marketing Department, yearly business expansion plans and marketing direction and strategies of the Company. He has also initiated a new business foray in Cambodia by the appointment of an Authorised Agent in marketing and distributing the Group products in Cambodia. He has successfully lead the Company business distribution channel into a new direction and model by strategically tied-up with E-Commerce platform companies to do online shopping and Home Fashion Concept Store under the trademark "Niki Cains Homes".

Jimmy has more than thirty (30) years of experience in Retail business. Prior joining Syarikat Yoong Onn Sdn Bhd, he started his career as a Fashion Designer in 1982 and won The Designer of Designers Award for his outstanding design and he worked as the designer for leading companies in apparels. In 1998, he was appointed by The 16<sup>th</sup> Sukan Komanwel Organizing Committee as Chief Coordinator for the Sukan Komanwel Opening ceremony and also the Director of Ceremony for KL 98 Sukan Komanwel KE XVI.

### Dang Chee Wai

**General Manager Operations**

Gender Age Nationality



55



He is a member of Association of Chartered Certified Accountants and the Malaysian Institute of Accountants.

He joined Elegant Total Home Sdn Bhd in 2004 as the General Manager to oversee the financial and operation functions of the Company. He was promoted to General Manager Operations in year 2010 and oversees the Group entire operations.

Prior joining the Group in 2004, he started his career in audit lines for few years and move on as an accountant in commercial line. He has more than 10 years of experience as an accountant. In year 2001, he joined Sportzone Sdn Bhd as the General Manager responsible to oversee the Company's entire operations which principally involves in the business of sole distribution of sport wears product under the brand name "Lotto" till 2004.

## Profile of Key Senior Management

### Jay Ng Siew Boay

**General Manager  
Retail**

Gender	Age	Nationality
	55	

She has wide exposure and extensive operational experience in the retail industry with proven records of positive accomplishments in her current and past roles in addition to skills at managing and leading the employees she supervises.

She joined Monsieur (M) Sdn Bhd in 2013 as the General Manager to manage its more than 20 retail stores throughout Malaysia under the trademark of "Home's Harmony". She is responsible to provide direction for store management, develop and lead the operation teams, develop and implement the operating budget and operational improvements critical in the business expansion plan and in building a robust sale for the organisation.

She has more than thirty (30) years of relevant experience in the retail industry. She started her career in Jerasia Group of Companies in 1992 as the Brand Executive before being promoted to Brand Manager, managing the local and international fashion brands. She was offered by RSH Group of Companies in 2014, having advanced into a higher and senior position as the General Manager under the Lifestyle & Fashion Division where she was responsible for a portfolio of international fashion & time piece brands.

### Karen Tan Lai Ling

**General Manager-  
Sales, Marketing & Merchandising**

Gender	Age	Nationality
	51	

She has a Diploma in Management and Retail Management, Certificate in Accounting and Professional Certificate in Financial Planning.

She joined Elegant Total Home Sdn Bhd in 2004 as the Assistant Marketing Manager for Sales, Marketing and Merchandising. She was promoted to Senior Marketing Manager in 2010 and General Manager in 2020. She oversees the Sales, Marketing, Merchandising, Products Branding and Products development for the Company. She is responsible for the formulation of costing, business strategies, business direction, marketing strategies and plans involving the aspects of sales and distribution, and responsible for the the implementation and undertaken of sales and marketing activities as planned. She had successfully opened and managed the first Home Fashion Concept Store under the trademark "Niki Cains Home" outlet in Sunway Putra Mall which marked the new milestone for the Company.

She has more than twenty (20) years of experience in Sales and Marketing as well as Retail Management. Prior joining the retails industry, she started her career in Minna Fashion in 1999 as an Executive and later moved on to AIA Co Ltd in 1997 as Qualified Financial Planner Consultant by providing personalised financial services to clients, both corporate and individual, specifically in areas of wealth accumulation and risk management. She had participated in numerous Overseas Training and Convention on Financial Planning and Self Improvement Courses.

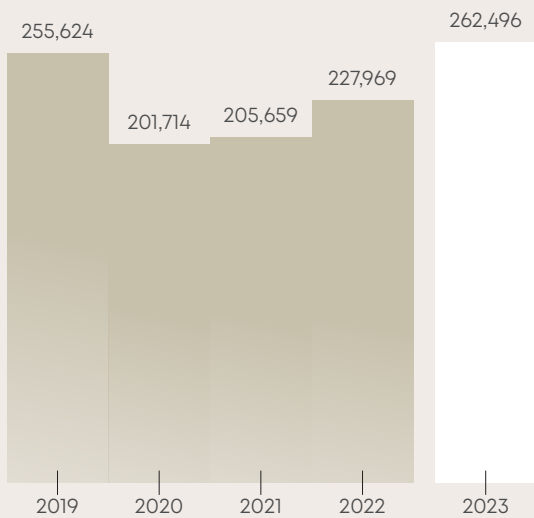
#### Notes to Profiles of the Senior Management:

1. Chew Hon Foong and Chew Hon Keong are executive directors of the Company and do not have any other directorships of public companies and listed issuers. Save as disclosed, none of the senior management has any directorship in public companies and listed issuers;
2. Save for Chew Hon Yoong who is a brother to Chew Hon Foong and Chew Hon Keong, none of the senior management team has any family relationship with any Director and/or major shareholder of the Company; and
3. None of the senior management has any conflict of interest with the Company; and
4. None of the senior management has been convicted of any offences within the past five (5) years or imposed with any public sanction or penalty by the any regulatory bodies during the financial year ended 30 June 2023 other than traffic offences.

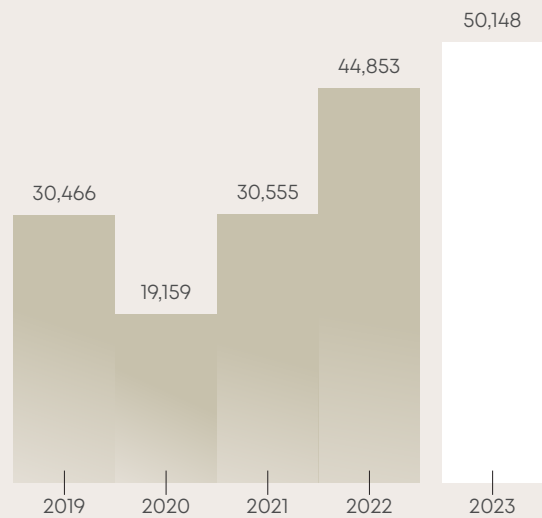
## Group Financial Highlights

	2019	2020	2021	2022	2023
Revenue (RM'000)	255,624	201,714	205,659	227,969	262,496
Profit before Tax (RM'000)	30,466	19,159	30,555	44,853	50,148
Profit after Tax and Minority Interests (RM'000)	22,828	14,475	23,117	33,872	38,071
Shareholders' Equity (RM'000)	226,381	233,725	250,496	277,229	304,988

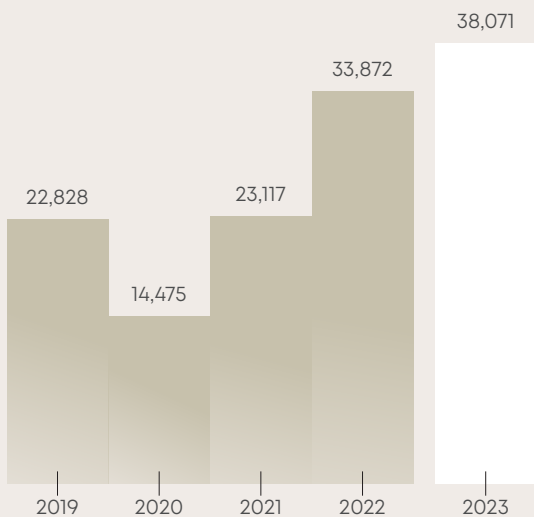
**Revenue**  
(RM'000)



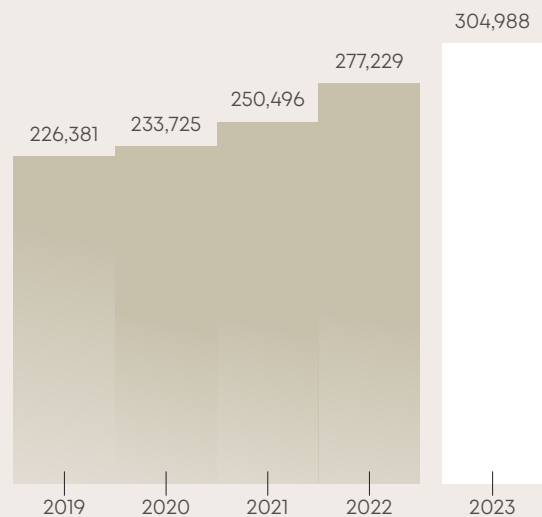
**Profit before Tax**  
(RM'000)



**Profit after Tax and Minority Interests**  
(RM'000)



**Shareholders' Equity**  
(RM'000)





## Management Discussion & Analysis

# To be a one-stop supply centre for home linen and bedding accessories



The Board of Directors and Management of Yoong Onn Corporation Berhad (“YOOCB” or “the Company”) are pleased to present the Management Discussion and Analysis to give an overview of YOOCB and its Group of Companies (“The Group”) business, operations and financial position for the financial year ended 30 June 2023 (“FYE 2023”).



**Chew Hon Foong**

Managing Director/Chief Executive Officer

### OVERVIEW OF THE GROUP BUSINESS AND OPERATIONS

Our Group is primarily an integrated manufacturer and distributor of our own brands of home linen. Our manufacturing activities are focused on bed and bath linen, bedding accessories and curtains. Our Group markets all our home linen under our own in-house brand names namely Diana, Novelle, Jean Perry, Louis Casa, Genova, Red Danielle, Cotonsoft, Niki Cains, Oasis, Ann Taylor, Sarah Miller etc. We undertake our own in-house design, which is supplemented by purchases from international independent design houses to provide a variety of designs and help address diverse trends especially in overseas countries.

Our Group is also a supplier of homeware, which complements our own manufactured home linen and bedding accessories. The homeware are externally sourced products which include:

- a) Bed and bath linen;
- b) Bed, bath, living room and kitchen accessories;
- c) Rugs, carpets and floor mats; and
- d) Lifestyle furniture and other homeware.

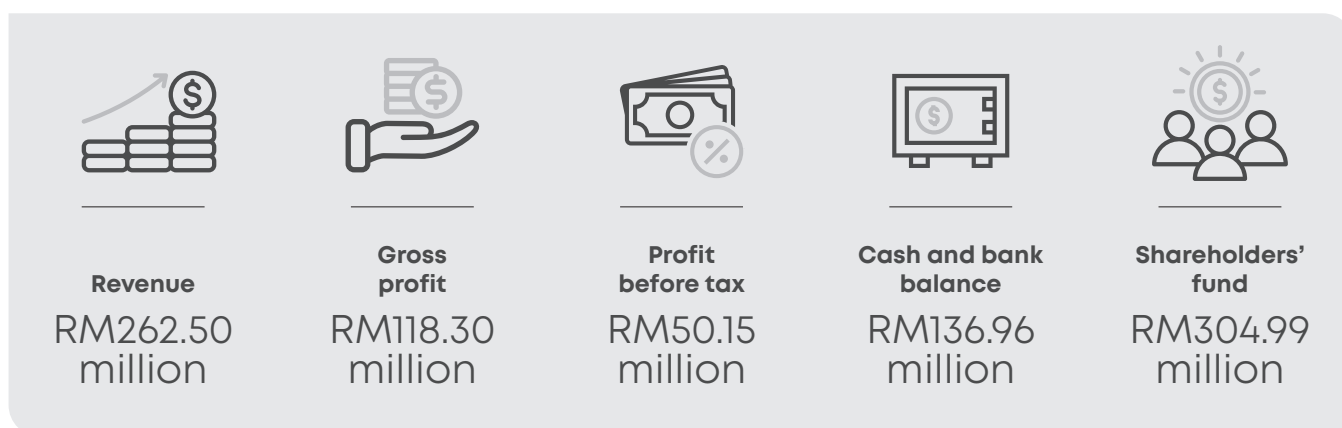
Our integrated design and manufacturing facilities enable us to be a one-stop supply centre for home linen and bedding accessories.

Our Group’s target markets are:

- a) Third party retailers including departmental stores, hypermarkets, supermarkets and specialty stores;
- b) Mass end-consumer market through our fully owned retail outlets under the brand names “Home’s Harmony”, Home’s Outlet and Niki Cains Homes;
- c) E-commerce platform companies on online shopping;
- d) Institutions including hotels, resorts, hostels, hospitals, royal customs and military accommodations, and cruise ships; and
- e) Intermediaries including distributors and importers in oversea countries.

As at 30 June 2023, we have twenty-five (25) fully owned Home’s Harmony retail boutique outlets, four (4) Niki Cains Homes home fashion concept store, one (1) Home’s Outlet and more than 260 consignment counters with departmental stores, hypermarkets, supermarkets and specialty stores in Malaysia. We also supply to hotels, clubs, resorts, hospitals etc via our authorized agents and tied-up with several E-Commerce platform companies to sell online. Our Group’s in-house manufactured home linen and bedding accessories are distributed by our overseas agents to third party retail locations in overseas like Cambodia, Singapore and Vietnam.

## Management Discussion & Analysis



### REVIEW OF FINANCIAL PERFORMANCE

	2023 RM'000	2022 RM'000	Change RM'000	Change
Domestic Sales	241,997	215,083	26,914	12.5%
Export Sales	20,499	12,886	7,613	59.1%
Revenue	262,496	227,969	34,527	15.1%
Gross profit	118,295	103,509	14,786	14.3%
Profit before tax	50,148	44,853	5,295	11.8%
Net profit for the year	38,071	33,872	4,199	12.4%
Cash and Bank balances	136,958	133,617	3,341	2.5%
Shareholders' Equity	304,988	277,229	27,759	10.0%
Net Tangible Assets per Share (RM)	1.92	1.75	0.17	9.7%

The Group domestic sales increase by RM26.91 million or 12.5% from RM215.08 million in FYE 2022 to RM242.00 million in FYE 2023 was from higher consignment and retails. Export sales increase by RM7.61 million or 59.1% from RM12.89 million in FYE 2022 to RM20.50 million in FYE 2023 was due to higher export sales to Vietnam. The Group recorded revenue of RM262.50 million in FYE 2023, representing RM34.53 million or 15.1% increase compared with previous year revenue of RM227.97 million was attributed by higher consignment, retails and export sales.

Group Gross profit increase by RM14.79 million or 14.3% from RM103.51 million in FYE 2022 to RM118.29 million in FY2023 was attributed by higher sales.

Our Group profit before tax increase by RM5.30 million or 11.8% from RM44.85 million in FYE 2022 to RM50.15 million in FYE 2023 was due to higher sales, higher interest income and reversal of impairment loss on trade receivables. It has also attributed to higher profit after tax of RM38.07 million, an increase of RM4.20 million or 12.4% compared with previous year profit after tax of RM33.87 million.

The Group has healthier cash and bank balance of RM136.96 million, when compared to RM133.62 million in previous year was mainly from net cash from operating activities with higher profit generated. Shareholders' funds at 30 June 2023 reported at RM304.99 million, increased by RM27.76 million or 10.0% compared to RM277.23 million in the previous financial year 2022 was attributed by higher profit after tax in FYE 2023. The net tangible asset per share has increased accordingly from RM1.75 at 30 June 2022 to RM1.92 at 30 June 2023.

## Management Discussion & Analysis

### BUSINESS CHALLENGES

#### a) Business Risks

The Group may be affected by a general downturn in the global, regional and national economy, specifically, the Malaysian economy, entry of new players, constraints in skilled labour supply, changes in the law and tax legislation affecting the industry, increased production costs, changes in business and credit conditions, fluctuations in foreign exchange rates and introduction of new technologies.

The Group seeks to limit these risks through, inter-alia, maintaining good business relationships with its customers and suppliers, increasing automation to reduce dependency on labour, efficient cost control, diversification and increasing product range.

#### b) Competition

The Group faces competition from other manufacturers, domestically, regionally and internationally.

The Group is primarily an integrated manufacturer and distributor of our own brands of home linen and bedding accessories. This is in contrast to most of the operators in the home linen industry in Malaysia, which are mainly contract manufacturers or contract jobbers. As a brand owner, the Group is not subjected to the full impact of competition from lower cost producing countries like China. In fact, this lower cost producing country could work to the Group's advantage to maintain competitiveness as our products could be outsourced to overseas contractors if the need arises.

#### c) Keeping Abreast with the Latest Trend and Design

The Group must keep abreast with the latest trends and fashion in the home linen industry. Global trends and design are incessantly and rapidly changing and hence keeping up with the latest trend and design in the home linen market would not be an easy task. Failure to do so may render our home linen designs to lose their appeal.

The Group recognises the importance of regularly introducing new designs for our home linen to be in line with the current trend and thus, ensuring continuing growth of the Group's business. The Group develops our designs based on market intelligence and management's surveillance gathered from market observation and customers' feedback.

#### d) Political, Economic and Regulatory Considerations

Adverse developments in political, economic and regulatory conditions in Malaysia could unfavourably affect our financial position and business prospects. These risks include, among others, changes in political leadership, risk of war, changes in economic conditions, changes in interest rates, methods of taxation and unfavourable changes in government policies such as introduction of new regulations, import duties and tariffs.

The Group has taken efforts to diversify the range of products and markets, improve on the marketing and distribution strategies as well as pre-empting certain regulations to mitigate any possible adverse impact on the Group from any adverse development in political, economic and regulatory authorities.

#### e) Shortage of Skilled Foreign Labour

The Group continued to be plagued by shortages of skilled foreign labour in FYE 2023. The Group has actively participated in the Government's rehiring program and sourcing from other local authorised agency to meet our labour needs.

The Group plans to reduce its dependency on foreign labour by employing more local staff, increasing its automation and procure higher semi-finished products from overseas market.

## Management Discussion & Analysis

### f) Foreign Exchange Risks

The Group imports raw materials such as textile fabrics, cotton and the Group's products are also sold in overseas markets. Purchases are transacted in RMB and USD, Sales to overseas markets are often transacted in USD and SGD which is exposed to foreign exchange fluctuations.

We maintain foreign currency bank accounts for business transactions transacted in the respective foreign currencies. Foreign currency earnings are maintained in the respective currency accounts, which are used to make payments in the respective foreign currencies. This approach forms a natural hedge to minimise our foreign currency exchange risk exposure. We also have forward contracts which serve as a hedging instrument for some of our imports purchases.

### FUTURE PROSPECTS

The Group's efficient business model and operations, financial stability and wide distribution network are the underlying fundamental strengths of the company. We are optimistic our business will remain strong for the rest of the year and in 2023, despite a less robust global economic outlook which may affect our domestic performance and our export markets in the region. The Group aims to grow from strength to strength over the years and to achieve sustainable growth in sales and profits every year.

The Group expects to be able to sustain its performance in the financial year ending 2024 based on its fundamentals and business strategies that will allow it to withstand any unexpected adverse trading conditions. The Group shall continue to seize all opportunities presented and to reach out to our consumers and create a wider market segment in Malaysia and in the region. With a team of dynamic leaders and capable staff, I am certain the Group will become a home-grown name to be acknowledged both locally and internationally.

### DIVIDENDS

The Board of Directors is pleased to recommend a final single tier dividend of 4.0 sen per ordinary share amounting to RM6,346,108.00 in respect of the financial year ended 30 June 2023 for shareholders' approval in the forthcoming Annual General Meeting.

Combined with a single tier interim dividend of 3.5 sen per ordinary share amounting to RM5,552,846.00 on 25 July 2023, this makes a total dividend pay-out 7.5 sen per ordinary share amounting to RM11,898,952.50 or 31.25% of the profit after tax of RM38.07 million for this financial year 2023.

The Group will continue to enhance returns to shareholders whilst seeing that appropriate funds are set aside for business expansion and other purposes such as capital expenditure and for working capital.

### ACKNOWLEDGEMENTS

I would like to thank Datuk Kamaludin Bin Yusoff, Datuk Hairuddin Bin Mohamed and Mr. Lee Kim Seng who have served the Board from 28 September 2009 to 31 May 2023 for their excellent performances. The Board of Directors, management team and employees of the Group applauded them for their contribution, commitment and hard work to the Group.

I would also like to take this opportunity to thank the shareholders for the trust and confidence in me and my team of fellow Directors and team leaders, and to all our business associates, government agencies, bankers, advisors, customers, suppliers and trading partners, for your unfailing support to the Group.

### CHEW HON FOONG

Managing Director/Chief Executive Officer

## Sustainability Statement

The Group recognises its role as a responsible corporate citizen and no company can exist by maximising shareholders value alone. In this regards, The Group take into consideration of corporate responsibility and the needs and interests of stakeholders by fulfilling the expectation of its stakeholders by enhancing its environmental social and governance, ("ESG") while ensuring the sustainability and operational success of the Group.

The Group is mindful of ESG awareness and had arranged Corporate Training on ESG, Sustainability Reporting and latest disclosure listing requirements for the Directors and Management Team of the Company to ensure they stay abreast with and understand the sustainability issues relevant to the Group and its business, including climate related risks and opportunities.

### ENVIRONMENTAL

The Group has always complied with the relevant environmental legislation and promoting environmental awareness as part of its commitment to protect the environment and contribute towards sustainable development.

Environmental element is an important aspect in all our business operations and has always adopted an environmentally friendly approach includes policies and procedures with objectives to minimise wastage, maximise energy-conservation, efficient and safe waste management in the proper disposal of waste materials, recycling of used materials and adopting environmentally friendly best-practices whenever possible to lessen water and electricity usage.

With the growing threat of climate change, we have installed a 671KW solar photovoltaic module systems ("Solar Panel Systems") onto our factory and warehouses in Nilai Seremban. The Solar Panel systems generate electricity from sunlight for its factory and warehouse operations and yield cost-savings of more than 50% of the factory and warehouses' energy costs.

We have also undertaken electricity saving initiatives including turning off all lights during lunch breaks, unoccupied rooms and fitting LED lights for our fully owned Home's Harmony retail boutique outlets, our offices in EkoCheras Office Tower and warehouses,

We have been promoting e-communication delivery for memos and reports in reducing paper usage, waste separation scheme to segregate different types of waste into 3 designated bins like paper, plastic, and general waste and ensure all unwanted packing boxes and plastic are sent to recycling centres.

### SOCIAL

The Group strives to maintain a sustainable business to continue its contribution to the country's economic development.

#### a. Employment

The Group businesses created employment opportunities for Malaysians. The Group is one of the main players in home bedlinen business with more than 1,000 employees, 30 wholly owned retail shops under Home's Harmony, Home's Outlet shop and Niki Cains Homes home fashion concept stores and more than 260 third-party consignment counters throughout Malaysia.

#### b. Taxes and Foreign Earnings

The Group contributed various taxes to the Government and earning foreign income from its export markets. The Raw materials of the Group like fabrics, fibres and cotton were substantially sourced from oversea suppliers and manufactures due to availability and the Group endeavours to source locally in future.

#### c. Suppliers

The Group value and respect its suppliers for their commitment and support, supplying high quality materials and products in achieving the Group's long-term goals.

#### d. Charity Works and Donations

The Company has made cash donations to Damai Disabled Person Association Malaysia, Hospis Malaysia, Malaysian Association for The Prevention of Tuberculosis, Malaysian Association For The Blind, Montfort Youth Centre, National Diabetes Institute, Pusat Jagaan Rumah Orang Orang Tua (PKK) SIMEE, Society of The Blind In Malaysia, Shelter Home for Children.



## Sustainability Statement

### e. Quality Control and Customers

The Group's products are produced and managed to the highest standards in quality control. The Group is committed to continually improving its management and operations systems to deliver quality products to customers.

### f. Workplace

#### i. Employees Personal Developments

The Group believes that employees are resources that drive long term and sustainable corporate growth. As such, the Group places strong emphasis on personal development and provides various training courses for its employees to enhance and upgrade their work skills for better opportunities of career advancements. Staffs are also sent to overseas including trade fairs and exhibitions to better equip themselves with relevant products knowledge, designs and skills or specific training course for each relevant individual to assist them to excel in their respective fields.

#### ii. Diversity

The Group is committed to provide all staff with equal opportunity to strive and provide diversity in workplace. The Group respects different cultures, gender and religions of our stakeholders as we understand that the diversity give us broader range of competence, skills and experience to enhance our capabilities to achieve business results which is important for the overall business sustainability.

The Group is mindful of gender diversity and have maintain woman employee participation by maintaining woman employee of more than 40% of the staff force to create an opportunity for equal representation as below:

Workforce by Gender	Year 2023 (%)	Year 2022 (%)	Year 2021 (%)
Male	57.2%	52.7%	52.9%
Female	42.8%	47.3%	47.1%

#### iii. Safety and Health

The Group is committed to continuously provide a safe and healthy working environment for all employees under the requirements of Health, Safety and Environment ("HSE"). We constantly ensure a safe and healthy working environment and keep ourselves updated with the latest HSE requirements and regulations through various training programmes.

#### iv. Conducive Working Environment and Accommodation

The Group has continually strived to provide conducive working environment for all employees and conducive accommodation to its foreign workers.

#### v. Other Benefits

All employees are covered by personal accident insurance in addition to the Social Security Organisation (SOCSO) coverage and senior employees are also covered by health and hospitalisation insurance. The Group organises training, courses, team building activities and seminars to provide the necessary trainings, knowledge and create close bond among the employees. The Group also provides transport for its factory workers in Nilai and bicycles for its foreign workers who work night shift.

## GOVERNANCE

The Board of Directors is responsible for the overall corporate strategy and plans for the Group, including adequate enterprise risk management, anti-corruption, whistle-blowing policies and internal control framework in place to identify, assess and manage the sustainability risks.

The Managing Director and his team of key management oversee the sustainability related strategies and performance of the Group, identified material sustainability matters and reporting to the Board of Directors if the sustainability risks had significant Environmental and Social impacts or influence the assessment and decisions of the stakeholders of the Group, advising and recommending the sustainability-related strategies including sustainability disclosures to the Board of Directors.

## Corporate Governance Overview Statement

The Board of Directors (“the Board”) of Yoong Onn Corporation Berhad (“the Company”) is fully committed to promote and achieve the highest standard of corporate governance and to ensure that the principles and best practices in corporate governance as detailed in the Malaysian Code on Corporate Governance 2021 (“the MCCG”) are practised and adopted in YOOCB and its subsidiaries (“the Group”).

The Board continuously evaluates the Group’s corporate governance practices and procedures with a view to adopt and implement the principles and best practices as recommended by the MCCG wherever applicable, as a fundamental part of discharging its duties and responsibilities to protect and enhance shareholders’ value. The Board believes that good corporate governance results in creation of long term value and benefits for all shareholders.

This corporate governance statement provides an overview disclosure on the application of the practices as detailed in the MCCG during the year 2023, which is to be read together with the Corporate Governance Report 2023 which details how the Company has applied each Practice of the MCCG, as published in the Company’s website [www.yoongonn.com](http://www.yoongonn.com).

### SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS

The Board takes full responsibilities for the performance of the Group and guides the Group towards achieving its short and long term objectives, setting corporate strategies for growth and new business development while providing advice and direction to the management to enable the Group to achieve its corporate goal and objectives.

#### 1.1 Composition of the Board

The Board currently comprises seven (7) members, of whom two (2) are Executive Directors, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This is in line with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), which require that at least two (2) directors or one-third (1/3) of the Board of directors, whichever is higher to be independent directors. The Company had also appointed a female director to the Board on 1 March 2023, which is in line with the MMLR which require at least 1 female director on Board.

The Board members are persons of high caliber and integrity, diverse disciplines, tapping their respective qualifications and experiences in business, commercial and financial aspects. Together, they bring a wide range of competencies, experience and expertise which are vital towards the effective discharge of the Board’s responsibilities for the successful direction and growth of the Group.

The Independent Directors are independent of management and majority shareholders and do not involve themselves in business transactions, management and free from any business or other relationships with the Company, in order not to compromise their objectivity. They provide independent views and judgment and at the same time remain in a position to fulfil their responsibility to provide check and balance to the Board and safeguard the interests of the shareholders. No individual or group of individuals dominates the Board’s decision-making process and the number of directors fairly reflects the investment of the shareholders. The Independent Directors, in addition to compliance with the criteria set out under the MMLR, have also declared that they will continue to bring independent and objective judgement to the Board during the review of Directors’ independence as part of the annual assessment carried out by the Nomination Committee.

The Board does not consider it necessary to nominate a Senior Independent Non-Executive Director to whom concerns may be conveyed. All members of the Board have demonstrated that they are always available to members and stakeholders. All issues can be openly discussed during Board meetings. The Company is not marred with conflicts and controversies and also has not received any notice of matters of concern from stakeholders since its listing.

All Directors have given their undertaking to comply with the MCCG and MMLR of Bursa Securities and all applicable laws and regulations and the Independent Directors have confirmed their independence in writing.

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

# Corporate Governance Overview Statement

## SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 1.2 Chairman and Managing Director/Chief Executive Officer

The positions of the Chairman and the Managing Director/Chief Executive Officer are held by two different individuals and their roles are distinguished and separated. The distinct and separate roles of the Chairman and the Managing Director/Chief Executive Officer, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individuals has unfettered powers of decision-making.

The Chairman is responsible to ensure that the Board functions properly with good corporate governance practices and procedures, whilst the Managing Director/Chief Executive Officer is responsible for the vision and strategic directions of the Group, assisted by the Chief Financial Officer for implementing the policies and decisions of the Board and ensure the day-to-day operations and business activities of the Group in accordance with the standard practices set out in the Board Charter.

Both the Chairman and the Managing Director/Chief Executive Officer are not member of the Audit Committee, Nomination Committee or Remuneration Committee to maintain their independence in decision making.

### 1.3 Board Responsibilities

Having recognised the importance of an effective and dynamic Board, the Board members are guided by the area of responsibilities as outlined in the Board Charter:-

- a. Providing direction to and equipping management to formulate a strategic planning process and to adopt the recommended strategic plan and business plan aligned to ensure obligations to shareholders and stakeholders are met. This includes updating and making changes as required;
- b. Monitoring group policies and oversees the conduct of the Group's businesses to evaluate whether the businesses are being properly managed;
- c. Identifying the principle risks and key performance indicators of the Group's businesses and ensuring the implementation of appropriate systems and regular evaluation of systems to manage these risks;
- d. Establishing a succession plan, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- e. Developing and implementing an investors relations programme or shareholder communication policy; and
- f. Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

### 1.4 Board Charter

The Company has in place a Board Charter which sets out the Board's strategic intent and outlines the Board's roles and responsibilities. The Board Charter is a source reference and primary induction literature, providing insights to prospective Board members and senior management.

The Board Charter also outlines the roles and responsibilities of various Board Committees, the Chairman and the Managing Director/Chief Executive Officer and the management of the Company as well as policies and practices in respect of matters such as the convening of Board and Board Committees' meetings. In particular, the Board Charter covers among others the following:

- a. Constitution, Duties and Responsibilities of the Board
- b. Composition and Board Balance
- c. Appointment and Tenure of Directors
- d. Chairman and Executive Director Respective Responsibilities
- e. Board and Board Committees' meeting procedures
- f. Company Secretary
- g. Supply of Timely and Quality information
- h. Access to Advice and Procedure
- i. Board committees including Audit Committee, Nomination Committee and Remuneration Committee's Responsibilities
- j. Financial Reporting, Internal Controls and Risk Management
- k. Shareholders and Investor Relations
- l. General Meetings
- m. Relationship with Other Stakeholders

## Corporate Governance Overview Statement

### SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1.4 Board Charter (Cont'd)

The Board Charter provides a basis for good governance, effective functioning and accountability of the Company. It also ensures that the Company and its subsidiaries are effectively led and controlled with the Board of Directors having the ultimate responsibility for maintaining the highest standards of integrity, accountability and corporate governance and acting in the interest of the Company as a whole. In particular, it includes the division of responsibilities and powers between the Board and management, the different committees established by the Board, and between the Chairman and the Executive Directors.

The Board reviewed and updated the Board Charter to ensure it complies with the principles in the MCGG 2021. The Board Charter would be periodically reviewed and updated in accordance with the changes to the Company's policies, procedures and processes as well as the latest relevant legislations and regulations that may have impact on the discharge of the Board's responsibilities.

The Board Charter has wide coverage on the Company's operations and management and is published on the Company's website [www.yoongonn.com](http://www.yoongonn.com).

#### 1.5 Re-Election of Directors

In accordance with the Company's constitution, one-third (1/3) of the directors for the time being or if their 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 shall retire from office once at least in every three (3) years but shall be eligible for re-election.

#### 1.6 Tenure of Independent Director

The Board takes cognisance of the tenure limit of independent Directors as announced by Bursa Malaysia Securities Berhad on 19 January 2022. An Independent Director should not serve the Company beyond a cumulative term of twelve (12) years and upon completion of the twelve (12) years, an Independent Director may continue to serve on the Board subject to the director's re-designation as Non-Independent Director.

A mandatory 12 years tenure limit for independent directors has been implemented in financial year ending June 2023 to ensure the Board has the right mix of directors to respond to present challenges and anticipate future risks as well as opportunities.

The independence of Directors is measured based on the criteria prescribed under the MMLR in which a Director should be independent of management and free from any business or other relationship that could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company.

#### 1.7 Directors' Training

The Group acknowledges the fact that continuous education is vital for the Board members to gain insight into the state of economy, technological advances in the core business, latest regulatory updates, and management strategies. In compliance with the Main Market Listing Requirements and the relevant Practice Note issued by Bursa Securities, all Directors have attended and successfully completed their Mandatory Accreditation Programme within the stipulated time frame as prescribed by Bursa Securities.

## Corporate Governance Overview Statement

### SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1.7 Directors' Training (Con'td)

During the financial year ended 30 June 2023, the Directors have attended the following trainings:-

Name	Title of Training	Date
Tan Sri Datuk Sri Dr Suleiman Bin Mohamed	Corporate Training on Environmental, Social and Governance (ESG), Sustainability Reporting and Latest Disclosure listing requirements issued by Bursa Malaysia Securities Berhad	11 May 2023
Mr. Chew Hon Foong	Corporate Training on Environmental, Social and Governance (ESG), Sustainability Reporting and Latest Disclosure listing requirements issued by Bursa Malaysia Securities Berhad	11 May 2023
Mr. Chew Hon Keong	Corporate Training on Environmental, Social and Governance (ESG), Sustainability Reporting and Latest Disclosure listing requirements issued by Bursa Malaysia Securities Berhad	11 May 2023
Puan Hasmaliza Binti Othman	Corporate Training on Environmental, Social and Governance (ESG), Sustainability Reporting and Latest Disclosure listing requirements issued by Bursa Malaysia Securities Berhad	11 May 2023
	Mandatory Accreditation Programme	31 May to 2 June 2023
Mr. Yeoh Chong Keng	Corporate Training on Environmental, Social and Governance (ESG), Sustainability Reporting and Latest Disclosure listing requirements issued by Bursa Malaysia Securities Berhad	11 May 2023
Datuk Kamaludin Bin Yusoff	Corporate Training on Environmental, Social and Governance (ESG), Sustainability Reporting and Latest Disclosure listing requirements issued by Bursa Malaysia Securities Berhad	11 May 2023
Datuk Hairuddin Bin Mohamed	Corporate Training on Environmental, Social and Governance (ESG), Sustainability Reporting and Latest Disclosure listing requirements issued by Bursa Malaysia Securities Berhad	11 May 2023
Mr. Lee Kim Seng	Corporate Training on Environmental, Social and Governance (ESG), Sustainability Reporting and Latest Disclosure listing requirements issued by Bursa Malaysia Securities Berhad	11 May 2023

The Directors are also aware of their duty to undergo appropriate trainings from time to time to ensure that they are equipped to carry out their duties effectively. The Board have discussions with both the internal and external auditors to keep themselves abreast of changes in relevant developments in accounting and auditing standards, the regulatory and business environments as well as with relevant developments within the industry in which the Group operates. Whenever the need arises, the Company will provide briefings to new recruits to the Board, to ensure they have a comprehensive understanding on the operations of the Group and the Company.



## Corporate Governance Overview Statement

### SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1.8 Supply of information

The Board has a formal schedule of matters for decision-making to ensure that the direction and control of the Group is firmly in its hands.

Prior to each Board meeting, a full agenda together with relevant reports and comprehensive Board papers are distributed to all Directors in a timely manner to enable the Directors to consider the matters to be deliberated and where necessary, obtain further information. Proceedings of Board meetings are duly recorded and signed by the Chairman of the meeting.

Every Director has full and timely access to all Group information, records, documents and property to enable them to discharge their duties and responsibilities effectively. The Directors, whether collectively or individually, may seek independent professional advice in furtherance of their duties at the Company's expenses, if required.

#### 1.9 Board Meetings

The Board meets on a quarterly basis with additional meetings to be held whenever necessary. There were five (5) Board meetings held during the financial year ended 30 June 2023 and the details of attendance are as follows:-

Name of Director	Meetings attended by the Directors/ Total Number of Meeting held during the Financial Year Ended 30 June 2023	% of Attendance
<b>Executive Directors</b>		
Mr. Chew Hon Foong	5/5	100%
Mr. Chew Hon Keong	5/5	100%
<b>Non-Executive Directors</b>		
Tan Sri Datuk Sri Dr Suleiman Bin Mohamed *	1/5	20%
Puan Hasmaliza Binti Othman **	1/5	20%
Mr. Fung Kam Foo ^	0/5	0%
Dato' Tang Swee Guan ^^	0/5	0%
Mr. Yeoh Chong Keng +	5/5	100%
Datuk Kamaludin Bin Yusoff #	5/5	100%
Datuk Hairuddin Bin Mohamed #	5/5	100%
Mr. Lee Kim Seng #	5/5	100%

\* - appointed on 7 March 2023

\*\* - appointed on 1 March 2023

^ - appointed on 25 May 2023

^^ - appointed on 26 June 2023

+ - resigned on 31 May 2023 and re-appointed on 24 August 2023

# - resigned on 31 May 2023

During the financial year ended 30 June 2023, five (5) Board meetings were convened on 25 August 2022, 4 October 2022, 22 November 2022, 23 February 2023 and 25 May 2023.

## Corporate Governance Overview Statement

### SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1.10 Company Secretary

The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters. The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to adherence to the Board policies, procedures, Companies Act 2016, Bursa Malaysia Main Market Listing Requirements and other relevant compliances with laws, rules, and regulations affecting the Company.

The Company Secretary should advise Directors of their obligations to adhere to matters relating to disclosure of interest in securities, any conflict of interest in a transaction involving the Company, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information. The Company Secretary maintains the statutory records in accordance with legal requirements, organises and facilitates the convening of Board meetings, Board committee meetings and general meetings, in consultation with the Board members and the Chairman. The Board members have unlimited access to the professional advice and services of the Company Secretary.

#### 1.11 Board Committees

The Board has established the following Committees to assist the Board in discharging its duties and responsibilities effectively:

- a. Audit Committee
- b. Nomination Committee
- c. Remuneration Committee

The terms of reference of each Board Committee have been approved by the Board. These Committees have the authority to examine particular issues and report to the Board with their recommendations. However, the ultimate responsibility for the final decision on all matters lies with the Board.

#### 1.12 Audit Committee

The Board had established an Audit Committee with appropriate terms of reference and the members of the Audit Committee, comprising three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, are as follows:-

Name	Designation	Directorship
Dato' Tang Swee Guan ^^	Chairman	Independent Non-Executive Director
Puan Hasmaliza Binti Othman **	Member	Independent Non-Executive Director
Mr. Fung Kam Foo ^	Member	Independent Non-Executive Director
Mr. Yeoh Chong Keng +	Member	Non-Independent Non-Executive Director
Mr. Lee Kim Seng #	Chairman	Independent Non-Executive Director
Datuk Hairuddin Bin Mohamed #	Member	Independent Non-Executive Director

^^ - appointed on 26 June 2023

\*\* - appointed on 1 March 2023

^ - appointed on 25 May 2023

+ - resigned on 31 May 2023 and re-appointed on 24 August 2023

# - resigned on 31 May 2023

During the financial year ended 30 June 2023, five (5) Audit Committee meetings were convened on 25 August 2022, 4 October 2022, 22 November 2022, 23 February 2023 and 25 May 2023.

The Audit Committee is to assist the Board of Directors ("Board") in its responsibility for overseeing the quality and integrity of the accounting, auditing, reporting practices, risk management, internal control framework, review of related party transactions, risk management framework and its compliance with the legal and regulatory requirements.

## Corporate Governance Overview Statement

### SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1.12 Audit Committee (Cont'd)

The members of Audit Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise of at least three (3) members, all of whom must be Non-Executive Directors, with a majority of them being independent directors.

The Audit Committee is chaired by an independent director who is distinct from the Chairman of the Board and all members of the Audit Committee are financially literate. The Audit Committee has yet to adopt a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. Nonetheless, the Audit Committee shall observe the said application in the event that a former key audit partner is appointed to the Board of the Company.

The Audit Committee is responsible for reviewing audit, recurring audit-related and non-audit services provided by the external auditors. These recurring audit-related and non-audit services comprise regulatory reviews and reporting, interim reviews, tax advisory and compliance services. The terms of engagement for services provided by the external auditors are reviewed by the Audit Committee prior to submission to the Board for approval.

The Audit Committee has reviewed the provision of non-audit services by the external auditors during the year 2023 and concluded that the provision of these services did not compromise the external auditors' independence and objectivity as the amount of the fees paid for these services was not significant when compared to the total fees paid to the external auditors. The external auditors had provided a confirmation of their independence to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The Audit Committee had conducted annual assessment of the suitability and independence of Messrs. HLB Ler Lum Chew PLT having satisfied with their performance, the Audit Committee recommended the re-appointment of Messrs. HLB Ler Lum Chew PLT to the Board, upon which the shareholders' approval will be sought at the AGM. Based on the Audit Committee's assessment of the external auditors, the Board satisfied with the independence, quality of service and adequacy of resources provided by the external auditors in carrying out the annual audit for financial year 2023. In view thereof, the Board has recommended the re-appointment of the external auditors for the approval of shareholders at the forthcoming Annual General Meeting.

The composition of the Audit Committee, including its roles and responsibilities and summary of activities carried out in year 2023 are set out in the Audit Committee Report of this Annual Report. The terms of reference of the Audit Committee is updated and reviewed periodically and is published in the Company's website at [www.yoongonn.com](http://www.yoongonn.com).

#### 1.13 The Nomination Committee

The Board had established a Nomination Committee with appropriate terms of reference and the members of the Committee, comprising three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, are as follows:-

Name	Designation	Directorship
Puan Hasmaliza Binti Othman **	Chairman	Independent Non-Executive Director
Dato' Tang Swee Guan ^^	Member	Independent Non-Executive Director
Mr. Fung Kam Foo ^	Member	Independent Non-Executive Director
Mr. Yeoh Chong Keng +	Chairman	Non-Independent Non-Executive Director
Datuk Hairuddin Bin Mohamed #	Member	Independent Non-Executive Director
Mr. Lee Kim Seng #	Member	Independent Non-Executive Director

\*\* - appointed on 1 March 2023

^^ - appointed on 26 June 2023

^ - appointed on 25 May 2023

+ - resigned on 31 May 2023 and re-appointed on 24 August 2023

# - resigned on 31 May 2023

## Corporate Governance Overview Statement

### SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1.13 The Nomination Committee (Cont'd)

During the financial year ended 30 June 2023, Nomination Committee meeting was convened on 23 February 2023 and 25 May 2023.

The primary objectives of the Nomination Committee is to assist the Board of Directors ("Board") in its responsibility in nominating new nominees to the Board of Directors in fulfilling their responsibilities to shareholders in ensuring that the Board comprised qualified individuals with the right criteria, qualifications, skills and experience. The Nomination Committee shall also assess the performance of the Directors of the Company on an on-going basis and review the Directors' Fit & Proper Policy regularly and recommend changes as and when there are changes to the Malaysian Code on Corporate Governance 2021, Main Market Listing Requirements and any legal or relevant regulatory changes.

The Board shall elect the Nomination Committee members from amongst the Directors of the Company and shall comprise of at least three (3) members, exclusively of Non-Executive Directors, with a majority of whom must be independent.

No alternate director shall be appointed as a member of the Nomination Committee. The term of office and performance of the Nomination Committee and each of its members shall be reviewed by the Board annually to determine whether the members have carried out their duties in accordance with their terms of reference.

If a member of the Nomination Committee resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members. In particular, Nomination Committee appointment has been expanded to a more diverse pool of candidates instead of being limited to Board and management recommendations.

The Nomination Committee is chaired by an Independent Non-Executive Director identified by the Board, thereby enhancing the Committee's overall effectiveness. The Nomination Committee is responsible for screening, evaluating and recommending suitable candidates to the Board for appointment as Directors, as well as filling the vacant seats of the Board Committees. In respect of the appointment of Directors, the Company practised a clear and transparent nomination process which involves the identification of candidates, evaluation of suitability of candidates, meeting up with candidates, final deliberation by the Nomination Committee and recommendation to the Board.

The potential candidates may be proposed by an existing Director, senior management staff, shareholders or third parties referrals. Upon completion of the assessment and evaluation of the proposed candidates, the Nomination Committee would make its recommendation to the Board. Based on the recommendation, the Board would evaluate and decide on the appointment of the proposed candidates.

The Nomination Committee has a formal assessment mechanism in place to assess on an annual basis, the effectiveness of the Board as a whole and the contribution of each individual director, including the Independent Non-Executive Directors. The Committee shall meet at least once a year and additional meetings are held as and when required.

At each meeting, the Nomination Committee considered the compositions of the Board and its committees as well as their performance. As a result of discussion, succession planning has become an area frequently visited to ensure it would not become a material risk to the Company

The Board annually reviews the required mix of skills, experience and other qualities of the Directors to ensure that the Board is functioning effectively and efficiently.

The terms of reference of the Nomination Committee is updated and reviewed periodically and is published in the Company's website at [www.yoongonn.com](http://www.yoongonn.com).

## Corporate Governance Overview Statement

### SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1.14 Directors' Fit and Proper Policy

During the financial year, the Board had approved and adopted a Fit and Proper Policy which sets out the fit and proper criteria for selection of candidates for appointment to the Board and also for re-election of retiring Directors. The Fit & Proper Policy is available at the Company's website at [www.yoongonn.com](http://www.yoongonn.com).

#### 1.15 Remuneration Committee

The Board has established the Remuneration Committee with appropriate terms of reference and the members of the Remuneration Committee comprises solely of Non-Executive Directors with majority of Independent Directors in compliance with the MCCG as follow:

Name	Designation	Directorship
Mr. Fung Kam Foo ^	Chairman	Independent Non-Executive Director
Dato' Tang Swee Guan ^^	Member	Independent Non-Executive Director
Puan Hasmaliza Binti Othman **	Member	Independent Non-Executive Director
Mr. Yeoh Chong Keng +	Chairman	Non-Independent Non-Executive Director
Datuk Kamaludin Bin Yusoff #	Member	Independent Non-Executive Chairman

^ - appointed on 25 May 2023

^^ - appointed on 26 June 2023

\*\* - appointed on 1 March 2023

+ - resigned on 31 May 2023 and re-appointed on 24 August 2023

# - resigned on 31 May 2023

During the financial year ended 30 June 2023, Remuneration Committee meeting was convened on 25 May 2023.

The primary objectives of the Remuneration Committee is to assist the Board of Directors ("Board") in its responsibility in assessing and reviewing the remuneration packages of Executive Directors, Non-Executive Directors and Senior Management Staff to reflect and align with their respective job scope, responsibilities and performance.

The members of the Remuneration Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise of at least three (3) members majority must be independent. No alternate director shall be appointed as a member of the Remuneration Committee. The term of office and performance of the Remuneration Committee and each of its members shall be reviewed by the Board annually to determine whether the members have carried out their duties in accordance with their terms of reference.

If a member of the Remuneration Committee resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

The Remuneration Committee reviews annually the performance of the Executive Directors and submits recommendations to the Board on specific adjustments in remuneration and/or reward payments that reflect their respective contributions for the year, and which are dependent on the performance of the Group, achievement of the goals and/or quantified organisational targets as well as strategic initiatives set at the beginning of each year.

The terms of reference of the Remuneration Committee is updated and reviewed periodically and is published in the Company's website at [www.yoongonn.com](http://www.yoongonn.com).

## Corporate Governance Overview Statement

### SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1.16 Code of Conduct and Ethics

The Board has established a Code of Conducts and Ethics ("CCE") that engender integrity, ethical conduct, transparency and fairness in promoting good business conduct and maintaining a healthy corporate culture for the Group.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company. This Code of Ethics outlines a set of principles that affect decision-making and the Code of Conducts outlines the following specific behaviour that are required or prohibited as a condition of ongoing employment and all employees of the Group are duty-bound to observe and maintain at all times when they are acting for the Company.

The CCE reflects the commitment of the Company to run a business that is ethical, fair, efficient and effective, aligned to its business standards and is applicable to all Directors, Management and Employees should be reviewed and updated periodically by the Board to incorporate additional obligations and developments.

This CCE provides healthier work climate, direction to employees, protect shareholder' interest, safeguard company's assets in achieving the Group's corporate goals and objectives. The CCE is published on the Company's website at [www.yoongonn.com](http://www.yoongonn.com).

#### 1.17 Whistleblowing Policy and Procedure

The Board is committed to maintain integrity, high standard of work ethics, good corporate governance practices in line with the code of conducts & ethics for the Group and has formulated Whistleblowing policy and procedures.

The objectives of this Whistleblowing policy and procedures are to provide avenues for employees, stakeholders and public members to report suspected and/or known improper or illegal activities, fraud, theft, corruption, irregularities, bad practices, abuse, criminal breach of trusts and all wrongdoings ("Misconduct") that will have significant impact on the Group's operations or resources to the Management or the Risk Management Committee so that the Company can conduct investigations and take appropriate corrective and remedial actions.

The Whistleblowing Policy and Procedure is published on the Company's website at [www.yoongonn.com](http://www.yoongonn.com).

### SECTION 2: REMUNERATION

#### 2.1 Remuneration Procedure

The remuneration of directors is formulated to be competitive and realistic, emphasis being placed on performance and calibre, with aims to attract, motivate and retain Directors with the relevant experience, expertise and quality needed to assist in managing the Group effectively.

For Executive Directors, the remuneration packages link rewards to corporate and individual performance whilst for the Non-Executive Directors, the level of remuneration is linked to their experience and level of responsibilities undertaken.

The level of remuneration for the Executive Directors is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies. The determination of the remuneration package of Non-Executive Directors, including Non-Executive Chairman should be a matter for the Board as a whole. The individuals concerned should abstain from discussing their own remuneration and independent directors' remuneration must seek shareholders' approval via annual general meeting.



## Corporate Governance Overview Statement

### SECTION 2: REMUNERATION (CONT'D)

#### 2.2 Directors and Senior Management Remuneration

##### a. Directors' Remuneration

Detailed disclosure of Directors Remuneration of each Director during the financial year 2023 are as follows:

Category	Fees (RM)	Salaries (RM)	Bonus (RM)	Other Emoluments ** (RM)	Meeting Allowances (RM)	Total (RM)
<b>Company:</b>						
<b>Executive Directors*</b>						
Mr. Chew Hon Foong	-	-	-	-	-	-
Mr. Chew Hon Keong	-	-	-	-	-	-
<b>Non-Executive Directors</b>						
Tan Sri Datuk Sri Dr Suleiman Bin Mohamed	17,129	-	-	-	750	17,879
Puan Hasmaliza Binti Othman	14,000	-	-	-	750	14,750
Mr. Fung Kam Foo	4,290	-	-	-	-	4,290
Dato' Tang Swee Guan	583	-	-	-	-	583
Mr. Yeoh Chong Keng	38,500	-	-	-	3,750	42,250
Datuk Kamaludin Bin Yusoff	49,500	-	-	-	3,750	53,250
Datuk Hairuddin Bin Mohamed	35,750	-	-	-	3,750	39,500
Mr. Lee Kim Seng	38,500	-	-	-	3,750	42,250
<b>Group:</b>						
<b>Executive Directors*</b>						
Mr. Chew Hon Foong	-	647,100	157,830	111,445	-	916,375
Mr. Chew Hon Keong	-	554,370	135,210	97,601	-	787,181
<b>Non-Executive Directors</b>						
Tan Sri Datuk Sri Dr Suleiman Bin Mohamed	17,129	-	-	-	750	17,879
Puan Hasmaliza Binti Othman	14,000	-	-	-	750	14,750
Dato' Tang Swee Guan	583	-	-	-	-	583
Mr. Fung Kam Foo	4,290	-	-	-	-	4,290
Mr. Yeoh Chong Keng	38,500	-	-	-	3,750	42,250
Datuk Kamaludin Bin Yusoff	49,500	-	-	-	3,750	53,250
Datuk Hairuddin Bin Mohamed	35,750	-	-	-	3,750	39,500
Mr. Lee Kim Seng	38,500	-	-	-	3,750	42,250

\* The remuneration paid to the Executive Directors were in respect of their employment with the Company/Group.

\*\* Other emoluments include benefits-in-kind, insurance, EPF and SOSCO

## Corporate Governance Overview Statement

### SECTION 2: REMUNERATION (CONT'D)

#### 2.2 Directors and Senior Management Remuneration (Cont'd)

##### b. Top Five (5) Senior Management

Top five (5) Senior Management's Remuneration consisting salary, bonus, benefits in-kind and other emoluments for the financial year ended 30 June 2023 within the successive bands of RM50,000 are summarised as follows:

Remuneration Band	Number of senior management
RM250,001 to RM300,000	2
RM400,001 to RM450,000	2
RM650,000 to RM700,000	1

The above disclosure represents a departure from the Principles of MCCG, which prescribes individual disclosure of senior management's remuneration. The Board is of the opinion that individual disclosure would impinge upon the senior management's reasonable right to privacy whilst not significantly enhancing shareholders' information. Moreover, detailed disclosure of remuneration would adversely impact the Company in a highly competitive human resources market for requisite professional expertise and it would extensively impair the Company's interests.

### SECTION 3: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH THE STAKEHOLDERS

#### 3.1 Communication with Stakeholders

The Board recognises the importance of being transparent and accountable to the Company's stakeholders and acknowledges the continuous communication between the Company and stakeholders would facilitate mutual understanding of each other's objectives and expectations. The Board maintains an effective communications policy that enables both the Board and the management to communicate effectively with its shareholders, stakeholders and the public. The policy effectively interprets the operations of the Group to the shareholders and accommodates feedback from shareholders, which are factored into the Group's business decision.

The Board communicates information on the operations, activities and performance of the Group to the shareholders, stakeholders and the public through the following:-

- the quarterly and annual financial statements and Report, which contains the financial and operational review of the Group's business, corporate information, financial statements and information on Audit Committee and Board of Directors;
- various timely disclosures and announcements made to the Bursa Securities, which include announcements on quarterly results;
- the Company website at <http://www.yoongonn.com>
- meetings with research analysts and fund managers to give them a better understanding of the business conducted by the Group in particular, and of the industry in which the Group's business operates, in general; and
- participation in surveys and research conducted by professional organisations as and when such requests arise.

## Corporate Governance Overview Statement

### SECTION 3: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH THE STAKEHOLDERS (CONT'D)

#### 3.2 The Annual General Meeting

The Annual General Meeting serves as an important means for shareholders communication. Notice of the Annual General Meeting, Annual Reports and Circulars are sent to shareholders at least twenty eight (28) days prior to the meeting.

The company holds its Annual General Meeting in a venue which is not a remote place and is accessible by public transport and the Company encourages shareholders whom are unable to attend are entitled to appoint proxy/proxies to vote on their behalf in their absence.

The Company had leveraged technology to facilitate voting including voting in absentia and remote shareholders' participation at General Meeting and conducted its past three years Annual General Meetings through live streaming from the broadcast venue at Boardroom Share Registrars Sdn Bhd ("Boardroom") and fully virtual via online meeting platform provided by Boardroom.

The Company will conduct its 16<sup>th</sup> Annual General Meeting fully virtual via its online meeting platform provided by Boardroom so that Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

At each Annual General Meeting, the Board presents the progress and performance of the Group's business and encourages attendance and participation of shareholders during questions and answers sessions. The Chairman and the Board will respond to all questions raised by the shareholders during the Annual General Meeting.

### SECTION 4: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### 4.1 Financial Reporting

The Board aims to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects through the quarterly announcement of results to the Bursa Securities as well as the Chairman's Statement, review of operations and annual financial statements in the Annual Report. The Audit Committee assists the Board in ensuring accuracy and adequacy of information by overseeing and reviewing the financial statements and quarterly announcements prior to the submission to Bursa Securities.

#### 4.2 Statement on Directors' Responsibility in relation to the Audited Financial Statements

The Directors are responsible to ensure that the annual financial statements are drawn up in accordance with the applicable approved accounting standards in Malaysia and Companies Act 2016. A Statement by the Directors of their responsibilities in preparing the financial statements is set out on this Annual Report.

#### 4.3 Risk Management and Internal Control Framework

The Board acknowledges their responsibilities for the internal control system of the Group, covering not only financial controls but also controls relating to operations, compliance and risk management. Information of the Group's internal control and risk management is presented in the Statement of Internal Control of this Annual Report.

The Board has overall responsibility for maintaining a sound system of risk management and internal control of the Group that provides reasonable assurance of effective and efficient business operations, compliance with laws and regulations as well as internal procedures and guidelines.

## Corporate Governance Overview Statement

### SECTION 4 : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### 4.3 Risk Management and Internal Control Framework (Cont'd)

The Audit Committee oversees the risk management of the Group and advises the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the organisation. The Audit Committee also reviews the action plans implemented and makes relevant recommendations to the Board to manage residual risks. The Group has established a formal risk management framework to oversee the risks management of the Company and engaged an external consultant to assist the Company in identifying, assessing and managing the risks in areas that are applicable to the Company's business and ensure that the risk management process in place and functioning effectively.

The Company continues to maintain and review its internal control procedures to ensure the protection of its assets and its shareholders' investment.

The Company has outsourced its internal audit function to a professional services firm, Tricor Axcelasia Sdn Bhd and IA Prov Sdn Bhd to assist the Audit Committee in discharging its duties and responsibilities in respect of reviewing the adequacy and effectiveness of the Group's risk management and internal control systems.

The overview of the internal control framework adopted by the Company during the financial year ended 30 June 2023 is set out in The Statement on Risk Management and Internal Control in this Annual Report.

#### 4.4 Relationship with the Auditors

The Board has established a formal and transparent professional relationship with the Group's Auditors, both internal and external. Whenever the need arises, the Auditors would highlight to the Audit Committee and the Board from time to time on matters that require the Board's attention. The role of the Audit Committee in relation to the auditors, both internal and external is set out in the Audit Committee Report of this Annual Report.

This corporate governance overview statement is made in accordance with the resolution of the Board dated 4 October 2023

## Audit Committee Report

The Audit Committee of Yoong Onn Corporation Berhad is pleased to present the Audit Committee Report for the financial year ended 30 June 2023.

### COMPOSITION OF THE AUDIT COMMITTEE

The member of the Audit Committee are:

Name	Designation	Directorship
Dato' Tang Swee Guan ^^	Chairman	Independent Non-Executive Director
Puan Hasmaliza Binti Othman **	Member	Independent Non-Executive Director
Mr. Fung Kam Foo ^	Member	Independent Non-Executive Director
Mr. Yeoh Chong Keng +	Member	Non-Independent Non-Executive Director
Mr. Lee Kim Seng #	Chairman	Independent Non-Executive Director
Datuk Hairuddin Bin Mohamed #	Member	Independent Non-Executive Director

^^ - appointed on 26 June 2023

\*\* - appointed on 1 March 2023

^ - appointed on 25 May 2023

+ - resigned on 31 May 2023 and re-appointed on 24 August 2023

# - resigned on 31 May 2023

During the financial year ended 30 June 2023, five (5) Audit Committee meetings were convened on 25 August 2023, 4 October 2023, 22 November 2023, 23 February 2023 and 25 May 2023.

### TERMS OF REFERENCE OF AUDIT COMMITTEE

#### (a) Terms of Membership

The Members of Audit Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall comprise of at least three (3) members, all of whom must be Non-Executive Directors with a majority of them being Independent Directors. The Audit Committee shall elect a Chairman from among its members and the elected Chairman shall be an Independent Director. The Board shall at all the times ensure that at least one (1) member of the Audit Committee:-

- i) must be a member of the Malaysian Institute of Accountants ("MIA"); or
- ii) if he is not a member of the MIA, he must have at least three (3) years' working experience; and
  - a) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
  - b) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities")

No alternate director shall be appointed as a member of the Audit Committee. The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board annually to determine whether the members have carried out their duties in accordance with their terms of reference.

If a member of the Audit Committee resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

The quorum for a meeting of the Audit Committee shall consist of not less than two (2) members, majority of members present must be Independent Non-Executive Directors. The Company Secretary shall act as secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

## Audit Committee Report

### TERMS OF REFERENCE OF AUDIT COMMITTEE (CON'TD)

#### (b) Meetings and Quorum of the Audit Committee

The Audit Committee met five (5) times during the financial year ended 30 June 2023. The details of the attendance of the meetings are disclosed under the heading "Attendance of the Audit Committee Meetings" of this Annual Report.

The Audit Committee may require the attendance of the executive Directors, Chief Financial Officer and senior management staff deemed necessary together with a representative or representatives from the external auditors and/or internal auditors.

In all five (five) meetings, the Chief Financial Officer was present to report on the results of the Group as well as to answer questions posed by the Audit Committee in relation to the results to be announced. During these Audit Committee meetings, representatives from the internal auditors had also been present to provide updates on the progress of internal audit work that have been conducted to date, and to also provide comments and recommendations, where applicable to improve the risk management framework supporting the activities of the Group.

In the event the elected Chairman is not able to attend a meeting, a member of the Audit Committee shall be nominated as Chairman for the meeting. The nominated Chairman shall be an Independent Non-Executive Director.

Subject to the notice and quorum requirements as provided in the Terms of Reference, meeting of the Audit Committee may be held and conducted through the telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

In any event, should the external auditors request, the Chairman of the Audit Committee shall convene a meeting of the committee to consider any matter the external auditors believe should be brought to the attention of the Directors or shareholders.

#### (c) Functions of the Audit Committee

The duties and responsibilities of the Audit Committee include the following:-

1. to consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
2. to discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
3. to discuss with the external auditor on the evaluation of the system of internal controls and the assistance given by the employees to the external auditors;
4. to review and report to the Board if there is reason (supported by grounds) to believe that the external auditor is not suitable for reappointment;
5. To review and discuss any related party transaction and conflict of interest situation that arose, persist or may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts, if any;
6. To review recurrent related party transactions of a revenue (RRPT) or trading nature are entered into on arm's length basis and on normal commercial terms that are consistent with the Group's usual business practices and policies and the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner and are properly disclosed in the Annual Report and Circular for Shareholders' mandate.



## Audit Committee Report

### TERMS OF REFERENCE OF AUDIT COMMITTEE (CON'TD)

#### (c) Functions of the Audit Committee (Con'td)

7. To review the quarterly and audited annual financial statements of the Company and the Group where necessary, together with the external auditor, focus particularly on the following before recommending to the Board for approval:-
  - i. Any significant changes or implementation of major accounting policies and practices;
  - ii. Significant matters highlighted including financial reporting issues, major judgmental areas made by management, significant and unusual events or transactions, and how these matters are addressed;
  - iii. Significant adjustments arising from the audit;
  - iv. Compliance with applicable approved accounting standards, Bursa Malaysia Securities Berhad Listing Requirements and other statutory requirements; and
  - v. The Going concern assumption.
8. to discuss problems and reservations arising from the interim and final audit, and any matter the auditors may wish to discuss (in the absence of the management where necessary);
9. to review the external auditor's management letter and management's response;
10. to do the following in relation to the internal audit functions:-
  - i. review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - ii. review the internal audit programme and the results of the internal audit processes or investigation undertaken and where necessary to ensure the appropriate action is taken on the recommendations of the internal audit function;
  - iii. review any appraisal or assessment of the performance of the internal audit function;
  - iv. approve any appointment or termination of the internal auditor;
  - v. inform itself of resignations of internal auditor and provide the resigning internal auditor an opportunity to submit his reasons for resigning.
11. to consider the major findings of internal investigations and the management's response; and
12. to consider any other functions or duties as may be agreed by the Committee and the Board.

#### (d) Rights of the Audit Committee

The Audit Committee has ensured that it shall, wherever necessary and reasonable for the performance of its duties and in accordance with a procedure determined by the Board:-

1. have authority to investigate any matter within its terms of reference;
2. have the resources which are required to perform its duties;
3. have full and unrestricted access to any information pertaining to the Company and Group;
4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
5. be able to obtain independent professional or other advice when needed; and
6. be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

## Audit Committee Report

### TERMS OF REFERENCE OF AUDIT COMMITTEE (CON'TD)

#### (e) Procedure of Audit Committee

The Audit Committee regulates its own procedures by:-

1. the calling of meetings;
2. the notice to be given of such meetings;
3. the voting and proceedings of such meetings;
4. the keeping of minutes; and
5. the custody, protection and inspection of such minutes.

#### (f) Review of the Audit Committee

The Board of Directors shall ensure that the term of office and performance of the Audit Committee and each of its members are being reviewed at least once in every three years to determine whether such an Audit Committee and members have carried out their duties in accordance with their terms of reference.

#### (g) Attendance of the Audit Committee Meetings

The details of attendance of each Audit Committee member in the Audit Committee meetings held during the financial year ended 30 June 2023 are as follows:-

Name	Meeting attended by the Directors/ Total Number of Meeting held during the financial year ended 30 June 2023	% of Attendance
Mr. Lee Kim Seng	5/5	100%
Datuk Hairuddin Bin Mohamed	5/5	100%
Mr. Yeoh Chong Keng	5/5	100%

#### (h) Summaries of Activities of the Audit Committee

During the financial year up to the date of this Report, the Audit Committee carried out the following activities in discharging their duties and responsibilities:

##### 1. Control

Evaluated the overall effectiveness of the system of internal control through the review of the results of work performed by the internal and external auditors and discussions with the key management.

##### 2. Financial Results

Reviewed quarterly results and audited annual financial statements of the Group and Company before recommending to the Board for release to Bursa Securities. The review should focus primarily on:

- a) major judgmental areas, significant and unusual events;
- b) significant adjustments resulting from audit;
- c) the going concern assumptions;
- d) compliance with applicable approved accounting standards in Malaysia; and
- e) compliance with Listing Requirements of Bursa Securities and other regulatory requirements.

## Audit Committee Report

### TERMS OF REFERENCE OF AUDIT COMMITTEE (CON'TD)

#### (h) Summaries of Activities of the Audit Committee (Con'td)

##### 3. External Audit

- a) reviewed with the external auditors, their audit plan for the financial year ended 30 June 2023 to ensure that their scope of work adequately covers the activities of the Group;
- b) reviewed the results and issues arising from their audit of the annual financial statements and their resolution of such issues as highlighted in their report to the Committee; and
- c) reviewed their performance and independence before recommending to the Board their reappointment and remuneration.
- d) reviewed with the external auditors for the Statement on Risk Management and Internal Control of the Group for inclusion in the Annual Report.

##### 4. Internal Audit

- a) reviewed with the internal auditors, their audit plan for the financial year ended 30 June 2023 ensuring that principal risk areas were adequately identified and covered the plan;
- b) reviewed the recommendations by internal audit, representations made and corrective actions taken by the management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis;
- c) reviewed the competencies of the internal auditors to execute the plan, the audit programs used in the execution of the internal audit work and results of their work; and
- d) reviewed the adequacy of the terms of reference of internal audit.

##### 5. Related Party Transactions/Conflict of Interest Situations

Reviewed any related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

The Audit Committee will review the circulars to shareholders in relation to the renewal of authority for share buy-back ("Share Buy-back") and renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("RRPT") are properly accounted and disclosed, none of the directors, major shareholders and/or persons connected to them has any interest, direct or indirect, in the Share Buy-back and RRPT.

# Statement on Risk Management and Internal Control

## INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of risk management and internal control to safeguard the shareholders' investments and the Group's assets. The Board of Yoong Onn Corporation Berhad is committed to maintain a sound system of risk management and internal control in the Group. Set out below is the Board of Directors' "Statement on Risk Management and Internal Control" which has been prepared in accordance with the Guidance for Directors of Public Listed Companies on the Statement on Risk Management and Internal Control which outlines the frameworks and processes the Board is to adopt in maintaining the adequacy and integrity of risk management and the system of internal control of the Group.

## RESPONSIBILITY OF THE BOARD

The Board of Directors ("Board") is responsible for the adequacy and effectiveness of the Yoong Onn Corporation Berhad ("the Group") risk management and internal control system. The Board ensures that the system manages the Group's key areas of risk within an acceptable risk profile to increase the likelihood that the Group's policies and business objectives will be achieved. The Board continually reviews the system to ensure it provides a reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines. Management assists the Board in the implementation of the Board's policies and procedures on risk management and internal control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

## RISK MANAGEMENT FRAMEWORK

The Board is aware that a sound system of risk management and internal control should be embedded in the operations of the Group and form part of its culture. This system should be capable of responding quickly to evolving risks to the business arising from factors within the Group and changes in the business environment. It should include procedures for reporting immediately to appropriate levels of management any significant control failings or weaknesses that are identified together with details of corrective action being taken. The Board has established a Risk Management Framework which consists of a structured approach covering the identification of risks, assessment of risks and reviewing and implementing strategies to mitigate those risks. The Board has established a Risk Management Committee comprising of Executive Director and Senior Management to oversee the risk management initiatives of the Group. The Board and the Audit Committee regularly reviews this process to ensure the effectiveness of its risk management.

## Statement on Risk Management and Internal Control

### INTERNAL CONTROL AND INTERNAL AUDIT FUNCTION

The Board has outsourced the internal audit function of the Group to independent professional firms, Tricor Axcelasia Sdn Bhd and IA PROV Sdn Bhd for the year ended 30 June 2023 for fees of RM10,000 and RM12,000 respectively. The audit planning memorandum presented annually by the Internal Auditors is adopted by the Audit Committee to review the effectiveness of the Group's system of internal control.

The Group's system of internal control comprises but not limited to the following activities:-

- The Audit Committee comprises solely of Independent Non-Executive Directors with full access to both the internal and external auditors. Audit Committee meetings are held separately from Board meetings;
- Periodic internal audits are conducted by the internal auditors to monitor compliance to established procedures and to review internal control measures. The internal audit reports would highlight any significant risks, non-compliances and areas for improvements.
- Each core business process function is audited on a rotational basis and the Audit Committee reviews the internal audit issues identified, and together with the Management recommends improvements to the Board;
- Follow up reviews are conducted on previous audit issues highlighted to ensure that the recommendations highlighted had been addressed by Management.

### 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 issued by the Malaysian Institute of Accountant ("MIA") for inclusion in the annual report for the year ended 30 June 2023 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system.

### CONCLUSION

During the financial year under review, the Board is satisfied that no material losses, deficiencies or errors were arising from any inadequacy or failure of the Group's internal control system that will require disclosure in the Annual Report. The Chief Executive Officer and Chief Financial Officer have provided assurance to the Board that the Group's risk management and internal control system, in all matters aspects is operating adequately and effectively.

The Board will continue to take measures to strengthen the system of internal control maintained by the Group and ensure shareholders' investment and the Group's assets are consistently safeguarded.

This corporate governance statement is made in accordance with the resolution of the Board dated 4 October 2023.

## Directors' Responsibility Statement

The Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of Yoong Onn Corporation Berhad ("YOOCB") and its subsidiary companies ("the Group") as at the end of the financial year, and of the results and cash flows for the financial year ended.

Therefore, in preparing the financial statements of YOOCB for the year ended 30 June 2023, the Directors have:

- adopted appropriate accounting policies and applied them on a consistent basis;
- made judgments and estimates that are prudent and reasonable;
- ensured applicable approved accounting standards have been followed and any material departures have been disclosed and explained in the financial statements; and
- ensured the financial statements have been prepared on a going concern basis.

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

This above statement is made in accordance with the resolution passed at the Board of Directors' meeting held on 4 October 2023.



## Additional Compliance Information

### 1) Share Buy-Backs

There were no share buy-backs by the Company during the financial year ended 30 June 2023.

All shares purchased by the Company were retained as treasury shares in accordance with Section 127(4) of the Companies Act 2016. As at 30 June 2023, the number of treasury shares was 1,347,300. None of the treasury shares were re-sold or cancelled during the financial year under review.

### 2) Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued during the financial year ended 30 June 2023.

### 3) Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

### 4) Non-Audit Fees

The amount of non-audit fees pay/payable to External Auditors, Messrs' HLB Ler Lum Chew PLT for the current financial year is as follows:-

	Group	Company
Audit Fees	130,000	29,000
Non-Audit Fees	14,500	5,000

### 5) Variation in Results

There were no variations of 10% or more between the audited results of the Group for the financial year ended 30 June 2023 and the unaudited results announced on 24 August 2023.

### 6) Material Contracts with Related Parties

There were no material contracts entered into by the Company and its subsidiaries involving directors' and major shareholders' interest which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year except as disclosed in the Financial Statements.

### 7) Profit Forecast/Profit Guarantee

The Company did not provide any profit forecast/guarantee in any public documents during the financial year ended 30 June 2023.

### 8) Corporate Social Responsibility

The Group recognises its role as a responsible corporate citizen and no company can exist by maximising shareholders' value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

#### a) Environment

With the growing threat of climate change, we have installed a 671KW solar photovoltaic module systems ("Solar Panel Systems") onto our factory and warehouses in Nilai Seremban. The Solar Panel systems generate electricity from sunlight for its factory and warehouse operations and yield cost-savings of more than 50% of the factory and warehouses' energy costs.

We have also undertaken electricity saving initiatives including turning off all lights during lunch breaks, unoccupied rooms and fitting LED lights for our fully owned Home's Harmony retail boutique outlets, our offices in EkoCheras Office Tower and warehouses,

We have been promoting e-communication delivery for memos and reports in reducing paper usage, waste separation scheme to segregate different types of waste into 3 designated bins like paper, plastic, and general waste and ensure all unwanted packing boxes and plastic are sent to recycling centres.

## Additional Compliance Information

### 8) Corporate Social Responsibility (Con'td)

#### b) Safety and Health

The Group is committed to provide a safe and healthy working environment for all employees under the requirements of Health, Safety and Environment ("HSE"). We constantly ensure a safe and healthy working environment and keep ourselves updated with the latest HSE requirements and regulations through various training programs.

#### c) Charity Works and Donations to Charitable Organisations

The Company has made cash donations to Damai Disabled Person Association Malaysia, Hospis Malaysia, Malaysian Association for The Prevention of Tuberculosis, Malaysian Association For The Blind, Montfort Youth Centre, National Diabetes Institute, Pusat Jagaan Rumah Orang Orang Tua (PKK) SIMEE, Society of The Blind In Malaysia, Shelter Home for Children.

#### d) Employees

The Group has continually strived to provide conducive working environment for all employees and conducive accommodation to its staff and foreign workers. The Group places strong emphasis on personal development and provides various training courses for its employees to enhance and upgrade their work skills for better opportunities of career advancements. Staffs are also sent to overseas including trade fairs and exhibitions to better equip themselves with relevant products knowledge, designs and skills or specific training course for each relevant individual to assist them to excel in their respective fields.

The Group organises training, courses, team building activities and seminars to provide the necessary trainings, knowledge and create close bond among the employees. The Group also provides transport for its factory workers in Nilai and bicycles for its foreign workers who work night shift.

### 9) Recurrent Related Parties Transactions

The breakdown of the aggregate value of transactions conducted during the financial year ended 30 June 2023 is as follows:

Transacting companies within YOCB Group	Transacting Related Party	Nature of Transactions	Amount of Transactions (RM)
Sleep Focus Sdn Bhd	NC 28 Glory	Supply of home linen products	752,055
Monsieur (M) Sdn Bhd	NC 28 Glory	Supply of home linen products	57,850
Syarikat Yoong Onn Sdn Bhd	NC 28 Glory	Supply of home linen products	382,974

- The principal activities of NC Twenty Eight Glory Sdn Bhd (NC 28 Glory) are trading and distribution of home linen and homeware products.
- Chew Hon Yoon (CHYN) and Chew Pui Yin (CPY) are Directors and Shareholders of NC 28 Glory.
- CHYN is the brother of Chew Hon Foong (CHF), Chew Hon Keong (CHK) and Chew Hon Yoong (CHYG) and father of Chew Zhi Kan (CZK) and CPY.
- CZK, a major shareholder of YOCB and the son of CHYN, nephew of CHF, CHK and CHYG and brother of CPY.
- CPY, daughter of CHYN, sister of CZK and niece of CHF, CHK and CHYG
- CHF and CHK are brothers, directors, and major shareholders of YOCB.
- CHYG is a brother of CHF and CHK and is also a major shareholder of YOCB.
- SFSB has been supplying home linen products to NC 28 Glory since 2018.
- MSB has been supplying home linen products to NC 28 Glory since 2018.
- SYOSB has been supplying home linen products to NC 28 Glory since 2019.

At the forthcoming Annual General Meeting to be held on 23 November 2023, the Company intends to seek its shareholders' approval for the proposed renewal of shareholders' mandate for recurrent related party transactions of revenue or trading nature, which are necessary for its day-to-day operations and in the ordinary course of business, with related parties as set in the Circular to Shareholders dated 24 October 2023 which is dispatched together with this Annual Report.

# FINANCIAL STATEMENTS

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## Directors' Report

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

### DIRECTORS

The directors who served on the Board of the Company during the financial year and during the period commencing from the end of the financial year and ending on the date of this Report are:

Chew Hon Foong	
Chew Hon Keong	
Tan Sri Datuk Seri Dr Sulaimen Bin Mohamed	(Appointed on 07.03.2023)
Hasmaliza Binti Othman	(Appointed on 01.03.2023)
Fung Kam Foo	(Appointed on 25.05.2023)
Dato Tang Swee Guan	(Appointed on 26.06.2023)
Yeoh Chong Keng	(Resigned on 31.05.2023 and re-appointed on 24.08.2023)
Datuk Kamaludin Bin Yusoff	(Resigned on 31.05.2023)
Datuk Hairuddin Bin Mohamed	(Resigned on 31.05.2023)
Lee Kim Seng	(Resigned on 31.05.2023)

### DIRECTORS OF SUBSIDIARIES

The following is a list of directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year until the date of this Report:-

Chew Hon Yoong	Chew Zhi Kan
----------------	--------------

### PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the Financial Statements. There have been no significant changes in the nature of these activities during the financial year.

### RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
Profit after taxation attributable to owners of the Company	38,071	34,211

### DIVIDENDS

Since the end of the previous financial year, the Company paid:

- i) an interim single tier dividend of 3.0 sen per ordinary share amounting to RM4,759,581 in respect of the financial year ended 30 June 2022; and
- ii) a final single tier dividend of 3.0 sen per ordinary share amounting to RM4,759,581 in respect of the financial year ended 30 June 2022.

The Company declared an interim single tier dividend of 3.5 sen per ordinary share amounting to RM5,552,846 in respect of the financial year ended 30 June 2023.

## Directors' Report

### DIVIDENDS (CONT'D)

At the forthcoming Annual General Meeting, a final single tier dividend of 4.0 sen per ordinary share amounting to RM6,346,108 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the financial year ending 30 June 2024.

### DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The following Directors of the Company who held office at the end of the financial year had, according to the register required to be kept under Section 59 of the Companies Act 2016, interests in the shares of the Company and related companies as follows:-

	Number Of Ordinary Shares			At 30.6.2023
	At 1.7.2022	Bought	Sold	
<i>Direct Interests</i>				
Chew Hon Foong	-	250,000	-	250,000
Chew Hon Keong	-	250,000	-	250,000
Yeoh Chong Keng	154,000	31,000	-	185,000
<i>Indirect Interests</i>				
Chew Hon Foong	84,000,231*	-	-	84,000,231*
Chew Hon Keong	84,000,231*	-	-	84,000,231*

\* - By virtue of their shareholdings in the holding company, Chew Hon Foong and Chew Hon Keong are deemed to have interests in shares in the Company and its related corporations to the extent of the holding company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

### INDEMNITY AND INSURANCE

No indemnity has been given to or insurance effected for any of the directors or officers of the Company during the financial period.

### DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects 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.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except that certain Directors received remuneration from the Company's related corporations.

## Directors' Report

### DIRECTORS' BENEFITS (CONT'D)

	THE GROUP RM'000	THE COMPANY RM'000
<b>DIRECTORS' REMUNERATION</b>		
Directors fee	198	198
Short term employee benefits	1,693	17
Non-monetary benefits-in-kind	27	-
	1,918	215

### RESERVES AND PROVISIONS

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

### ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

### TREASURY SHARES

As at the end of the reporting period, the Company held as treasury shares a total of 1,347,300 of its 160,000,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM822,534. Relevant details on the treasury shares are disclosed in the Note 15 to the Financial Statements.

### OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

### BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

## Directors' Report

### CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, 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 which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

### VALUATION METHODS

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

### CONTINGENT AND OTHER LIABILITIES

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

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

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

### CHANGE OF CIRCUMSTANCES

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

### ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

### HOLDING COMPANY

The Directors regard Casatex Cosmo Sdn. Bhd., a company incorporated in Malaysia, as the Company's holding company.



## Directors' Report

### AUDITORS' REMUNERATION

Auditors' remuneration are as follows:-

	THE GROUP RM'000	THE COMPANY RM'000
HLB Ler Lum Chew PLT		
- Audit fee	130	29
- Non-audit fee	15	5
	145	34

### AUDITORS

The auditors, HLB Ler Lum Chew PLT, have expressed their willingness to continue in office.

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

\_\_\_\_\_  
Chew Hon Foong

\_\_\_\_\_  
Chew Hon Keong

Dated: 4 October 2023  
Kuala Lumpur

## Statement by Directors

We, Chew Hon Foong and Chew Hon Keong, being two of the Directors of Yoong Onn Corporation Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2023 and of their financial performance and cash flows for the year then ended.

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

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**Chew Hon Foong**

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**Chew Hon Keong**

Dated: 4 October 2023  
Kuala Lumpur

## Statutory Declaration

I, Tan Peng, being the Officer primarily responsible for the financial management of Yoong Onn Corporation Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared  
by the abovenamed Tan Peng  
at Kuala Lumpur on 4 October 2023

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**Tan Peng** (MIA 6063)

Before me,

Samuel John A/L Ponniah  
No. PJS: B437  
Commissioner for Oaths

# Independent Auditors' Report

## to the Members of Yoong Onn Corporation Berhad

### Report on the Financial Statements

We have audited the financial statements of Yoong Onn Corporation Berhad, which comprise the Statements of Financial Position as at 30 June 2023 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 52 to 103.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2023 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

### Independence and Other Ethical Responsibilities

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

### 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 current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Valuation of inventories

(Refer to Note 5(a)(ii), 5(h) and 9 to the Financial Statements)

As at financial year end, the carrying amount of inventories amounted to RM95 million. Inventories are stated in the financial statements at the lower of cost and net realisable value. There is a risk that certain inventories of the Group may not be recoverable due to old and out of design home linen as well as economic deterioration of the linens' condition over time. This in combination with the significant share of inventories as part of total assets, made us conclude that valuation of inventories is a key audit matter.

#### How our audit addresses this matter

Our audit procedures to validate the valuation of inventories, we

- understood and assessed the effectiveness of internal controls in place to assess the valuation of inventories;
- discussed with management and obtained an understanding of the process implemented by management over the determination of the lower of cost and net realisable value of inventories;
- assessed the historical accuracy and reasonableness of inventory provisioning. We reviewed the ageing of inventories and analysed the level of slow-moving and out-of-season inventories and the associated write down; and
- tested inventories for sales subsequent to the year end to supporting documentation and assessed that the carrying amount of inventories is at the lower of cost and net realisable value.

## Independent Auditors' Report

to the Members of Yoong Onn Corporation Berhad

### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

### Responsibilities of the Directors for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

## Independent Auditors' Report

to the Members of Yoong Onn Corporation Berhad

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### 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.

**HLB LER LUM CHEW PLT**  
201906002362 & AF 0276  
Chartered Accountants

**LER JI-YONG**  
03439/05/2025 J  
Chartered Accountant

Dated: 4 October 2023  
Kuala Lumpur

## Statements of Financial Position

as at 30 June 2023

	NOTE	THE GROUP		THE COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	6	-	-	57,565	57,565
Property, plant and equipment	7	54,563	55,046	8	-
Right-of-use assets	8(a)	7,578	6,404	-	-
Deferred tax assets	16	1,664	2,643	-	-
		63,805	64,093	57,573	57,565
<b>CURRENT ASSETS</b>					
Inventories	9	94,997	68,792	-	-
Trade receivables	10	31,958	34,806	-	-
Other receivables, deposits and prepayments	11	7,385	8,708	173	92
Income tax assets		598	840	-	-
Short-term investment	12	77,015	73,735	68,268	40,359
Deposits with financial institutions	13	42,685	42,020	10,500	11,000
Cash and bank balances		17,258	17,862	261	2,993
		271,896	246,763	79,202	54,444
<b>TOTAL ASSETS</b>		<b>335,701</b>	<b>310,856</b>	<b>136,775</b>	<b>112,009</b>

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

## Statements of Financial Position

as at 30 June 2023

	NOTE	THE GROUP		THE COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	14	80,000	80,000	80,000	80,000
Treasury shares	15	(823)	(823)	(823)	(823)
Retained profits		225,811	198,052	51,890	27,991
<b>TOTAL EQUITY</b>		<b>304,988</b>	<b>277,229</b>	<b>131,067</b>	<b>107,168</b>
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liabilities	16	1,910	1,617	-	-
Provision	17	398	386	-	-
Long-term borrowings	18	-	73	-	-
Lease liabilities	8(b)	3,004	2,732	-	-
		5,312	4,808	-	-
<b>CURRENT LIABILITIES</b>					
Trade payables	19	1,340	1,950	-	-
Other payables and accruals		8,068	11,054	113	77
Contract liabilities	20	205	407	-	-
Dividend payable		5,553	4,759	5,553	4,759
Income tax liabilities		2,950	2,188	42	5
Short-term borrowings	18	2,546	4,669	-	-
Lease liabilities	8(b)	4,739	3,792	-	-
		25,401	28,819	5,708	4,841
<b>TOTAL LIABILITIES</b>		<b>30,713</b>	<b>33,627</b>	<b>5,708</b>	<b>4,841</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>335,701</b>	<b>310,856</b>	<b>136,775</b>	<b>112,009</b>

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



## Statements of Profit or Loss and Other Comprehensive Income

for the Financial Year Ended 30 June 2023

	NOTE	THE GROUP		THE COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>REVENUE</b>	21	262,496	227,969	34,129	16,043
<b>COST OF SALES</b>		(144,201)	(124,460)	-	-
<b>GROSS PROFIT</b>		118,295	103,509	34,129	16,043
<b>OTHER INCOME</b>		4,863	2,272	1,852	891
		123,158	105,781	35,981	16,934
<b>SELLING AND DISTRIBUTION EXPENSES</b>		(18,299)	(16,860)	(16)	-
<b>ADMINISTRATIVE AND OPERATING EXPENSES</b>		(54,027)	(43,598)	(1,540)	(944)
<b>FINANCE COSTS</b>		(684)	(470)	-	-
<b>PROFIT BEFORE TAXATION</b>	22	50,148	44,853	34,425	15,990
<b>INCOME TAX EXPENSE</b>	23	(12,077)	(10,981)	(214)	(141)
<b>PROFIT AFTER TAXATION</b>		38,071	33,872	34,211	15,849
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		38,071	33,872	34,211	15,849
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>					
<b>Owners of the Company</b>		38,071	33,872	34,211	15,849
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>					
<b>Owners of the Company</b>		38,071	33,872	34,211	15,849
<b>EARNINGS PER SHARE (SEN)</b>	24				
- Basic/Diluted		24	21		

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

## Statements of Changes in Equity

for the Financial Year Ended 30 June 2023

	NOTE	NON-DISTRIBUTABLE		DISTRIBUTABLE	TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	TREASURY SHARES RM'000	RETAINED PROFITS RM'000	
<b>THE GROUP</b>					
Balance at 1.7.2021		80,000	(823)	171,319	250,496
Profit after taxation/Total comprehensive income for the financial year		-	-	33,872	33,872
Distributions to owners of the Company:					
- Dividends	25	-	-	(7,139)	(7,139)
Balance at 30.6.2022		80,000	(823)	198,052	277,229
Profit after taxation/Total comprehensive income for the financial year		-	-	38,071	38,071
Distributions to owners of the Company:					
- Dividends	25	-	-	(10,312)	(10,312)
Balance at 30.6.2023		80,000	(823)	225,811	304,988
<b>THE COMPANY</b>					
Balance at 1.7.2021		80,000	(823)	19,281	98,458
Profit after taxation/Total comprehensive income for the financial year		-	-	15,849	15,849
Distributions to owners of the Company:					
- Dividends	25	-	-	(7,139)	(7,139)
Balance at 30.6.2022		80,000	(823)	27,991	107,168
Profit after taxation/Total comprehensive income for the financial year		-	-	34,211	34,211
Distributions to owners of the Company:					
- Dividends	25	-	-	(10,312)	(10,312)
Balance at 30.6.2023		80,000	(823)	51,890	131,067

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

## Statements of Cash Flows

for the Financial Year Ended 30 June 2023

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>				
Profit before taxation	50,148	44,853	34,425	15,990
Adjustments for:-				
COVID-19 related rent concession received	-	(730)	-	-
Depreciation of property, plant and equipment	3,573	3,687	1	-
Depreciation of right-of-use assets	5,709	5,040	-	-
Dividend income	-	-	(33,000)	(15,000)
Interest expense	282	189	-	-
Interest income	(3,866)	(1,679)	(1,852)	(891)
Lease interest expense	402	281	-	-
Gain on disposal of plant and equipment	(4)	(3)	-	-
Plant and equipment written off	40	106	-	-
Reversal of impairment losses on receivables	(1,767)	(1,031)	-	-
Reversal of provision for slow moving inventories	(2,097)	(3,070)	-	-
Unrealised gain on foreign exchange	(532)	(249)	-	-
Operating profit/(loss) before working capital changes	51,888	47,394	(426)	99
Inventories	(24,108)	8,972	-	-
Receivables	6,207	(14,686)	(82)	(38)
Payables	(3,536)	2,649	38	5
<b>CASH FROM/(FOR) OPERATIONS</b>	30,451	44,329	(470)	66
Income tax paid	(9,801)	(9,292)	(177)	(144)
Interest paid	(275)	(179)	-	-
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES CARRIED FORWARD</b>	20,375	34,858	(647)	(78)

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

## Statements of Cash Flows

for the Financial Year Ended 30 June 2023

	NOTE	THE GROUP		THE COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES BROUGHT FORWARD</b>		20,375	34,858	(647)	(78)
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>					
Interest received		3,866	1,679	1,852	891
Dividend received		-	-	33,000	15,000
Purchase of plant and equipment		(3,123)	(5,371)	(9)	-
Proceeds from disposal of plant and equipment		4	35	-	-
<b>NET CASH FROM/(FOR) INVESTING ACTIVITIES</b>		747	(3,657)	34,843	15,891
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>					
Dividends paid		(9,519)	(6,346)	(9,519)	(6,346)
Repayment of bank borrowings		(896)	(800)	-	-
(Repayment)/Drawdown of bankers' acceptances		(1,300)	307	-	-
Payment of lease obligations	8(b)	(6,066)	(4,608)	-	-
<b>NET CASH FOR FINANCING ACTIVITIES</b>		(17,781)	(11,447)	(9,519)	(6,346)
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>		3,341	19,754	24,677	9,467
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		133,617	113,863	54,352	44,885
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	26	136,958	133,617	79,029	54,352

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

## Statements of Cash Flows

for the Financial Year Ended 30 June 2023

Group	At 1.7.2022 RM'000	Principal and interest payments RM'000	Drawdown RM'000	Non-cash changes Interest expense RM'000	At 30.6.2023 RM'000
Borrowings					
- bankers' acceptances	3,846	(18,174)	16,615	259	2,546
- term loan	896	(912)	-	16	-
	4,742	(19,086)	16,615	275	2,546

Group	At 1.7.2021 RM'000	Principal and interest payments RM'000	Drawdown RM'000	Non-cash changes Interest expense RM'000	At 30.6.2022 RM'000
Borrowings					
- bankers' acceptances	3,539	(15,023)	15,190	140	3,846
- term loan	1,696	(839)	-	39	896
	5,235	(15,862)	15,190	179	4,742

Analysis of acquisition of property, plant and equipment:

	Group	
	2023 RM'000	2022 RM'000
Cash	3,123	5,371
Provision (Note 17)	7	14
	3,130	5,385

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

# Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

## 1. GENERAL INFORMATION

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

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

The principal place of business is located at Lot No. PT 16690 - 16692, Jalan Permata 2, Arab-Malaysian Industrial Park, 71800 Nilai, Negeri Sembilan Darul Khusus.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 4 October 2023.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the Financial Statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. HOLDING COMPANY

The holding company is Casatex Cosmo Sdn. Bhd., a company incorporated in Malaysia.

## 4. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### (a) Changes in accounting policies

On 1 July 2022, the Group has adopted the following new and amendments to MFRS and IC interpretation which are mandatory for annual financial year beginning on or after 1 July 2022:-

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3 'Reference to the Conceptual Framework'	1 January 2022
Amendments to MFRS 116 'Property, Plant and Equipment - Proceeds before Intended Use'	1 January 2022
Amendments to MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts: Costs of Fulfilling a Contract'	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	
- Amendments to MFRS 1 'First-time Adoption of International Financial Reporting Standards - Subsidiary as A First-time Adopter'	1 January 2022
- Amendments to MFRS 9 'Financial Instruments - Fees in the 10% test for derecognition of financial liabilities'	1 January 2022
- Amendments to MFRS 141 'Agriculture - Taxation in Fair Value Measurements'	1 January 2022

Adoption of the above amendments to MFRS did not have any material effect on the financial position and policy of the Group.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

#### 4. BASIS OF PREPARATION (CONT'D)

##### (b) Standards, amendments to MFRS and IC Interpretations Issued But Not Yet Effective

At the date of authorisation of these financial statements, the following new and amendments to MFRS and IC interpretation have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective and have not been adopted by the Group:-

Description	Effective for annual periods beginning on or after
MFRS 17 'Insurance Contracts'	1 January 2023
Amendments to MFRS 17 'Initial Application of MFRS 17 and MFRS 9 – Comparative Information'	1 January 2023
Amendments to MFRS 112 'Income tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction'	1 January 2023
Amendments to MFRS 107 and MFRS 7 'Supplier Finance Arrangements'	1 January 2024
Amendments to MFRS 16 'Leases' – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 'Presentation of Financial Statements – Non-current Liabilities with Covenants'	1 January 2024
Amendments to MFRS 121 'The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability'	1 January 2025
Amendments to MFRS 10 and MFRS 128 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	Deferred

The Group will adopt the above pronouncements when they become effective in the respective financial periods. The adoption of these amendments to MFRSs and IC Interpretation do not have any significant financial impact to the Group.

#### 5. SIGNIFICANT ACCOUNTING POLICIES

##### (a) Critical Accounting Estimates And Judgements

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

##### (i) Provision for expected credit losses of trade and other receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade and other receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and other receivables is disclosed in Note 33(a)(ii).



## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (a) Critical Accounting Estimates And Judgements (Cont'd)

##### (ii) Provision for slow moving inventories

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

##### (iii) Lease liabilities

The measurement of the “right-of-use” asset and lease liability for leases where the Group is a lessee requires the use of significant judgements and assumptions, such as lease term and incremental borrowing rate.

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is exercised (or not exercised) or the Group become obligated to exercise (not to exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurred, which affect this assessment, and that is within the control of the lessee.

In determining the incremental borrowing rate, the Group first determine the closest borrowing rate before using significant judgement to determine the adjustments required to reflect the term, security, value of economic environmental of the respective leases.

#### (b) Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

##### (i) Financial Assets

###### Initial measurement and recognition

On initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (b) Financial Instruments (Cont'd)

##### (i) Financial Assets (Cont'd)

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

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to be customer, excluding amounts collected on behalf of third party, in the trade receivables do not contain a significant financing component at initial recognition.

###### Subsequent measurement

##### (a) Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

- Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

- Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

The Group and the Company do not hold any financials at FVOCI.

- Fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

##### (b) Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (b) Financial Instruments (Cont'd)

##### (i) Financial Assets (Cont'd)

###### Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the assets has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instrument is recognised in profit or loss.

##### (ii) Financial Liabilities

###### Initial measurement and recognition

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

###### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

###### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

##### (iii) Equity Instruments

Equity instruments classified as equity are measured at cost and are not remeasured subsequently

- Ordinary Shares

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

- Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are sold, the difference between the sales consideration and the carrying amount of the treasury shares are shown as a movement in equity when the consideration received is more than the carrying amount. Where the consideration received is different from the carrying amount, the difference is offset against reserves.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (b) Financial Instruments (Cont'd)

##### (iv) Derecognition

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

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

#### (c) Functional and Foreign Currencies

##### (i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

##### (ii) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

#### (d) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect investee's returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Intragroup transactions, balances, income and expenses are eliminated on consolidation.

Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of the subsidiaries to ensure consistency of the accounting policies within those of the Group.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (d) Basis of Consolidation (Cont'd)

The acquisitions resulted in a business combination involving common control entities is outside the scope of MFRS 3. The merger accounting is used by the Group to account for such common control business combinations.

##### (i) Merger accounting for common control business combinations

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

##### (ii) Acquisition Method of Accounting for Non-Common Control Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

##### (iii) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (d) Basis of Consolidation (Cont'd)

##### (iv) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

##### (v) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

#### (e) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

#### (f) Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any and is not depreciated.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (f) Property, Plant and Equipment (Cont'd)

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates of depreciation are as follows:-

	Depreciation Rate
Buildings	3%
Plant and machinery	10%
Motor vehicles	20%
Office equipment and counter display	10% - 25%
Electrical appliances	20%
Furniture and fittings	10%
Renovation	20%
Factory and warehouse equipment	10% -15%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of the reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

#### (g) Impairment

##### (i) Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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



## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (g) Impairment (Cont'd)

##### (i) Impairment of Financial Assets (Cont'd)

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

The Group consider a financial asset in default when contractual payments are 150 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### (ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow using a pre-tax discount rate. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and the to reduce the carrying amount of the other assets in the cash-generating unit on a pro rate basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### (h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress include the cost of materials, labour and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (i) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the financial statements. When its inflows of economic benefit is virtually certain, then the related assets is recognised in the statement of financial position.

#### (j) Income Taxes

Income taxes for the reporting period comprise current tax and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

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

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

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (j) Income Taxes (Cont'd)

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

#### (k) Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

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

#### (l) Operating Segments

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

#### (m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits held at call with financial institutions and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

#### (n) Employee Benefits

##### (i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

##### (ii) Defined Contribution Plans

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

#### (o) Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (o) Related Parties (Cont'd)

- (b) An entity is related to a reporting entity if any of the following conditions applies:-
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
  - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including its director (whether executive or otherwise) of that entity.

#### (p) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (q) Revenue Recognition

##### Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers control of the goods or services promised in a contract and the customer obtains control of the goods or services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and services tax, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

##### (i) Sale of Goods - Trading

Revenue is recognised at the point in time when control of the asset is transferred to the customer.

##### (ii) Management fees

Management fees are recognised over time when the services are rendered to customer.

##### Revenue from other sources

Specific revenue recognition criteria for other revenue and income earned by the Group are as follows:

##### (i) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

##### (ii) Dividend Income

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

##### (iii) Rental Income

Rental income is recognised on an accrual basis.

#### (r) Leases

The Group assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### (a) As a lessee

The Group apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (r) Leases (Cont'd)

##### (a) As a lessee (Cont'd)

##### (i) Right-of-use assets

The Group recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

##### (ii) Lease liabilities

At the commencement date of the lease, the Group recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group use incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### (iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

##### (b) As a lessor

The Group classified leases as either operating leases or finance leases. Leases where the Group retain substantially all the risks and rewards of ownership of the leased assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (s) Contract assets/liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liability is the obligation to transfer goods or services to customer for which the Company has received the consideration or has billed the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

### 6. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	57,565	57,565

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows:-

NAME OF THE COMPANIES	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACTIVITIES
	2023	2022	
Monsieur (M) Sdn. Bhd.	100%	100%	Distribution, trading and retailing of home linen and homeware.
Syarikat Yoong Onn Sdn. Bhd.	100%	100%	Distribution, trading and retailing of home linen and homeware, property rental.
Elegant Total Home Sdn. Bhd.	100%	100%	Distribution, trading and retailing of home linen and homeware.
Sleep Focus Sdn. Bhd.	100%	100%	Design, manufacture and trading of home linen and bedding accessories and trading of home linen.



## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 7. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	AT 1.7.2022 RM'000	ADDITIONS RM'000	WRITTEN OFF RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 30.6.2023 RM'000
Net Book Value						
Freehold land	14,557	-	-	-	-	14,557
Buildings	33,869	-	(4)	-	(1,311)	32,554
Plant and machinery	978	327	-	-	(151)	1,154
Factory and warehouse equipment	590	1,781	-	-	(289)	2,082
Motor vehicles	350	141	-	-	(231)	260
Office equipment and counter display	2,181	725	(4)	-	(879)	2,023
Electrical appliances	549	37	-	-	(175)	411
Renovation	1,210	88	(1)	-	(397)	900
Furniture and fittings	762	31	(31)	-	(140)	622
<b>Total</b>	<b>55,046</b>	<b>3,130</b>	<b>(40)</b>	<b>-</b>	<b>(3,573)</b>	<b>54,563</b>

THE GROUP	AT 1.7.2021 RM'000	ADDITIONS RM'000	RECLASS/ WRITTEN OFF RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 30.6.2022 RM'000
Net Book Value						
Freehold land	14,557	-	-	-	-	14,557
Buildings	34,166	987	-	-	(1,284)	33,869
Plant and machinery	185	773	117	-	(97)	978
Factory and warehouse equipment	852	278	(131)	-	(409)	590
Motor vehicles	626	-	-	-	(276)	350
Office equipment and counter display	1,593	1,411	47	(32)	(838)	2,181
Electrical appliances	257	498	(21)	-	(185)	549
Renovation	641	1,049	(86)	-	(394)	1,210
Furniture and fittings	609	389	(32)	-	(204)	762
<b>Total</b>	<b>53,486</b>	<b>5,385</b>	<b>(106)</b>	<b>(32)</b>	<b>(3,687)</b>	<b>55,046</b>

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP	COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
At 30.6.2023			
Freehold land	14,557	-	14,557
Buildings	43,684	(11,130)	32,554
Plant and machinery	7,272	(6,118)	1,154
Factory and warehouse equipment	7,200	(5,118)	2,082
Motor vehicles	4,772	(4,512)	260
Office equipment and counter display	10,364	(8,341)	2,023
Electrical appliances	2,448	(2,037)	411
Renovation	5,941	(5,041)	900
Furniture and fittings	3,855	(3,233)	622
	100,093	(45,530)	54,563

At 30.6.2022

Freehold land	14,557	-	14,557
Buildings	43,688	(9,819)	33,869
Plant and machinery	6,945	(5,967)	978
Factory and warehouse equipment	5,419	(4,829)	590
Motor vehicles	4,676	(4,326)	350
Office equipment and counter display	9,809	(7,628)	2,181
Electrical appliances	2,453	(1,904)	549
Renovation	6,074	(4,864)	1,210
Furniture and fittings	3,905	(3,143)	762
	97,526	(42,480)	55,046

THE COMPANY	AT 1.7.2022 RM'000	ADDITION RM'000	DEPRECIATION CHARGE RM'000	AT 30.6.2023 RM'000
Net Book Value				
Office equipment	-	9	(1)	8

THE COMPANY	AT 1.7.2021 RM'000	ADDITION RM'000	DEPRECIATION CHARGE RM'000	AT 30.6.2022 RM'000
Net Book Value				
Office equipment	-	-	-	-

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE COMPANY	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
At 30.6.2023			
Office equipment	12	(4)	8

	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
At 30.6.2022			
Office equipment	10	(10)	-

As at 30 June 2023, two units of freehold buildings (2022: two units of freehold buildings) with net book value of RM10,716,110 (2022: RM11,084,573) had been pledged to licensed bank as security for banking facilities granted to the Group as disclosed in Note 18 to the Financial Statements.

### 8. LEASES

#### a) As a lessee

Right-of-use assets

	Store RM'000	Hostel RM'000	Boutique RM'000	Total RM'000
<b>THE GROUP</b>				
<b>Cost</b>				
At 1 July 2022	39	223	12,493	12,755
Addition	132	543	6,555	7,230
Adjustment	13	6	(27)	(8)
Expiry	(52)	(201)	(4,559)	(4,812)
At 30 June 2023	132	571	14,462	15,165
<b>Accumulated depreciation</b>				
At 1 July 2022	37	128	6,186	6,351
Addition	48	203	5,458	5,709
Adjustment	23	15	301	339
Expiry	(52)	(201)	(4,559)	(4,812)
At 30 June 2023	56	145	7,386	7,587
<b>Net carrying amount</b>				
At 30 June 2023	77	426	7,076	7,578

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 8. LEASES (CONT'D)

#### a) As a lessee (Cont'd)

Right-of-use assets (Cont'd)

	Store RM'000	Hostel RM'000	Boutique RM'000	Total RM'000
<b>THE GROUP</b>				
<b>Cost</b>				
At 1 July 2021	93	149	15,024	15,266
Addition	-	89	5,123	5,212
Adjustment	-	(15)	(17)	(32)
Expiry	(54)	-	(7,637)	(7,691)
At 30 June 2022	39	223	12,493	12,755
<b>Accumulated depreciation</b>				
At 1 July 2021	58	24	8,925	9,007
Addition	33	104	4,903	5,040
Adjustment	-	-	(5)	(5)
Expiry	(54)	-	(7,637)	(7,691)
At 30 June 2022	37	128	6,186	6,351
<b>Net carrying amount</b>				
At 30 June 2022	2	95	6,307	6,404

During the financial year ended 30 June 2023, the lease contract cost amounting to RM4,812,526 (2022: RM7,691,524) has expired and consequently written-off.

#### b) Lease liabilities

	2023 RM'000	2022 RM'000
<b>THE GROUP</b>		
<b>Minimum lease payments</b>		
Repayable not later than 1 year	4,739	3,792
Repayable later than 1 year and not later than 2 years	3,004	2,732
	7,743	6,524

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 8. LEASES (CONT'D)

#### b) Lease liabilities (Cont'd)

The movement of lease liabilities during the financial year is as follows:-

	2023 RM'000	2022 RM'000
<b>THE GROUP</b>		
At 1 July	6,524	6,396
Adjustment during the year	(347)	(27)
Lease interest expense (Note 22)	402	281
COVID-19 related rent concession received	-	(730)
Addition	7,230	5,212
Payment of		
- Principal	(5,664)	(4,327)
- Interest	(402)	(281)
At 30 June	7,743	6,524

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

	2023 RM'000	2022 RM'000
Depreciation of right-of-use assets (Note 22)	5,709	5,040
Lease Interest expense (Note 22)	402	281
	6,111	5,321

The Group had total cash outflow for leases of RM6,065,600 (2022: RM4,608,200) during the financial year.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 9. INVENTORIES

	THE GROUP	
	2023 RM'000	2022 RM'000
At cost:-		
Raw materials	9,611	10,359
Work in progress	1,882	1,362
Finished goods	80,491	52,716
Stock-in-transit	762	369
	92,746	64,806
At net realisable value:-		
Raw materials	887	1,157
Finished goods	1,364	2,829
	2,251	3,986
Total inventories	94,997	68,792
Recognised in profit or loss:-		
Inventories recognised as cost of sales	108,534	93,206
Reversal of provision for slow moving inventories	(2,097)	(3,070)

### 10. TRADE RECEIVABLES

	THE GROUP	
	2023 RM'000	2022 RM'000
Trade receivables	32,204	36,976
Allowance for impairment losses	(246)	(2,170)
	31,958	34,806
Allowance for impairment losses:		
At 1 July	(2,170)	(3,268)
Addition during the financial year	-	(21)
Write-off during the financial year	-	66
Reversal during the financial year	1,924	1,053
At 30 June	(246)	(2,170)

The Group's normal credit terms of trade receivables range from 30 to 120 days (2022: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in other receivables, deposits and prepayments of the Group is an amount of RM3,384,618 (2022: RM3,676,269), being deposits paid to suppliers for future supply of materials and finished goods.

These deposits shall be recovered by way of set-off against the supply of materials and finished goods.

### 12. SHORT-TERM INVESTMENT

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Financial assets at fair value through profit or loss:</u>				
Fixed income trust fund, at fair value	77,015	73,735	68,268	40,359
At market value	77,015	73,735	68,268	40,359

The investment in fixed income trust fund represents investment in highly liquid money market and fixed income instruments, which are readily convertible to a known amount of cash. The fund aims to provide a higher level of liquidity while providing better return from non-taxable income by predominantly investing its assets in money market and other fixed income instruments.

The effective interest rates ranged approximately from 3.29% to 3.50% (2022: 1.81% to 2.40%) per annum. The short-term investment is designated as fair value through profit or loss and is measured at fair value.

### 13. DEPOSITS WITH FINANCIAL INSTITUTIONS

The effective interest rates of the deposits with financial institutions at the end of the reporting period ranged from 3.45% to 3.95% (2022: 1.90% to 2.40%) per annum. The deposits have a maturity period of 63 to 96 days (2022: 30 to 94 days).

### 14. SHARE CAPITAL

	THE GROUP/THE COMPANY			
	2023		2022	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and Fully Paid-Up:				
At 1 July/30 June	160,000	80,000	160,000	80,000

### 15. TREASURY SHARES

Of the total 160,000,000 issued and fully paid-up ordinary shares as at 30 June 2023, 1,347,300 (2022: 1,347,300) ordinary shares are held as treasury shares by the Company. The treasury shares are held at a carrying amount of RM822,534 (2022: RM822,534). None of the treasury shares were resold or cancelled during the financial year.



**Notes to the Financial Statements**  
for the Financial Year Ended 30 June 2023

**16. DEFERRED TAX LIABILITIES/(ASSETS)**

Deferred Tax Liabilities

	THE GROUP	
	2023 RM'000	2022 RM'000
At beginning of the year	1,617	1,203
Recognised in profit or loss (Note 23)	293	414
At end of the year	1,910	1,617

Deferred Tax Assets

	THE GROUP	
	2023 RM'000	2022 RM'000
At beginning of the year	(2,643)	(3,570)
Recognised in profit or loss (Note 23)	979	927
At end of the year	(1,664)	(2,643)

The deferred tax liabilities are attributable to the following:-

	THE GROUP	
	2023 RM'000	2022 RM'000
Surpluses on valuation of properties	983	1,030
Accelerated capital allowances on qualifying costs of property, plant and equipment	1,149	1,001
Provisions and other temporary differences	(222)	(414)
	1,910	1,617

The deferred tax assets are attributable to the following:-

	THE GROUP	
	2023 RM'000	2022 RM'000
Accelerated capital allowances on qualifying costs of property, plant and equipment	214	73
Provisions and other temporary differences	(1,878)	(2,716)
	(1,664)	(2,643)

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 17. PROVISION

#### Provision for restoration/relocation costs

Provision for restoration/relocation costs is included in the carrying amounts of renovation. This provision recognised in respect of the obligation of the Group to restore leased outlets to its original state upon the expiry of tenancy agreements.

	THE GROUP	
	2023 RM'000	2022 RM'000
At 1 July	386	385
Recognised in property, plant and equipment	7	14
Recognised in profit or loss (Note 22)	7	10
Utilised during the financial year	(2)	(23)
At 30 June	398	386

### 18. BORROWINGS

	THE GROUP	
	2023 RM'000	2022 RM'000
Bankers' acceptances (unsecured)	2,546	3,846
Term loan (secured)	-	896
	2,546	4,742

Presented as:-

	THE GROUP	
	2023 RM'000	2022 RM'000
<u>Non-current</u>		
Term loan (secured)	-	73
<u>Current</u>		
Bankers' acceptances (unsecured)	2,546	3,846
Term loan (secured)	-	823
	2,546	4,669
	2,546	4,742

The borrowings at the end of the reporting period bore interest rates ranging from 4.10% to 4.65% (2022: 2.88% to 3.85%) per annum.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 18. BORROWINGS (CONT'D)

The borrowings obtained from licensed banks are secured by:

- i) charges over certain properties of a subsidiary (Note 7); and
- ii) a corporate guarantee of the Company for the subsidiaries

### 19. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 120 days (2022: 30 to 120 days).

### 20. CONTRACT LIABILITIES

The balances represent deposit received from customer. For sales of goods, revenue is recognised when the control of the goods is transferred to the customer, being at the point the goods are delivered to the customer. When the customer initially purchases the goods, the transaction price received at that point by the Group is recognised as contract liability until the goods have been delivered to the customer.

### 21. REVENUE

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Revenue from contracts with customer, at a point in time</u>				
Sale of home bedding and linens	262,496	227,969	-	-
<u>Revenue from contracts with customer, over time</u>				
Management fee	-	-	1,129	1,043
<u>Other revenue</u>				
Dividend income	-	-	33,000	15,000
	262,496	227,969	34,129	16,043

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 22. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before taxation is arrived at after charging:				
Auditors' remuneration:				
- audit fee	130	130	29	29
- non-audit fee	15	20	5	5
Depreciation of property, plant and equipment	3,573	3,687	1	-
Depreciation of right-of-use assets	5,709	5,040	-	-
Impairment losses:				
- trade receivables	-	21	-	-
- other receivables	199	1	-	-
Interest expense:				
- bankers' acceptances	259	140	-	-
- term loan	16	39	-	-
- unwinding of discount on provision for restoration	7	10	-	-
- lease	402	281	-	-
Loss on foreign exchange-realised	21	-	-	-
Plant and equipment written off	40	106	-	-
Rental of premises	5,343	4,762	-	-
Staff costs:				
- short-term benefits	43,583	32,536	755	336
- defined contribution plans	3,411	2,979	89	39
- estimated non-monetary benefits-in-kind	46	38	-	-
Profit before taxation is arrived at after crediting:				
COVID-19 related rent concession received	-	(730)	-	-
Interest income	(3,866)	(1,679)	(1,852)	(891)
Gain on foreign exchange-realised	(413)	(259)	-	-
Gain on foreign exchange-unrealised	(532)	(249)	-	-
Gain on disposal of plant and equipment	(4)	(3)	-	-
Reversal of provision for slow moving inventories	(2,097)	(3,070)	-	-
Reversal of allowance for impairment losses:				
- trade receivables	(1,924)	(1,053)	-	-
- other receivables	(42)	-	-	-

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 23. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense:				
- for the financial year	10,895	9,647	212	141
- (over)/under provision in the previous financial year	(90)	(7)	2	-
	10,805	9,640	214	141
Deferred tax expense (Note 16):				
- relating to originating and reversal of temporary differences	1,272	1,341	-	-
	1,272	1,341	-	-
	12,077	10,981	214	141

During the current financial year, the statutory tax rate was 24%.

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before taxation	50,148	44,853	34,425	15,990
Tax at the statutory tax rate of 24% (2022: 24%)	12,036	10,765	8,262	3,838
Tax effects of:-				
Non-taxable gain	(413)	(314)	(8,166)	(3,785)
Non-deductible expenses	544	537	116	88
(Over)/Under provision in the previous financial year:				
- current tax	(90)	(7)	2	-
Tax for the financial year	12,077	10,981	214	141

### 24. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group's profit after taxation attributable to owners of the Company of RM38,071,374 (2022: RM33,872,106) by the weighted average number of ordinary shares in issue excluding treasury shares during the financial year of 158,652,700 (2022: 158,652,700).

The diluted earnings per share is not presented as there were no potential dilutive ordinary shares outstanding at the end of the reporting period.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 25. DIVIDENDS

	THE GROUP/THE COMPANY	
	2023 RM'000	2022 RM'000
Recognised as distribution to owners:-		
- Final single tier dividend of 1.5 sen per ordinary share for the financial year ended 30 June 2021	-	2,380
- Interim single tier dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2022	-	4,759
- Final single tier dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2022	4,759	-
- Interim single tier dividend of 3.5 sen per ordinary share for the financial year ended 30 June 2023	5,553	-
	10,312	7,139
Net dividend per share (sen)	6.5	4.5

### 26. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	17,258	17,862	261	2,993
Deposits with financial institutions (Note 13)	42,685	42,020	10,500	11,000
Short-term investment (Note 12)	77,015	73,735	68,268	40,359
	136,958	133,617	79,029	54,352

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 27. DIRECTORS' REMUNERATION

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Executive:				
- non-fee emoluments	1,497	1,330	-	-
- defined contribution plan	179	161	-	-
- estimated non-monetary benefits-in-kind	27	30	-	-
	1,703	1,521	-	-
Non Executive:				
- non-fee emoluments	17	12	17	12
- fee	198	177	198	177
	215	189	215	189

The aggregate amount of emoluments received and receivable by the directors of the Company during the financial year in bands of RM50,000 are as follows:-

	Number of Directors	Directors' Fee RM'000	Directors' Other Emoluments RM'000	Total RM'000
<b>THE GROUP</b>				
<b>2023</b>				
Non Executive:				
- Below RM50,000	7	149	13	162
- Between RM50,001 and RM100,000	1	49	4	53
	8	198	17	215
Executive:				
- Between RM750,001 and RM800,000	1	-	787	787
- Between RM900,001 and RM950,000	1	-	916	916
	2	-	1,703	1,703

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 27. DIRECTORS' REMUNERATION (CONT'D)

	Number of Directors	Directors' Fee RM'000	Directors' Other Emoluments RM'000	Total RM'000
<b>THE GROUP</b>				
<b>2022</b>				
Non Executive:				
- Below RM50,000	3	123	9	132
- Between RM50,001 and RM100,000	1	54	3	57
	4	177	12	189
Executive:				
- Between RM700,00 and RM750,000	1	-	703	703
- Between RM800,001 and RM850,000	1	-	818	818
	2	-	1,521	1,521
<b>THE COMPANY</b>				
<b>2023</b>				
Non Executive				
- Below RM50,000	7	149	13	162
- Between RM50,001 and RM100,000	1	49	4	53
	8	198	17	215
<b>2022</b>				
Non Executive				
- Below RM50,000	3	123	9	132
- Between RM50,001 and RM100,000	1	54	3	57
	4	177	12	189

### 28. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control.



## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 28. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(a) Identities of related parties (Cont'd)

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationship with:

- (i) its subsidiaries;
- (ii) the directors and officers who are the key management personnel; and
- (iii) entities controlled by the key management personnel/directors/substantial shareholders.

(b) In addition to the information disclosed elsewhere in the financial statements, the Group carried out the following transactions with the related parties during the financial year:-

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Subsidiaries:				
- Management fee received/ receivable	-	-	1,129	1,043
- Dividend income received/ receivable	-	-	33,000	15,000

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions negotiated and agreed by the related parties.

(c) Key management personnel

Compensation to key management personnel relating to those of Directors are disclosed in Note 27 to the Financial Statements.

	THE GROUP	
	2023 RM'000	2022 RM'000
Other key management personnel:-		
- Short-term employee benefits	2,073	1,828
- Defined contribution plans	244	219
- Estimated non-monetary benefits-in-kind	46	38
	2,363	2,085

### 29. OPERATING SEGMENTS

The Group has three reportable segments, as disclosed below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. The following summary describes the operations in each of the Group's reportable segments:

- Manufacturing - design and manufacturing of home linen and bedding accessories.
- Distribution and trading - distribution and trading of home linen and homeware.
- Retailing - retailing of home linen and homeware.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 29. OPERATING SEGMENTS (CONT'D)

2023	MANUFACTURING RM'000	DISTRIBUTION AND TRADING RM'000	RETAILING RM'000	ELIMINATION RM'000	THE GROUP RM'000
Inter-segment revenue	21,878	4,703	818	(27,399)	-
External revenue	23,568	143,357	95,571	-	262,496
<b>Total revenue</b>	<b>45,446</b>	<b>148,060</b>	<b>96,389</b>	<b>(27,399)</b>	<b>262,496</b>
Segment results	6,563	23,060	20,912	-	50,535
Unallocated gain					297
<b>Operating profits</b>					<b>50,832</b>
Finance costs	(61)	(194)	(429)	-	(684)
<b>Profit before taxation</b>					<b>50,148</b>
Income tax expense					(12,077)
<b>Profit after taxation</b>					<b>38,071</b>
Other information					
Segment assets	55,436	127,042	71,749	-	254,227
Unallocated assets					81,474
					335,701
Segment liabilities	2,256	7,374	10,557	-	20,187
Unallocated liabilities					10,526
					30,713

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 29. OPERATING SEGMENTS (CONT'D)

2022	MANUFACTURING RM'000	DISTRIBUTION AND TRADING RM'000	RETAILING RM'000	ELIMINATION RM'000	THE GROUP RM'000
Inter-segment revenue	20,365	5,844	1,450	(27,659)	-
External revenue	16,405	136,222	75,342	-	227,969
<b>Total revenue</b>	<b>36,770</b>	<b>142,066</b>	<b>76,792</b>	<b>(27,659)</b>	<b>227,969</b>
Segment results	5,073	24,325	15,977	-	45,375
Unallocated loss					(52)
Operating profits					45,323
Finance costs	(1)	(181)	(288)	-	(470)
Profit before taxation					44,853
Income tax expense					(10,981)
Profit after taxation					33,872
Other information					
Segment assets	54,934	128,541	69,453	-	252,928
Unallocated assets					57,928
					310,856
Segment liabilities	2,742	11,942	10,303	-	24,987
Unallocated liabilities					8,640
					33,627

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 29. OPERATING SEGMENTS (CONT'D)

2023	MANUFACTURING RM'000	DISTRIBUTION AND TRADING RM'000	RETAILING RM'000	THE GROUP RM'000
Capital expenditure	459	2,077	594	3,130
Depreciation of property, plant and equipment	668	1,942	962	3,572
- Unallocated depreciation of property, plant and equipment				1
				3,573
Depreciation of right-of-use assets	72	77	5,560	5,709
(Reversal)/Allowance impairment loss for receivables	(1,830)	110	(47)	(1,767)
Reversal of provision for slow moving inventories	(554)	(1,112)	(431)	(2,097)
Interest income	(381)	(1,060)	(573)	(2,014)
Unallocated interest income				(1,852)
				(3,866)
Interest expense	61	156	467	684
<b>2022</b>				
Capital expenditure	841	3,497	1,047	5,385
Depreciation of property, plant and equipment	613	1,734	1,340	3,687
Depreciation of right-of-use assets	23	160	4,857	5,040
Allowance/(Reversal) of impairment loss for receivables	(1,011)	(9)	(11)	(1,031)
Reversal of provision for slow moving inventories	(763)	(1,079)	(1,228)	(3,070)
Interest income	(156)	(389)	(243)	(788)
Unallocated interest income				(891)
				(1,679)
Interest expense	1	133	336	470

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 29. OPERATING SEGMENTS (CONT'D)

#### GEOGRAPHICAL INFORMATION

No financial information based on geographical location has been presented for non-current assets as these assets are located wholly in Malaysia.

Revenue information based on the geographical location of customers respectively are as follows:

	REVENUE	
	2023 RM'000	2022 RM'000
Malaysia	241,997	215,083
Singapore	6,788	6,197
Vietnam	12,035	5,231
Others	1,676	1,458
	262,496	227,969

#### Major customers

The Group does not have any major customers with revenue approximate to or more than 10% of the Group's revenue. For the current financial year, RM68,574,405 (2022: RM65,619,000) of the Group's revenue is made via a local departmental store.

### 30. FINANCIAL GUARANTEE

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unsecured:-				
Corporate guarantee given to licensed banks for credit facilities granted to its subsidiaries	-	-	61,070	61,070
Guarantee issued in favour of third parties	615	524	-	-

The Group and the Company have assessed the financial guarantees and concluded that the financial impact of the financial guarantees is negligible.

### 31. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Contracted but not provided for:-				
Purchase of property, plant and equipment	-	907	-	-

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 32. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of the foreign currency balances at the end of the reporting period are as follows:-

	2023 RM	2022 RM
United States Dollar	4.68	4.40
Singapore Dollar	3.45	3.16
Renminbi Yuan	0.65	0.66

### 33. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

#### (a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

##### (i) Market Risk

###### *Foreign Currency Risk*

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of the entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") and Renminbi Yuan ("RMB"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purpose.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) that based on carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

THE GROUP	UNITED STATES DOLLAR RM'000	SINGAPORE DOLLAR RM'000	RENMINBI YUAN RM'000	TOTAL RM'000
<b>2023</b>				
<b>Financial assets</b>				
Trade receivables	4,716	2,304	-	7,020
Cash and bank balances	5,057	766	-	5,823
	9,773	3,070	-	12,843
<b>Financial liabilities</b>				
Trade payables	336	-	646	982
Other payables	198	-	2	200
	534	-	648	1,182
<b>Currency exposure</b>				
Net financial assets	9,239	3,070	(648)	11,661

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Risk Management Policies (Cont'd)

##### (i) Market Risk (Cont'd)

##### Foreign Currency Risk (Cont'd)

THE GROUP	UNITED STATES DOLLAR RM'000	SINGAPORE DOLLAR RM'000	RENMINBI YUAN RM'000	TOTAL RM'000
<b>2022</b>				
<b>Financial assets</b>				
Trade receivables	1,839	1,899	-	3,738
Cash and bank balances	540	3	-	543
	2,379	1,902	-	4,281
<b>Financial liabilities</b>				
Trade payables	599	-	795	1,394
<b>Currency exposure</b>				
Net financial assets	1,780	1,902	(795)	2,887

##### Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	THE GROUP	
	2023 RM'000	2022 RM'000
<b>Effects on profit after taxation and equity</b>		
USD/RM:		
- strengthened by 5%	351	68
- weakened by 5%	(351)	(68)
SGD/RM:		
- strengthened by 5%	117	72
- weakened by 5%	(117)	(72)
RMB/RM:		
- strengthened by 5%	(25)	(30)
- weakened by 5%	25	30

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Risk Management Policies (Cont'd)

##### (i) Market Risk (Cont'd)

###### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from its cash and cash equivalents and long-term borrowings with fixed and variable rates. The Group's and the Company's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio of mix of fixed and floating rate borrowings.

The interest rate profile of the Group's and the Company's significant interest bearing financial instruments, based on their carrying amounts as at the reporting date were:

	THE GROUP	
	2023 RM'000	2022 RM'000
<b>Fixed rate instruments</b>		
<u>Financial assets</u>		
Fixed deposits	42,685	42,020
<b>Variable rate instruments</b>		
<u>Financial assets</u>		
Short term investments	77,015	73,735
<u>Financial liabilities</u>		
Term loan	-	896
Bankers' acceptances	2,546	3,846
	2,546	4,742
	THE COMPANY	
	2023 RM'000	2022 RM'000
<b>Fixed rate instruments</b>		
<u>Financial assets</u>		
Fixed deposits	10,500	11,000
<b>Variable rate instruments</b>		
<u>Financial assets</u>		
Short term investments	68,268	40,359



## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Risk Management Policies (Cont'd)

##### (i) Market Risk (Cont'd)

###### *Interest Rate Risk (Cont'd)*

###### Interest rate risk sensitivity analysis

At the reporting date, if the interest rates had been 100 basis points higher/lower, with all other variables held constant, the Group's and the Company's profit after tax would have immaterial impact.

##### (ii) Credit Risk

Credit risk is the risk of loss that arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trades only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

The Group and the Company consider the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group and the Company has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 150 days when they fall due, which are derived based on the Group's and the Company's historical information.

The Group and the Company consider "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the assets as at reporting date with the risk of default as at the date of initial recognition. The Group and the Company considers available reasonable and supportive forwarding-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 150 days past due in making contractual payment.

The Group and the Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Risk Management Policies (Cont'd)

##### (ii) Credit Risk (Cont'd)

The Group and the Company categorise a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 150 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group and the Company. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

##### (i) Trade receivables

The Group and the Company provide for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's and the Company's historical observed default rates analysed in accordance to days past due by grouping of customers based on segment. The loss allowance provision is determined as follows, the expected credit losses below also incorporate forward looking information.

Summarised below is the information about the credit risk exposure on the Group's and the Company's trade receivables using provision matrix:

THE GROUP	GROSS AMOUNT RM'000	LOSS ALLOWANCE PROVISION RM'000	CARRYING VALUE RM'000
<b>2023</b>			
Not past due	19,410	(49)	19,361
Past due:			
- less than 3 months	12,770	(181)	12,589
- 3 to 6 months	13	(5)	8
- over 6 months	11	(11)	-
	32,204	(246)	31,958
<b>2022</b>			
Not past due	22,350	(251)	22,099
Past due:			
- less than 3 months	14,044	(1,513)	12,531
- 3 to 6 months	559	(390)	169
- over 6 months	23	(16)	7
	36,976	(2,170)	34,806

Information regarding loss allowance movement of trade receivables are disclosed in Note 10.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Risk Management Policies (Cont'd)

##### (ii) Credit Risk (Cont'd)

###### (ii) Other financial assets

Cash and cash equivalents and other receivables are subject to immaterial credit loss.

###### Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by three (3) (2022: 3) customers which constituted approximately 67% (2022: 75%) of its trade receivables as at the end of the reporting period.

###### Exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

##### (iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash and bank balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP	CONTRACTUAL INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000
<b>2023</b>					
Trade payables	-	1,340	1,340	1,340	-
Other payables and accruals	-	8,466	8,466	8,068	398
Dividend payable	-	5,553	5,553	5,553	-
Lease liabilities	4.35	7,743	7,984	5,145	2,839
Bank borrowings	4.10 – 4.65	2,546	2,546	2,546	-
		25,648	25,889	22,652	3,237

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Risk Management Policies (Cont'd)

##### (iii) Liquidity Risk (Cont'd)

THE GROUP	CONTRACTUAL INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000
<b>2022</b>					
Trade payables	-	1,950	1,950	1,950	-
Other payables and accruals	-	11,440	11,440	11,054	386
Dividend payable	-	4,759	4,759	4,759	-
Lease liabilities	4.35	6,524	6,810	3,780	3,030
Bank borrowings	2.88 – 3.85	4,742	4,759	4,686	73
		29,415	29,718	26,229	3,489

THE COMPANY	CONTRACTUAL INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000
<b>2023</b>				
Other payables and accruals	-	113	113	113
Dividend payable	-	5,553	5,553	5,553
		5,666	5,666	5,666
<b>2022</b>				
Other payables and accruals	-	77	77	77
Dividend payable	-	4,759	4,759	4,759
		4,836	4,836	4,836

#### (b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Capital Risk Management (Cont'd)

The Group manages its capital based on the debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. The Group includes within net debts, payables and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the Group. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:

	THE GROUP	
	2023 RM'000	2022 RM'000
Financial liabilities	25,648	29,415
Less: Cash and cash equivalents	(136,958)	(133,617)
Net cash	(111,310)	(104,202)
Total equity	304,988	277,229
Debt-to-equity ratio	Not Applicable	Not Applicable

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) more than 25% of the issued and paid-up share capital and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

#### (c) Classification Of Financial Instruments

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Financial assets</b>				
<u>Financial assets at fair value through profit or loss</u>				
Short-term investment	77,015	73,735	68,268	40,359
<u>Financial assets at amortised cost</u>				
Trade receivables	31,958	34,806	-	-
Other receivables and deposits	3,370	3,479	173	92
Deposits with financial institutions	42,685	42,020	10,500	11,000
Cash and bank balances	17,258	17,862	261	2,993
	95,271	98,167	10,934	14,085

## Notes to the Financial Statements

for the Financial Year Ended 30 June 2023

### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### (c) Classification Of Financial Instruments (Cont'd)

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Financial liabilities</b>				
<u>Financial liabilities at amortised cost</u>				
Bank borrowings	2,546	4,742	-	-
Trade payables	1,340	1,950	-	-
Other payables and accruals	8,466	11,440	113	77
Dividend payable	5,553	4,759	5,553	4,759
Lease liabilities	7,743	6,524	-	-
	25,648	29,415	5,666	4,836

#### (d) Fair Value Information

The fair values of the financial assets maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

	Fair Value Of Financial Instruments 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		
<b>2023</b>					
<u>Financial Asset</u>					
Short-term investment	77,015	-	-	77,015	77,015
<b>2022</b>					
<u>Financial Asset</u>					
Short-term investment	73,735	-	-	73,735	73,735

The fair value of the short term investment is estimated based on its quoted market price at the end of the reporting period.

In regard to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial year.

## Group Properties

Location	Description/Existing use	Land Area (Sq M)	Built-up Area (Sq M)	Tenure	Approximate Age of Buildings	Years	Land Net Book Value as at 30.6.2023 (RM'000)	Building Net Book Value as at 30.6.2023 (RM'000)	Financial Year of Valuation
a) Syarikat Yoong Onn Sdn Bhd									
No. Pt. 16690 - 16692, Jalan Permata 2, Arab Malaysian Industrial Park, 71800 Nilai, Negeri Sembilan Darul Khusus	Three (3) adjoining industrial lands erected with a factory complex which comprises the following buildings: a. A single storey factory; b. A double storey office; c. A Fibre plant; d. Guard House e. Warehouse A; f. A canteen; g. Warehouse B; h. A workshop i. Warehouse C j. Warehouse D	37,637	21,801	Freehold	a. A single storey factory b. A double storey Office c. A Fibre Plant d. Guard House e. Warehouse A f. A Canteen g. Warehouse B h. A workshop i. Warehouse C j. Warehouse D	21 21 21 21 17 17 15 15 11 2	8,650	14,593	2011
No. Pt. 16750 Jalan Permata 2, Arab Malaysian Industrial Park, 71800 Nilai, Negeri Sembilan Darul Khusus	Industrial lands erected with a warehouse cum office comprises the following buildings: a. A single storey mezzanine floor high bay racking warehouse, office and showroom b. Guard House c. TNB Sub-station	8,985	6,393	Freehold	a. A single storey mezzanine floor high bay racking warehouse, office and showroom b. Guard House c. TNB Sub-station	8 8 8	5,907	7,244	NA

## Group Properties

Location	Description/Existing use	Land Area (Sq M)	Built-up Area (Sq M)	Tenure	Approximate Age of Buildings	Years	Land Net Book Value as at 30.6.2023 (RM'000)	Building Net Book Value as at 30.6.2023 (RM'000)	Financial Year of Valuation
a) Syarikat Yoong Onn Sdn Bhd									
One floor, 5 units of Office Suites at Level 9, EkoCheras Office Tower, No. 693, Batu 5, Jalan Cheras, Taman Mutiara Barat, 56000 Cheras, Kuala Lumpur Wilayah Persekutuan	5 units of office suites : a. Unit No. A-09-1 b. Unit No. A-09-2 c. Unit No. A-09-3 d. Unit No. A-09-3A e. Unit No. A-09-5	NA	835	Freehold	a. Unit No. A-09-01 b. Unit No. A-09-02 c. Unit No. A-09-03 d. Unit No. A-09-03A e. Unit No. A-09-05	5 5 5 5 5	NA	5,715	NA
One floor, 5 units of Office Suites at Level 13, EkoCheras Office Tower, No. 693, Batu 5, Jalan Cheras, Taman Mutiara Barat, 56000 Cheras, Kuala Lumpur Wilayah Persekutuan	5 units of office suites : a. Unit No. A-13-1 b. Unit No. A-13-2 c. Unit No. A-13-3 d. Unit No. A-13-3A e. Unit No. A-13-5	NA	835	Freehold	a. Unit No. A-13-01 b. Unit No. A-13-02 c. Unit No. A-13-03 d. Unit No. A-13-03A e. Unit No. A-13-05	5 5 5 5 5	NA	5,002	NA

NA – Not Applicable



## Analysis of Shareholdings

as at 4 October 2023

Issued and fully paid-up capital	:	RM80,000,000 divided into 160,000,000 ordinary shares
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share
Treasury shares	:	1,347,300 shares
Adjusted share capital (after netting Treasury Shares)	:	RM79,326,350 divided into 158,652,700 ordinary shares

### ANALYSIS BY SIZE OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHAREHOLDINGS	% OF ISSUED CAPITAL
Less than 100	81	4.64	1,959	*
100 to 1,000	617	35.32	239,733	0.15
1,001 to 10,000	610	34.92	3,303,296	2.08
10,001 to 100,000	346	19.80	10,824,118	6.82
100,001 to less than 5% of issued shares	92	5.26	60,283,363	38.00
5% and above of issued shares	1	0.06	84,000,231	52.95
<b>TOTAL</b>	<b>1,747</b>	<b>100.00</b>	<b>158,652,700</b>	<b>100.00</b>

Note:

\* - negligible

### SUBSTANTIAL SHAREHOLDERS

NAME OF SHAREHOLDER	DIRECT INTEREST		INDIRECT INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Casatex Cosmo Sdn Bhd	84,000,231	52.95	-	-
Chew Hon Foong	250,000	0.16	84,000,231	52.95 (a)
Chew Hon Keong	250,000	0.16	84,000,231	52.95(a)
Chew Hon Yoong	230,000	0.14	84,000,231	52.95(a)
Chew Zhi Kan	-	-	84,000,231	52.95 (a)

Note:

- Deemed interest by virtue of their shareholdings in Casatex Cosmo Sdn Bhd pursuant to Section 8 of Companies Act 2016.

## Analysis of Shareholdings

as at 4 October 2023

### DIRECTORS' SHAREHOLDINGS

NO.	DIRECTORS	DIRECT INTEREST	%	INDIRECT INTEREST	%
1.	Tan Sri Datuk Sri Dr Suleiman Bin Mohamed	-	-	-	-
2.	Chew Hon Foong	250,000	0.16	84,000,231	52.95 ^
3.	Chew Hon Keong	250,000	0.16	84,000,231	52.95 ^
4.	Hasmaliza Binti Othman	-	-	-	-
5.	Dato' Tang Swee Guan	-	-	-	-
6.	Fung Kam Foo	-	-	-	-
7.	Yeoh Chong Keng	200,000	0.13	-	-

Note:

^ - Deemed interest by virtue of their direct shareholdings in Casatex Cosmo Sdn Bhd pursuant to Section 8 of Companies Act 2016.

### THIRTY LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

NO.	NAME	NO. OF SHARES	%
1	CASATEX COSMO SDN BHD	84,000,231	52.95%
2	HLB NOMINEES (ASING) SDN BHD WANG SHOUHU (CUST.SIN91144-4)	7,866,666	4.96%
3	HLB NOMINEES (ASING) SDN BHD CHEN YONG (CUST.SIN 10955)	6,267,700	3.95%
4	CHAN FOOK HONG	5,333,333	3.36%
5	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	4,448,500	2.80%
6	JCBNEXT BERHAD	3,018,700	1.90%
7	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG KHONG SHOONG (E-IMO/JSI)	1,910,400	1.20%
8	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	1,712,300	1.08%
9	NG YOONG SANG	1,317,233	0.83%
10	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (8095789)	1,310,000	0.83%
11	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE KONG SIM	1,180,000	0.74%
12	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEJUTAN HOLDINGS SDN BHD (E-IMO)	1,100,000	0.69%
13	WONG YEE HUI	1,010,000	0.64%
14	FONG AH CHAI	1,000,000	0.63%
15	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG SILING (CEB)	1,000,000	0.63%

## Analysis of Shareholdings

as at 4 October 2023

### THIRTY LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONT'D)

NO.	NAME	NO. OF SHARES	%
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG KHONG SHOONG	960,000	0.61%
17	YAM CHEE KONG	744,500	0.47%
18	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SWEE KIAT & SONS SDN BHD	703,300	0.44%
19	CHAN HOONG MUN	622,700	0.39%
20	TAN AIK CHOON	610,300	0.38%
21	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG LAI MOEY (E-IMO)	540,000	0.34%
22	PHILLIP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI	517,700	0.33%
23	KOK FOONG PENG	507,233	0.32%
24	AU YONG MUN YUE	490,000	0.31%
25	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SWEE KIAT & SONS SDN BHD (8109706)	470,000	0.30%
26	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	467,900	0.29%
27	SUN KIEN KEONG	444,000	0.28%
28	LIAU KEEN YEE	441,800	0.28%
29	LOO LAI YOKE	415,000	0.26%
30	CHOONG KIEN YEONG	400,000	0.25%
<b>Total</b>		<b>130,809,496</b>	<b>82.44%</b>

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Sixteenth Annual General Meeting of the Company will be conducted fully virtual and live streamed through the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC-D6A357657) on Thursday, 23 November 2023 at 10.00 a.m. for the following purposes:-

### AGENDA

#### AS ORDINARY BUSINESS:

- |    |  |  |
|----|--|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon. | <b>(Please refer to Explanatory Notes to the Agenda)</b> |
| 2. | To approve the payment of Directors' fee of RM198,252 for the period commencing 23 November 2023 until the next Annual General Meeting of the Company. | <b>(Resolution 1)</b>                                    |
| 3. | To re-elect the following Directors who are retiring in accordance with Clause 104 of the Company's Constitution:                                      |  |
|    | (a) Chew Hon Keong   | <b>(Resolution 2)</b>                                    |
|    | (b) Chew Hon Foong   | <b>(Resolution 3)</b>                                    |
| 4. | To re-appoint HLB Ler Lum Chew PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.                                | <b>(Resolution 4)</b>                                    |

#### As Special Business:

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

- |    |  |                       |
|----|--|-----------------------|
| 5. | To approve the payment of single tier final dividend 4.0 sen per ordinary share in respect of the financial year ended 30 June 2023. | <b>(Resolution 5)</b> |
| 6. | <b>Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016.</b>   | <b>(Resolution 6)</b> |

"That pursuant to Sections 75 and 76 of the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the issued share capital (excluding treasury shares) of the Company for the time being;

THAT pursuant to Section 85 of the Act to be read together with Clause 9 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

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

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

## Notice of Annual General Meeting

### 7. Proposed Renewal of Authority for Share Buy-Back

(Resolution 7)

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

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

(“Proposed Share Buy-Back”).

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

- (i) the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

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

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

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees’ share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or

## Notice of Annual General Meeting

viii. To deal with the treasury shares in the manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

### 8. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **(Resolution 8)**

**"THAT**, approval be and is hereby given for the Proposed Renewal of Shareholders' Mandate for the Company and/or its subsidiaries to enter into the categories of recurrent related party transactions of a revenue or trading nature falling within the nature of transactions set out in Part B Section 2.5 of the Circular to Shareholders dated 24 October 2023 ("the Circular"), with the related parties falling within the classes of persons set out in Part B Section 2.5 under the Circular, such transactions are necessary for the Company and/or its subsidiaries' day-to-day operations and which are carried out in the ordinary course of business, on terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders.

**THAT** the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting;

### 9. **To transact any other business for which due notice shall have been given.**

#### NOTICE OF DIVIDEND ENTITLEMENT

**NOTICE IS ALSO HEREBY GIVEN** that a final single tier dividend of 4.0 sen per share for the financial year ended 30 June 2023, if approved at the Sixteenth Annual General Meeting, will be paid on 18 January 2024 to Depositors whose names appear in the Record of Depositors on 21 December 2023.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Share transferred to the Depositor's Securities Account before 4.30 p.m. on 21 December 2023 in respect of ordinary transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on the cum entitlement basis according to Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

Lau Yen Hoon (MAICSA 7061368) (SSM Practicing Certificate No.: 202008002143)  
Tan Siew Hong (MAICSA 7066226) (SSM Practicing Certificate No.: 201908001915)  
Secretaries

Kuala Lumpur  
24 October 2023

## Notice of Annual General Meeting

### Notes:

- A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (“SICDA”), it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- Where a member, an authorised nominee or an exempt authorized nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise the appointment shall not be valid.
- A proxy may but need not be a member of the Company. A proxy appointed to attend and vote shall have the same rights as the member to move any resolution or amendment thereto and to speak at the meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.
- The instrument of proxy must be deposited at the Share Registrar’s office situated at 11<sup>th</sup> Floor, Menara Symphony No, 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- In the case of the appointment of a proxy made in electronic form, the proxy form must be deposited through the Share Registrar’s website, Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com>. Please refer to the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form. All proxy form submitted must be received by the Company not less than Forty-Eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.
- For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at **16 November 2023** and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the meeting or appoint proxy(ies) to attend and vote on his/her behalf.

### Explanatory Note to the Agenda

#### **Item 1 of the Agenda**

#### **Audited Financial Statements for the financial year ended 30 June 2023**

This item is meant for discussion only. The provision of Section 248(2) and Section 340(1)(1) of the Companies Act 2016 requires that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting (“AGM”). As such this Agenda item is not a business which requires a motion to be put to vote by shareholders.

#### **Resolution 2,3**

#### **Re-Election of Directors**

The Board has, through the Nomination Committee (“NC”), assessed the performance and contribution of the retiring Directors, taken into consideration the fit and proper criteria under the Directors’ Fit and Proper Policy of the Company. The NC and the Board were satisfied that the retiring Directors met the criteria as prescribed under Paragraph 2.20A of the Main Market Listing Requirements Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. Accordingly, the Board (save for the retiring Directors who had abstained from deliberations on their own re-election) is supportive of the re-election of the retiring Directors, whose profiles are set out under pages 4 to 7 of the Annual Report 2023.

## Notice of Annual General Meeting

### **Resolution 6**

#### **Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 6, if passed, will grant a general mandate and empower the Directors to issue shares up to an aggregate amount not exceeding 10% of the total number of issued share capital of the Company for the time being, for such purposes as the Directors consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM.

The provision of Section 85 of the Companies Act 2016 requires all new shares or other convertible securities of the Company be first offered to shareholders in proportion to their existing holdings. This Ordinary Resolution is also to seek waiver from the shareholders on their statutory pre-emptive rights. This resolution, if passed, will allow the Directors to issue and allot new shares in the Company from time to time without making a pre-emptive offer to the existing shareholders.

This general mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placement of shares for purpose of funding future investment, working capital and/or acquisitions.

This is a renewal of the mandate obtained from shareholders at the last AGM of the Company held in year 2022. As at the date of this notice, the Company has not issued any new shares under the general mandate sought at the previous AGM.

### **Resolution 7**

#### **Proposed Renewal of Authority for Share Buy-Back**

The proposed Ordinary Resolution 7, if passed, will empower the Directors to purchase the Company's shares of up to 10% of the total number of issued share capital of the Company at any point in time, by utilising the funds allocated which shall not exceed the total retains profits and share premium of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM.

Please refer to Part A of the Circular to Shareholders dated 24 October 2023 for further information.

### **Resolution 8**

#### **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Resolution 8 is to seek renewal of Shareholders' Mandate to allow the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature and to enable the Company to comply with Paragraph 10.09, Part E of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The mandate will take effect from the date of the passing of the Ordinary Resolution until the next AGM of the Company.

Please refer to Part B of the Circular to Shareholders dated 24 October 2023 for further information.



## **Statement Accompanying Notice of Annual General Meeting**

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. There is no person seeking election as director of the Company at the 16<sup>th</sup> Annual General Meeting of the Company.
2. General Mandate for Issue of Securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements

Please refer to the Explanatory Notes on Special Businesses for Resolution No. 6 on Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 under the Notice of the 16<sup>th</sup> Annual General Meeting for details of the general mandate.



# Form of Proxy

No. of Shares held	
CDS Account No.	

I/We \_\_\_\_\_

NRIC No./Passport No./Company No. \_\_\_\_\_

of (Full Address) \_\_\_\_\_

Tel No. \_\_\_\_\_ /Email Address: \_\_\_\_\_

Hereby appoint:

Name of Proxy in capital letter		Proportion of Shareholding to be represented by the Proxies:	
		Number of shares	Percentage (%)
Proxy 1	Name:		
	NRIC No./Passport No.:		
	Tel:		
	Email address:		
Proxy 2	Name:		
	NRIC No./Passport No.:		
	Tel:		
	Email address:		
<b>Total</b>			

or failing which \*the Chairman of the Meeting as my/our proxy(ies), to vote for me/us on my/our behalf at the Sixteenth (16<sup>th</sup>) Annual General Meeting of the Company to be conducted fully virtual via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC-D6A357657) on Thursday, 23 November 2023 at 10.00 a.m. and at any adjournment thereof.

My/our proxy/proxies is/are to vote as indicated below:

No.	Resolutions	For	Against
1.	To approve the payment of Directors' fees		
2.	To re-elect Chew Hon Keong as Director		
3.	To re-elect Chew Hon Foong as Director		
4.	To re-appoint HLB Ler Lum Chew PLT as Auditors of the Company		
	<b>Special businesses</b>		
	<b>Ordinary Resolutions:-</b>		
5.	To declare single tier final dividend 4.0 sen per ordinary share in respect of the financial year ended 30 June 2023		
6.	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		
7.	To approve the Renewal of Authority for the Purchase by the Company of up to Ten Percent (10%) of its own issued and paid-up capital		
8.	To approve the Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

(Please indicate with an "X" in the appropriate boxes on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.)

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2023

\_\_\_\_\_  
 Signature/Common Seal of Shareholder

*\*Strike out whichever not applicable*

Notes:

- A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- Where a member, an authorised nominee or an exempt authorized nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise the appointment shall not be valid.
- A proxy may but need not be a member of the Company. A proxy appointed to attend and vote shall have the same rights as the member to move any resolution or amendment thereto and to speak at the meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.
- The instrument of proxy must be deposited at the Share Registrar's office situated at 11<sup>th</sup> Floor, Menara Symphony No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- In the case of the appointment of a proxy made in electronic form, the proxy form must be deposited through the Share Registrar's website, Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com>. Please refer to the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form. All proxy form submitted must be received by the Company not less than Forty-Eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.
- For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at **16 November 2023** and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the meeting or appoint proxy(ies) to attend and vote on his/her behalf.

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AFFIX STAMP

**Share Registrar of  
YOONG ONN CORPORATION BERHAD**

**Boardroom Share Registrars Sdn Bhd**  
11<sup>th</sup> Floor  
Menara Symphony  
No. 5, Jalan Professor Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor

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[www.yoongonn.com](http://www.yoongonn.com)

**Head Office & Factory**

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Lot No. PT 16690 -16692,  
Jalan Permata 2,  
Arab-Malaysian Industrial Park,  
71800 Nilai, Negeri Sembilan  
Darul Khusus, Malaysia

**Tel:**  
606-799 6012

**Fax:**  
606-799 7015

**Email:**  
[info@yoongonn.com](mailto:info@yoongonn.com)

**Showroom & Warehouse**

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Lot No. PT 16750,  
Jalan Permata 2,  
Arab-Malaysian Industrial Park,  
71800 Nilai, Negeri Sembilan  
Darul Khusus, Malaysia

**Tel:**  
606-799 3688

**Fax:**  
606-799 8826

**Email:**  
[inventory@homes-harmony.com](mailto:inventory@homes-harmony.com)

**Marketing Office**

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A-13-03, EkoCheras Office Tower,  
No. 693, Batu 5, Jalan Cheras,  
56000 Kuala Lumpur.

**Tel:**  
603-9133 3388

**Fax:**  
603-9133 3688

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[marketing@yoongonn.com](mailto:marketing@yoongonn.com)