PGF Capital Berhad

197801005142 (42138-X)

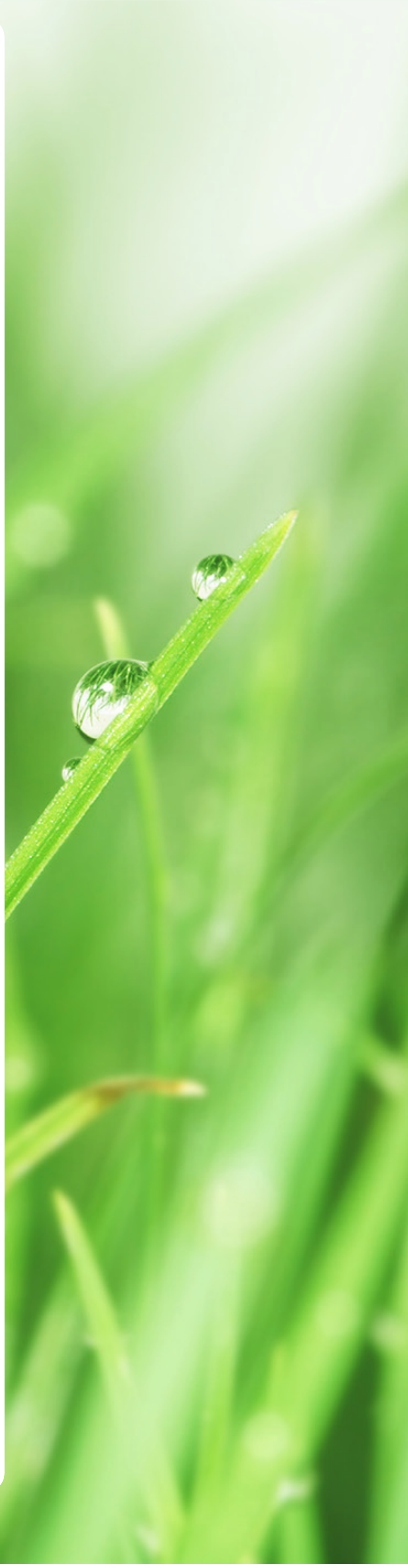
Contents

34TH Annual General Meeting of PGF Capital Berhad

Friday, 26 July 2024 at 10.00 a.m.

For more information, visit our website
www.pgfcapital.com.my

Kelawai Room, Lobby Level,
Evergreen Laurel Hotel Penang,
No. 53, Persiaran Gurney,
10250 Penang



Cover Rationale

In the context of global sustainable development, PGF Capital is dedicated to creating an environmentally friendly, economically enhancing, and socially harmonious community through diverse economic activities and advanced technological innovations.

Through diversified economic activities such as manufacturing, real estate development, agriculture, and eco-tourism, PGF Capital promotes local economic prosperity and stable growth. This strategy not only fosters economic resilience but also provides sustainable employment and income opportunities for all stakeholders. By constructing comfortable living space and modern facilities, PGF Capital enhances the quality of life for residents, emphasizing human-centric community building and care.

PGF Capital strives to drive community advancement towards smart and modern development through advanced technologies and innovative solutions. By improving resource efficiency and adopting eco-friendly technologies and renewable energy sources, PGF Capital reduces natural resource consumption and environmental pollution, ensuring the balance and health of ecosystems.

The motto of PGF Capital, "Building sustainable communities," goes beyond a mere slogan; it represents our steadfast commitment and comprehensive development philosophy. Through integrated and innovative approaches, PGF Capital aims to create a better and sustainable future for communities.

About Us

PGF CAPITAL BERHAD

("PGF" or "the Company") is a Malaysian investment holding company listed on the Main Market of Bursa Malaysia. The company has diverse interests across multiple industries, primarily focusing on Manufacturing, Real Estate, and Plantation.

The Group has 3 major business segments:

Manufacturing: The manufacturing and selling of glass mineral wool is the main core business of PGF. This segment is highly focused on integrating technology and innovation into its business model, particularly in industries with high growth potential and sustainable practices. Glass mineral wool, known for its excellent insulation properties, plays a crucial role in energy conservation and sustainable building practices.

Real Estate: PGF has a significant presence in the real estate sector. The group is set to develop a new township in DCCR, engaging in the development of residential properties and exploring new business opportunities that add value to its landbank, such as eco-tourism. The company's aspiration is to build sustainable living environments, integrating green spaces and innovative urban planning.

Plantation: The company is also involved in the plantation sector, focusing on the cultivation of tropical fruits, primarily durian. In addition, PGF engages in the cultivation of various other crops, which supports the agricultural economy. The company promotes sustainable land use through the hatchery of freshwater aquaculture activities, contributing to biodiversity and sustainable agricultural practices.

Corporate Information

Board Of Directors

Fong Wah Kai
Executive Chairman

Fong Wern Sheng
Group Chief Executive Officer

Tan Ming Chong
Chief Operating Officer

Tan Jin Sun
Independent Non-Executive Director
Chairman of Audit & Risk Management Committee

Ofelia Cheah Loo Ee
Independent Non-Executive Director
Chairman of Nominating Committee

Tan Suat Hoon
Independent Non-Executive Director
Chairman of Remuneration Committee

Khoo Kah Hock
Independent Non-Executive Director
Chairman of Remuneration Committee
(resigned on 28 July 2023)

COMPANY SECRETARY

Ch'ng Lay Hoon
(SSM PC No: 201908000494)
(MAICSA 0818580)

SHARE REGISTRAR

Boardroom Share Registrar Sdn. Bhd.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor, Malaysia.
Tel: 603-7880 4700
Fax: 603-7890 4670
Email: bsr.helpdesk@boardroom.limited.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

REGISTERED OFFICE

Suite 12-A, Level 12
Menara Northam
No. 55, Jalan Sultan Ahmad Shah
10050 Georgetown, Penang
Tel: 604-228 0511
Fax: 604-228 0518
Email: general@enetcorpsb.com

AUDITORS

Crowe Malaysia PLT
Chartered Accountants
Level 6, Wisma Penang Garden
42 Jalan Sultan Ahmad Shah
10050 Penang
Tel: 604-227 7061

BUSINESS ADDRESS

No. 2449, Lorong Perusahaan Sepuluh
Kawasan Perusahaan Perai
13600 Perai, Penang
Tel: 604-390 8460
Website: www.pgfcapital.my

BANKERS

Affin Bank Berhad
Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
AmBank (M) Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
Public Bank Berhad
Standard Chartered Bank Malaysia Berhad
MBSB Bank Berhad
Commonwealth Bank of Australia

Corporate Structure

PGF Capital Berhad
197801005142 (42138-X)

Manufacturing

100%
PGF Insulation Sdn Bhd
199101018594 (228905-M)

100%
PGF Global Distribution Sdn Bhd
199001016980 (208649-A)

100%
PGF Technical Textile Sdn Bhd
202201032363 (1478060-H)

100%
NetZero Technology Sdn Bhd
202401018251 (1564100-H)
(Incorporated May 9, 2024)

100%
PGF Insulation Pty Ltd
659 498 889

50%
Select Insulation Pty Ltd
(665 353 006)

20%
Ecowool Insulation Pty Ltd
624 672 475

Real Estate

100%
Golden Approach Sdn. Bhd.
199301013005 (267743-W)

100%
Clover Sdn. Bhd.
198901001846 (179152-D)

100%
Concrete Energy Sdn Bhd
200801012631 (813919-M)

51%
Nexel Group Sdn Bhd
(formerly known as PGF Malvest Sdn Bhd)
202301044609 (1538525-V)

100%
PGF Malvest (Kelantan) Sdn Bhd
202301045283 (1539198-W)

50%
Britestar Australia Pty Ltd
(669 314 265)

Plantation

100%
Diamond Creeks Eco Farm Sdn. Bhd.
202001039298 (1395619-W)

50%
Diamond Creeks Aquatech Sdn. Bhd.
202001020498 (1376818-A)

Board of Directors

From left to the right

1. TAN SUAT HOON
   Independent Non-Executive Director
2. FONG WERN SHENG
   Group Chief Executive Officer
3. FONG WAH KAI
   Executive Chairman
4. TAN MING CHONG
   Chief Operating Officer
5. TAN JIN SUN
   Independent Non-Executive Director
6. OFELIA CHEAH LOO EE
   Independent Non-Executive Director

Profile of The Board of Directors

FONG WAH KAI
Executive Chairman

77 | Male | Malaysian

Appointed to the Board as an Executive Director of the Company on 25 March 1989. He served as an Executive Director in his family business for the past thirty (30) years. He was re-designated on 31 May 2023 as the Executive Chairman of the Company.

Mr. Fong has attended five (5) Board Meetings held during the financial year ended 29 February 2024.

FONG WERN SHENG
Group Chief Executive Officer

43 | Male | Malaysian

Appointed to the Board as an Executive Director of the Company on 7 October 2003 and re-designated on 26 October 2017 as the Executive Chairman of the Company. He was re-designated on 31 May 2023 as the Chief Executive Officer of the Company.

He holds a Hon. Bachelor of Management & Information Technology degree from University of Manchester Institute of Science & Technology. He began his career in the Company as a Risk Management Manager in 2003.

He has attended all the five (5) Board Meetings held during the financial year ended 29 February 2024.

TAN MING CHONG
Chief Operating Officer

44 | Male | Malaysian

Appointed to the Board as an Executive Director of the Company on 17 May 2010 and re-designated as the Chief Operating Officer of the Company on 18 January 2012.

He holds a Master Degree in Economics from University of Warwick and a Bachelor in Economics from London School of Economics.

Prior to joining the Company, he was a Manager in the business advisory division of Ernst & Young where he was involved in various types of organization improvement projects with clients in different industries.

He has attended all the five (5) Board Meetings held for the financial year ended 29 February 2024.

TAN JIN SUN
Independent Non-Executive Director

55 | Male | Malaysian

Appointed to the Board as an Independent Non-Executive Director and the Chairman of the Audit & Risk Management Committee of the Company on 17 January 2023. He is currently the Chief Executive Officer of DK Leather Seats Sdn Bhd since 2 January 2019.

He obtained his Associate membership of the Chartered Institute of Management Accountants (CIMA) in 1996 and was admitted as the Chartered Accountant with the Malaysian Institute of Accountants in the same year.

He started his career in 1992 with more than 20 years of senior management experience in Accounts & Management, and Development of Business Operation. He was instrumental in the successful listing of Boon Koon Group Berhad and Pecca Group Berhad in 2004 and 2016 respectively.

Mr. Tan is also a member of the Remuneration Committee and the Nominating Committee. He has attended all the five (5) Board Meetings held for the financial year ended 29 February 2024.

OFELIA CHEAH LOO EE

Independent Non-Executive Director

45 | Female | Malaysian

Appointed to the Board as an Independent Non-Executive Director and the Chairman of the Nominating Committee of the Company on 9 September 2022. She holds a Doctor of Philosophy (PhD) and a Bachelor of Engineering (Hons) from Manchester Institute of Science and Technology. She started her career in Genting Power Sdn Bhd, where she spent 9 years in the power industry before making a career transition into the real estate industry.

Ms. Ofelia is currently the Senior Vice President, Investment, a dynamic role spearheading the Commercialization unit at TRX City Sdn. Bhd. ("TRXC"), the strategic master developer having the portfolio of 2 national projects namely, Tun Razak Exchange and Bandar Malaysia.

She has over 18 years of experience in business development where her expertise includes performing market and feasibility studies, structuring deals, contracting and carrying out risk assessments.

Ms. Ofelia is also a member of the Audit & Risk Management Committee and the Remuneration Committee. She has attended all the five (5) Board Meetings held for the financial year ended 29 February 2024.

TAN SUAT HOON
Independent Non-Executive Director

55 | Female | Malaysian

Appointed to the Board as an Independent Non-Executive Director on 31 May 2023.

She is a qualified accountant and obtained her professional qualification from the Chartered Institute of Management Accountants, United Kingdom (CIMA) and the Association of Chartered Certified Accountants, United Kingdom (ACCA). She is presently a member of CIMA and Malaysian Institute of Accountants (Chartered Accountant). She has more than 20 years of experience in the corporate finance and advisory, debt capital market, accounting and finance, and financial consultancy and services. She was actively involved in initial public offerings, capital and fund-raising exercises, corporate restructuring, mergers and acquisitions, privatisation and take-overs.

She began her career as an Audit Assistant with KPMG Peat Marwick (now known as Messrs KPMG PLT) in 1992 and resigned in 1996 as Audit Senior. She joined Malaysian International Merchant Bankers Berhad (which was taken over by Eon Bank Berhad and subsequently by Hong Leong Bank Berhad) in 1996 as an Executive, Corporate Advisory and left in 2002 as a Manager, Corporate Advisory and Consultancy Services. She joined AmInvestment Bank Berhad as a Manager, Corporate Finance in 2002 and left in 2017 as Senior Vice President, Corporate Finance to join a private company as Group Senior Finance Manager. In 2018, she joined Kenanga Investment Bank Berhad as Senior Vice President, Corporate Finance and left in 2021 to join Texchem Resources Berhad group of companies until 2022. Currently, she is the Chief Financial Officer of a private company, which she joined since 2022.

She is an Independent Non-Executive Director of Central Global Berhad, Smart Asia Chemical Bhd, Elridge Energy Holdings Berhad and CBH Engineering Holding Berhad.

Ms. Tan is also a member of the Audit & Risk Management Committee and the Nominating Committee. She has attended all the four (4) Board Meetings held for the financial year ended 29 February 2024.

Notes:
1. All the Directors do not have any conflict of interest with the Group.
2. All the Directors have not been convicted for any offences within the past five years other than for traffic offences, if any.
3. All the Directors have no family relationship with any other Directors or major shareholders of the Group with the exception of Mr. Fong Wah Kai, the Executive Chairman and substantial shareholder of the Company is the father of Mr. Fong Wern Sheng, the Company's Group Chief Executive Officer and a substantial shareholder of the Company.
4. The Directors' shareholdings are as disclosed in page 134 of this Annual Report.

Profile of Key Senior Management

FONG WERN SHENG
Group Chief Executive Officer

43 | Male | Malaysian

The profile of Mr. Fong Wern Sheng is listed in the Profile of Directors on page 7.

TAN MING CHONG
Chief Operating Officer

44 | Male | Malaysian

The profile of Mr. Tan Ming Chong is listed in the Profile of Directors on page 8.

LOO CHEE HIN
Chief Financial Officer

55 | Male | Malaysian

Mr. Loo graduated with Bachelor's Degree in Accounting from university of Malaya. He is a member of the Malaysian Institute of Accountants since 1997 and a member of the Australian Society of Certified Practicing Accountants since 2008.

He is an Accountant by profession and has a garnered more than 30 years of experience from local and international commercial companies in the area of accounting and financial management.

Mr. Loo joined our Group as the Chief Financial Officer on 18 May 2020. He has the overall the responsibility for overseeing the Groups' financial matters, including financial planning, financial reporting and administration.

Notes:
1. Save as disclosed in the Directors' Profile for Mr. Fong Wern Sheng, none of the key senior management has any family relationship with any other Directors and/ or substantial shareholders of the Company.
2. None of the key senior management has any conflict of interest with the Company.
3. None of the key senior management has been convicted for any offences against the law other than traffic offences (if any) within the past five (5) years.
4. The Director's & key senior managements' shareholding are as disclosed in page 134 of this Annual Report.

Corporate Milestones

1978
Incorporated Company - Poly Glass Fibre (M) Sdn Bhd

1984
Manufacturing activities started at Penang facility

1985
Exporting activities started

1990
Listed on the Second Board of KLSE

1991
Expansion and improvement of production facility with technology from Jhons Manville

1993
Replacement of production technology with a spinner disc for a rotary fiberization process

1995
New Product Release :
Rigid Pipe Insulation

1997
Acquired Golden Approach Sdn Bhd - with a land of more than 1000 arces

2002
New Product Release :
HVAC Ducting System

2005
Expension of existing warehouse

2006
Accredited to ISO9001, and Expanded into the Australia & New Zealand markets

2007
Accredited to AS/NZ 4859.1

2009
Listed on the Main Board of KLSE

2010
Green Building Certified by USGBC

2011
Launch ecowool
Unveiled the new brand identity

2012
Launch Brownie ANTI-FORMALDEHYDE FORMULA,
"Formaldehyde Free" Insulation

2020
Incorporated Diamond Creek Eco Farm Sdn Bhd to diversify into tropical fruit plantation activities

2021
Completed Furnace Rebuilt to increase insulation manufacturing capacity

2022
Changed name - PGF Capital Berhad

Incorporated PGF Australia to expand Oceania Market

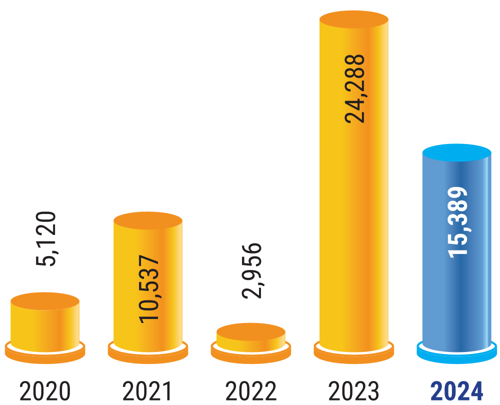
2024
Accredited to ISO14001

Financial Highlights

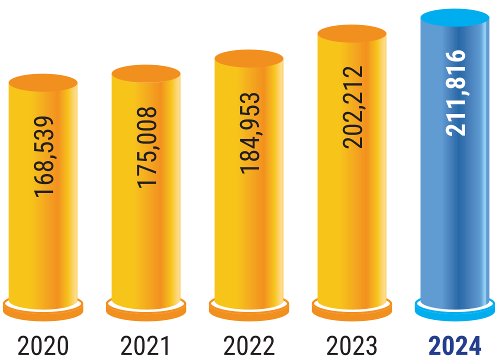
Year Ended 29 February	2020 RM '000	2021 RM '000	2022 RM '000	2023 RM '000	**2024 RM '000**
Turnover	60,593	65,111	57,555	91,111	**128,643**
Profit Before Taxation	5,120	10,537	2,956	24,288	**15,389**
Profit After Taxation	3,277	8,069	1,946	16,272	**10,456**
Profit Attributable to Shareholders	3,277	8,069	1,946	16,272	**10,456**
As at 29 February					
Total Assets	232,315	241,959	264,737	289,406	**316,413**
Shareholders' Funds	168,539	175,008	184,953	202,212	**211,816**
Net Earnings Per Share (Sen)	2.05	5.04	1.22	10.10	**6.39**
Net Assets Per Share (RM)	1.05	1.09	1.16	1.26	**1.30**

Turnover (RM'000)

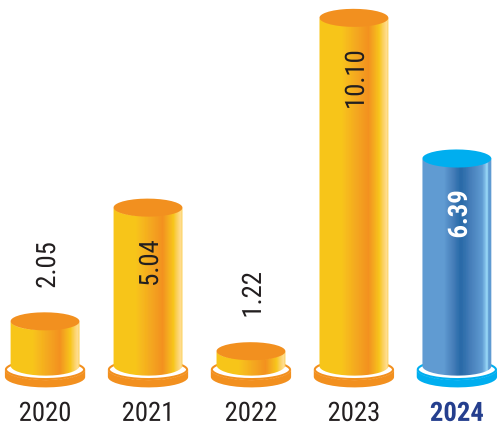
Profit Before Taxation (RM'000)



Shareholders' Funds (RM'000)



Net Earnings Per Share (Sen)



Management Discussion and Analysis

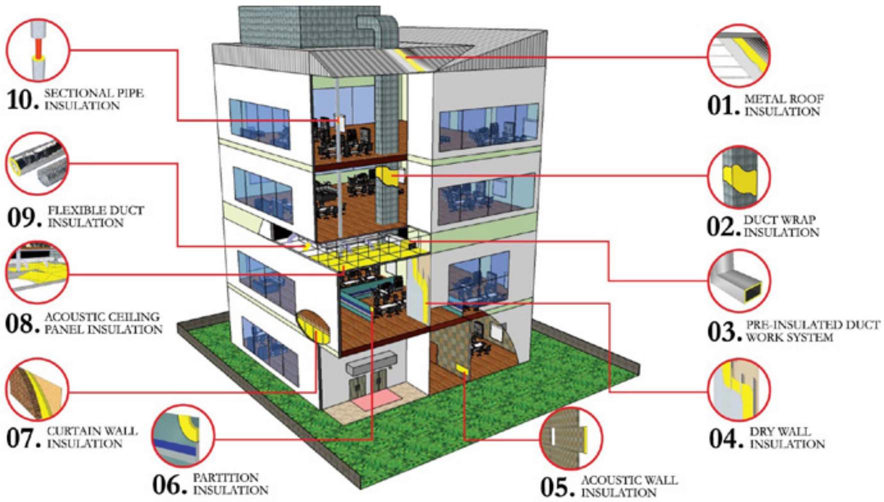
Dear valued shareholders,

We are pleased to present the Management Discussion and Analysis of PGF Capital Berhad ("PGF" or the "Group") for the financial year ended 29 February 2024 ("FY24"). Through strategic management and prudent decision-making, we delivered our highest ever revenue of RM128.6 million, surpassing the previous record of RM91.1 million achieved in the previous corresponding financial year ("FY23"). Meanwhile, profit after tax ("PAT") stood at RM10.5 million.

BUSINESS OVERVIEW

Fibre Glasswool and Related Products

Through its wholly owned subsidiary, **PGF Insulation Sdn Bhd ("PGFI")**, PGF is principally involved in the manufacturing and selling of glass mineral wool ("GW"). GW is a type of mineral wool insulation that serves as a flexible and fibrous insulation material, used for both thermal and acoustic insulation purposes. The diagram below describes the key applications of GW:



Our products are marketed under our own brand name, *Ecowool* that comprises two main variants: *Classic* and *Brownie*.

ecowool

Classic
Glass Mineral Wool

Ecowool Classic products are the conventional GW produced using thermosetting resin. *Ecowool Classic* covers the full range of products that the plant can produce.

Brownie
ANTI-FORMALDEHYDE FORMULA

Ecowool Brownie was launched in 2013 in response to increasing demand for products that can meet more stringent environmental requirements. It is produced using a different type of binder technology with low volatile organic compound and ultra-low formaldehyde. *Ecowool Brownie* currently covers a selected range of products and is mainly sold in Malaysia, Australia and New Zealand.

BUSINESS OVERVIEW (CONT'D)

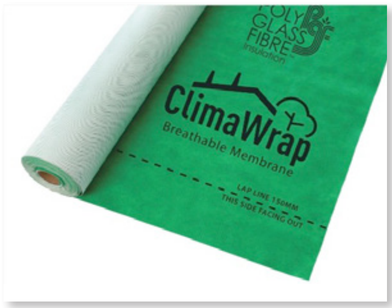
PGFI has obtained the following certifications:

a. ISO 9001:2015 Quality Management Systems
b. MS 1020:2010 Thermal Insulation Products or Buildings – Factory Made Mineral Wool (Mw) Products – Specification
c. AS/NZS 4859.1:2018 Thermal insulation materials for buildings, General and technical provisions
d. New Zealand Codemark Product Certificate ELIMENT® Insulation – Glass Mineral Wool Insulation
e. Singapore Green Building Product Certification
f. Construction Industry Development Board ("CIDB") Perakuan Pematuhan Standard (Bahan Binaan)
g. Belgian Construction Certification Association NPO EUCEB Certification of mineral wool products
h. FM Approvals Certificate of Compliance
i. TÜV SÜD Certificate of Conformity

Our GW products are primarily designed for building applications and are extensively utilised in developed countries with four distinct seasons, like those in the Oceania region. These countries prioritise passive energy-efficient designs, as mandated by their local building codes. Australia and New Zealand, our primary export markets, recently revised their building codes in May 2024 to include higher minimum standards for energy-efficient home designs. The revision, among other requirements, also called for a higher R-value for ceiling and wall insulation (R-value measures the effectiveness of insulation in limiting heat transfer).

Apart from insulating building structures, GW is commonly used in heating and air-conditioning ducts to enhance energy conservation, control condensation, and mitigate noise from air conditioning systems. A small portion of our GW sales are directed toward industrial applications, including power generator silencers, fire doors, acoustic partitions, and highway/ railway sound barriers.

The Group's main operating hub, located in Perai, Penang ("Perai Plant"), features manufacturing and warehousing facilities spanning approximately 38,614 square metres ("sqm"). With a total workforce of 271 employees, the manufacturing plant has the capacity to produce 25,000 metric tonnes ("mt") of GW-related products annually.



In May 2023, we expanded our product portfolio with ClimaWrap, a three-layer, vapor-permeable membrane manufactured in Sungai Buloh, Selangor. ClimaWrap regulates moisture within building envelopes, preventing condensation and associated issues like mold and rot. This ensures optimal insulation performance and a healthier indoor environment, making it a valuable addition for our core markets in Australia and New Zealand. It aligns with our goal to deliver comprehensive solutions to our consumers.

ClimaWrap applied during the construction of residential properties in Australia.

BUSINESS OVERVIEW (CONT'D)

Property Development

The Group's wholly-owned subsidiary and property development arm, **Golden Approach Sdn Bhd ("GASB")**, owns approximately 1,311.1 acres of leasehold land in Tanjong Malim, Perak ("Diamond Creeks" or the "Land"). The Land is strategically located adjacent to the Proton City and Automative High-Tech Valley ("AHTV"), approximately 15 kilometres ("km") from Tanjong Malim Electric Train Station ("ETS"), 100 km from Kuala Lumpur City Centre, and 143 km from Kuala Lumpur International Airport.

We aim to develop the land in alignment with the Malaysian Government's initiative to transform Tanjong Malim into an AHTV for new energy vehicle production. This initiative is anticipated to benefit Malaysia's national car company, Proton Holdings Berhad ("Proton"), as it plans to fully relocate its manufacturing facilities to Tanjong Malim from Shah Alam, Selangor by 2027. With proactive plans and preparations underway by the Perak State Government, it is envisioned that approximately 50,000 people, including employees and their families, will reside in Tanjong Malim by 2027.

Meanwhile, China-based Songyuan Automotive Safety Systems too announced in May 2024 that it has budgeted USD6.9 million to build a new plant in AHTV to produce 500,000 sets of automotive seat belt systems annually. Together, these relocation and expansion activities will create a substantial demand for housing in Tanjung Malim. Our development aims to complement the growth and progress of AHTV, addressing the emerging need for sufficient housing and supporting the state's transformation and industrial growth.

Others

In 2021, we established **Diamond Creeks Aquatech Sdn Bhd ("DCA")**, a company specialising in freshwater aquaculture and other related activities. DCA currently manages a freshwater aquaculture centre which initially focused on cultivating Jade Perch fingerlings, a species known for its firm, flavourful flesh and high omega-3 fatty acid content. We are proud that our aquaculture initiatives have yielded positive results, highlighted by our Jade Perch winning the Malaysian Aquaculture ("MAQUA") Championship in October 2023.

PGF Associates' Director, Mr. Lai Chun Kiong, accepted the trophy on behalf of the company

To further enhance the value of the land, approximately 228 acres have been dedicated to plantation activities, overseen by our wholly-owned subsidiary, **Diamond Creeks Eco Farm Sdn Bhd ("DCEF")**. Of this area, 208 acres are allocated for the cultivation of up to 10,000 durian trees, while the remaining 20 acres are reserved for a variety of tropical fruits (or cash crops) such as Japanese mangosteen, Panama Rose Gold passion fruit and Japanese kumquat.

Our agricultural segment has seen encouraging consumer response and demand for our harvested passion fruit and papaya. While currently a smaller contributor to the Group's overall revenue, sales of these cash crops continue to deliver positive results.

FY24: A TALE OF TWO HALVES

The Australian construction industry experienced a significant slump in 2023 due to rising material costs, labour shortages, and supply chain disruptions, exacerbated by global economic conditions and local regulatory changes. These factors led to increased project costs, delays, and numerous insolvencies among construction companies. This downturn complicated the implementation of the new National Construction Code ("NCC") 2022, which introduced stricter energy efficiency standards requiring new homes to meet a 7-star energy rating. Builders faced financial and operational difficulties, increasing the complexity and costs of meeting these enhanced standards. Consequently, insulation manufacturers like us saw reduced demand for our products due to the decreased construction activity and heightened financial strain on builders.

FY24: A TALE OF TWO HALVES (CONT'D)

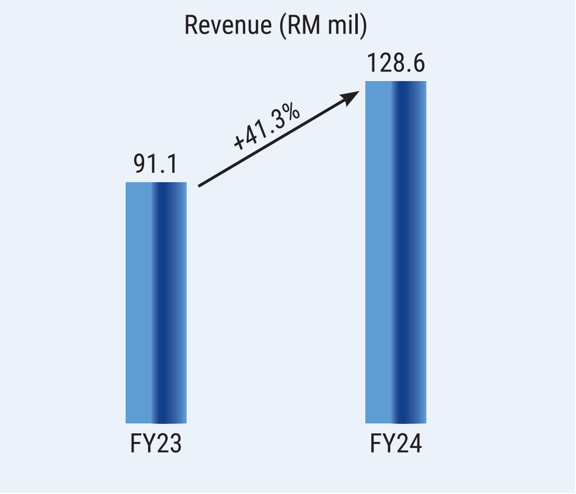
Towards the end of 2023 and into 2024, the situation turned the corner as construction industry in Australia began to recover, driven by government infrastructure spending, increased housing demand, and advanced construction technologies. Federal and state government initiatives, including streamlined planning and approval processes, played a crucial role in revitalising the sector. This recovery boosted demand for our insulation materials due to increased construction activity and stricter energy efficiency regulations, leading to substantial sales growth as our customers sought high-performance insulation solutions to meet the new standards.

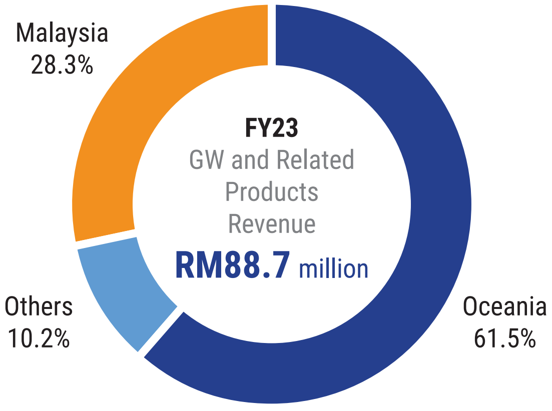
FINANCIAL RESULTS

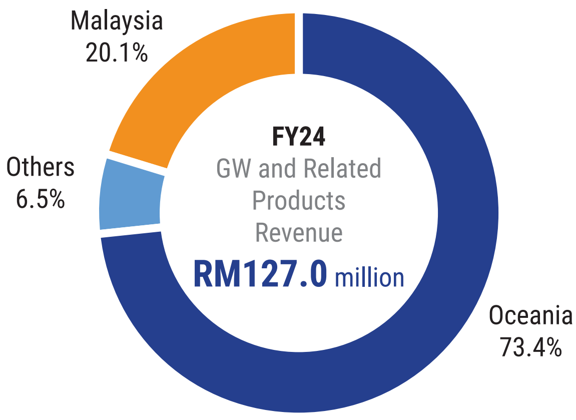
Revenue

The recovery in the Australian construction industry was definitely a booster, lifting our FY24 revenue to RM128.6 million, reflecting a 41.3% year-on-year increase from RM91.1 million in FY23. This impressive growth was primarily driven by higher sales in the insulation business, fueled by strong demand.

Breaking down the performance by segments, the Insulation and Related Products Division remained the largest contributor, generating RM127.0 million, or 98.7% of total revenue in FY24. This represents a 43.2% YoY growth from RM88.7 million in the previous year, driven by increased sales demand. The remaining RM1.6 million, or 1.3% of total revenue in FY24, was contributed by the Property Development, Investment Holding, and Other segments.







Note: *'Others' include Southeast Asia region, but excluding Malaysia.*

Geographically, the Oceania markets contributed 73.4% or RM93.4 million to PGF's total revenue. Malaysia accounted for 20.1% or RM26.2 million, while the remaining 6.5% or RM8.6 million came from Others.

FINANCIAL RESULTS (CONT'D)

Profitability

Financial Year Ended 29 February	FY23 RM mil	FY24 RM mil	*YoY Changes*
Operating profit	24.8	17.6	▼ *28.9%*
PBT	24.3	15.4	▼ *36.6%*
PAT	16.3	10.5	▼ *35.7%*
Operating profit margins	27.2%	13.7%	
PBT margins	26.7%	12.0%	
PAT margins	17.9%	8.1%	

To note, FY23's results included a reversal of an impairment loss amounting to RM10.7 million. Adjusting for this non-recurring and non-operating item, FY24's PBT of RM15.4 million reflected an increase from FY23's adjusted PBT of RM13.6 million, in line with increased revenue. However, FY24's PBT margin of 12.0% was lower than the previous financial year's adjusted PBT margin of 14.9%. This decline was primarily due to increased operating expenses associated with the establishment of our new warehouses in Australia. The table below illustrates the Group's performance on an adjusted basis:-

	FY23 RM mil	FY24 RM mil	*YoY Changes*
Revenue	91.1	128.6	▲ *41.2%*
PBT	24.3	15.4	▼ *36.6%*
Reversal of impairment loss on investment properties	(10.7)	-	*n.a.*
Adjusted PBT	**13.6**	**15.4**	▲ ***13.2%***

Balance Sheet

As of 29 February 2024, the Group's total assets surged to RM316.4 million, representing a 9.3% YoY increase from RM289.4 million recorded a year ago. This growth was mainly attributed to increase in right-of-use assets, higher trade and other receivables as well as a jump in cash and cash equivalents. Total cash and cash equivalent, including short-term deposits, as at the end of FY24 soared to RM26.1 million, vis-à-vis RM19.2 million a year earlier.

Our Group's shareholders' equity rose 4.7% YoY to RM211.8 million at the end of FY24, up from RM202.2 million in the previous year. While FY24's total liabilities also increased to RM47.2 million from RM34.6 million in FY23, our total borrowings at the end of the financial year under review were lower at RM29.5 million compared to previous year's RM33.0 million. As a result, our net gearing ratio at the end of FY24 improved to 0.22 times from last year's 0.18 times.

Balance Sheet and Key Ratio Highlights as of 29 February 2024

Total Asset
RM316.4 million
(FY23: RM289.4 million)

Total Equity
RM211.8 million
(FY23: RM202.2 million)

Total Liabilities
RM104.6 million
(FY23: RM87.1 million)

Cash and Cash Equivalent
RM26.1 million
(FY23: RM19.2 million)

Net Gearing
0.02 times
(FY23: 0.07 times)

FINANCIAL RESULTS (CONT'D)

Cash Flow

Financial Year Ended 29 February	FY23 RM mil	FY24 RM mil
Profit before tax	24.3	15.4
Net cash from operating activities	2.2	24.9
Net cash used in investing activities	(5.4)	(6.4)
Net cash (used in) / from financing activities	(0.1)	(12.6)
Net increase / (decrease) in cash and cash equivalents	(3.3)	5.9

Our net cash and cash equivalents increased to RM5.9 million in FY24 after taking account of:

- stronger net cash generated from operating activities of RM24.9 million in FY24, up from RM2.2 million in the previous financial year as our revenue improved YoY;
- a grant worth RM6.2 million secured to support our facility's modernisation and equipment upgrades. This investment also enabled us to achieve international standard certifications; and
- a strategic reduction in our short-term borrowings to optimise interest expense management, which resulted in higher outflow from our financing activities.

OPERATIONAL REVIEW

The Insulation and Related Products segment is experiencing robust growth particularly in Australia and New Zealand, driven by higher construction activities. Currently, our manufacturing plant producing GW products is operating at full capacity to meet this increased demand.

PGF is proud to be a supplier of insulation materials for the landmark Western Sydney International (Nancy-Bird Walton) Airport (IATA: WSI) construction project in Sydney, Australia. Our insulation solutions, supplied since July 2023, will play a critical role in the airport's long-term operational efficiency by promoting energy conservation and mitigating condensation. This major international and domestic travel hub, with a capacity of 10 million passengers annually upon its 2026 opening, will be the largest airport in Sydney upon completion, spanning an impressive 1,780 hectares.

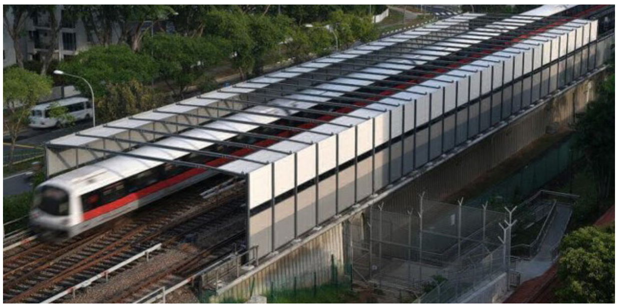
Our insulation products being installed in Western Sydney International (Nancy-Bird Walton) Airport.

We provided noise-reducing insulation materials for both the Setiawangsa Pantai Expressway in Malaysia and the Viaduct Noise Barrier Phase 2 project in Singapore, contributing to quieter environments for residents and travellers alike.

OPERATIONAL REVIEW (CONT'D)

In the Property Development segment, we are pleased to announce that in March 2024, we obtained rezoning approval from Majlis Daerah Tanjong Malim for our 1,311.8-acre land in Tanjong Malim, Perak, located adjacent to Proton City. This approval notably increases the designated residential area from 71.1 acres to 577.5 acres.

Singapore Viaduct Noise Barrier Phase 2.



Setiawangsa Pantai Expressway.

In our agriculture segment, we are continually transferring durian trees from the nursery to the designated orchard land. Furthermore, the harvesting and sales of passion fruit and papaya have received positive reception and growing demand from consumers.

BUSINESS STRATEGY AND OBJECTIVES

Glasswool Products and Related Products

In FY24, we established three warehousing facilities, with one each in Melbourne, Brisbane and Perth, Australia, to serve our customers more efficiently in the Oceania region. Additionally, we are acquiring 2 trucks to support our Australian operations, ensuring timely product deliveries. The initiative was proven to be fruitful as we were able to respond swiftly when demand for insulation materials recovered in the end of 2023.

In-house delivery truck used in Australia

To expand our reach in the Australian market, we are establishing a new warehouse in Sydney. It will be equipped with 3,300 sqm of warehousing capacity and operated by our joint venture company, Britestar Australia Pty Ltd. To date, we have a team of 23 professional in Australia to provide exceptional customer service throughout the Oceania region.

BUSINESS STRATEGY AND OBJECTIVES (CONT'D)

Property Development

Recognising the potential of the Land adjacent to Proton City, the Group has crafted a 10-to-15-year master plan to develop a self-sustaining township on the said Land. Spanning across more than 400.0 acres, this development will feature over 6,000 residential and commercial units, with an estimated total Gross Development Value ("GDV") of RM3.0 billion. To round out this comprehensive development, the remaining land will be utilised for agriculture plantations, aquaculture activities, eco-tourism and eco-retreats, and lifestyle communities including a retirement and wellness village.

Building on this momentum, we plan to launch Phase 1 of the development by end of 2024. Partnering with Malvest Properties Sdn Bhd ("Malvest"), this initial phase aligns with the national plan to develop Proton City into an AHTV. Phase 1 boasts an estimated GDV of RM600.0 million and will comprise 1,808 residential and commercial units, catering to the diverse needs of the growing community.

RISKS AND MITIGATIONS

The business landscape in which we operate in presents various risks that could significantly impact our business operations and financial performance. We remain fully committed to preventing these risks from derailing our business goals and ensuring the Group continues to create sustainable value for our shareholders.

Outlined below are the key anticipated or known risks that our Group faces, which may materially affect our operations, performance, financial condition, and liquidity. We also detail our strategies to mitigate these risks.

Key risks	Our Approach
Market Risk – Competitive landscape in key markets Operating away from our primary markets presents inherent challenges, particularly in competing with local players that benefit from logistical advantages. The distance between our operations and target markets can lead to increased transportation expenses, extended delivery times, and reduced responsiveness to customer demand. These factors may place us at a disadvantage compared to local competitors with more streamlined and adaptable supply chain.	We will continue optimising our operational efficiency and supply chain management to mitigate this risk. In addition to the existing three warehouses in Melbourne, Perth, and Brisbane, we are in the process of establishing a warehousing facility in Sydney, Australia. We now have a team of 23 professionals stationed in the country to serve the Oceania markets. Understanding the unique needs and preferences of our target customers is our top priority. Through proactive engagement, we gain valuable insights into their requirements, enabling us to offer personalised support. By focusing on delivering exceptional value and outstanding customer experiences, we differentiate ourselves from local competitors and build strong, enduring customer relationships.
Regulatory Risk – Change in policies Government policies significantly influence the construction industry, impacting our business substantially. Policies such as the national building code are crucial in shaping the demand for our products. By closely monitoring and adapting to these policy changes, we can respond effectively to market demands, leveraging on the evolving regulatory landscape to seize emerging opportunities.	To proactively manage compliance risk, we continuously monitor for changes in government policies and regulations. This proactive approach safeguards our strong reputation and fosters positive relationships with industry regulators.

RISKS AND MITIGATIONS (CONT'D)

Key risks	Our Approach
Industry Risk – Raw material supplies Relying on virgin materials, like silica sand for GW-related product manufacturing, depletes finite resources. Moreover, the production process of silica sand involves energy-intensive procedures such as extraction, transportation, and refining, all of which contribute significantly to greenhouse gas emissions, carbon footprints, and environmental disruptions.	Our company follows to a closed loop system by transforming waste into a valuable resource for managing both thermal and condensation processes. This system prioritises the utilisation of glass cullet, which constitutes 80% of our GW product. By doing so, we significantly reduce or even eliminate the need for virgin silica sand. This approach not only minimises the consumption of finite materials but also mitigates the environmental impact associated with their extraction, production, and disposal.
Operation Risk – Health and safety at the workplace At PGF, safety is vital within our manufacturing and warehousing facilities where employees are essential to daily operations. We prioritise a robust safety culture by implementing comprehensive safety measures, which not only safeguard the well-being of our valued workforce but also contribute significantly to operational efficiency. A safe working environment minimises disruptions, promotes product quality, and fosters a positive reputation. Ultimately, a focus on safety strengthens our financial performance by ensuring timely deliveries, minimising product defects, and fostering a culture of excellence.	The safety and well-being of our employees, contractors, and all stakeholders remains a priority at every operational site. In order to achieve this, we have established clear health and safety policies and procedures, which are effectively communicated to both internal and external parties. New employees undergo thorough training as part of our onboarding process, ensuring their familiarity and strict adherence to our safety protocols. Through prioritising these proactive measures, we foster a secure and protected environment for all individuals involved in our operations.

OUTLOOK

Fibre Glasswool and Related Products

Australia's construction industry is experiencing a significant shift towards sustainable and energy-efficient homes. This trend is driven by the updated NCC 2022, which introduced stricter energy efficiency provisions for new homes as of May 2024 (following an initial delay from 1 May 2023 deadline). Notably, the NCC 7-Star rating, an iteration of the previous 6-Star system, demands an additional 18-25% improvement in energy efficiency. Importantly, achieving this higher standard can be accomplished without major disruptions to traditional building methods, but relies heavily on advancements in the insulation sector.

The NCC 7-Star rating presents a compelling opportunity for growth within the insulation industry, and PGF is ideally positioned to take advantage of this shift. By offering advanced insulation solutions that meet these stringent requirements, we are well-equipped to support the construction industry's transition towards higher energy efficiency. This focus on innovation not only strengthens our market presence in Australia but also aligns PGF with the nation's commitment to sustainable development.

The passing of the Energy Efficiency and Conservation Bill 2023 ("EECB") in Malaysia marks a significant milestone in regulating energy consumption and conservation, aligning with the goal of achieving net-zero greenhouse gas emissions by 2050 as part of the National Energy Transition Roadmap ("NETR") and the 12th Malaysia Plan ("12MP"). This legislation is anticipated to increase demand for insulation products, create growth opportunities in the energy efficiency sector, and enhance the reputation of sustainability-focused companies. As one of Malaysia's pioneer insulation manufacturers, we are well-positioned to benefit from the EECB by developing new products and services that cater to the growing demand for energy-efficient solutions.

OUTLOOK (CONT'D)

Property Development

Our application for Phase 1 Planning Permission (Kebenaran Merancang) is currently under review by authorities. We are confident that this development will bring significant economic benefits to the surrounding community, and we look forward to a positive outcome that allows us to move forward with this project.

Barring any unforeseen circumstances, we plan to launch Phase 1 of our residential and commercial development by end 2024.

Others

Other than residential and commercial development, we are actively exploring opportunities to unlock the full potential of the Land. This includes initiatives in sustainable sectors such as agriculture, aquaculture, and ecotourism.

DIVIDEND

The Group has proposed a final dividend of 1.5 sen per share for FY24, amounting to approximately RM1.6 million, translating to a dividend payout of 15.0%. The proposed dividend is subject to shareholder's approval at the forthcoming Annual General Meeting.

We target to distribute a minimum of 25% of our annual net profit as dividends. However, the final dividend amount considers several factors to ensure PGF's long-term financial health, including the availability of distributable reserves, operating cash flow needs, existing financial commitments, and strategic expansion plans.

APPRECIATION

On behalf of the Board, I extend our heartfelt appreciation to the management team and all employees of PGF for their unwavering commitment and dedication throughout the year. Their tireless efforts have been instrumental in steering the Group towards continued success, with their strong embodiment of our core values driving our achievements.

Additionally, my deepest gratitude to all our stakeholders, including shareholders, customers, suppliers, business partners, financiers, and other stakeholders for their trust in us thus far. We look forward to fostering even stronger relationships and achieving mutually beneficial results in the years to come.

Finally, I express my sincere gratitude to our Board of Directors. Their steadfast commitment, extensive experience, and tireless efforts have been pivotal in guiding the Group's strategic direction. Together, we navigated challenges, explored opportunities, and chartered a course of progress. The collective wisdom of the Board serves as a cornerstone of our confidence in achieving continued success and scaling new heights in the years to come.

Yours sincerely,

Mr Fong Wern Sheng
Group Chief Executive Officer

SUSTAINABILITY STATEMENT
FY2024

to provide **ECO-FRIENDLY** Solution that contributes towards a SAFE, **COMFORTABLE** and **SUSTAINABLE** living environment

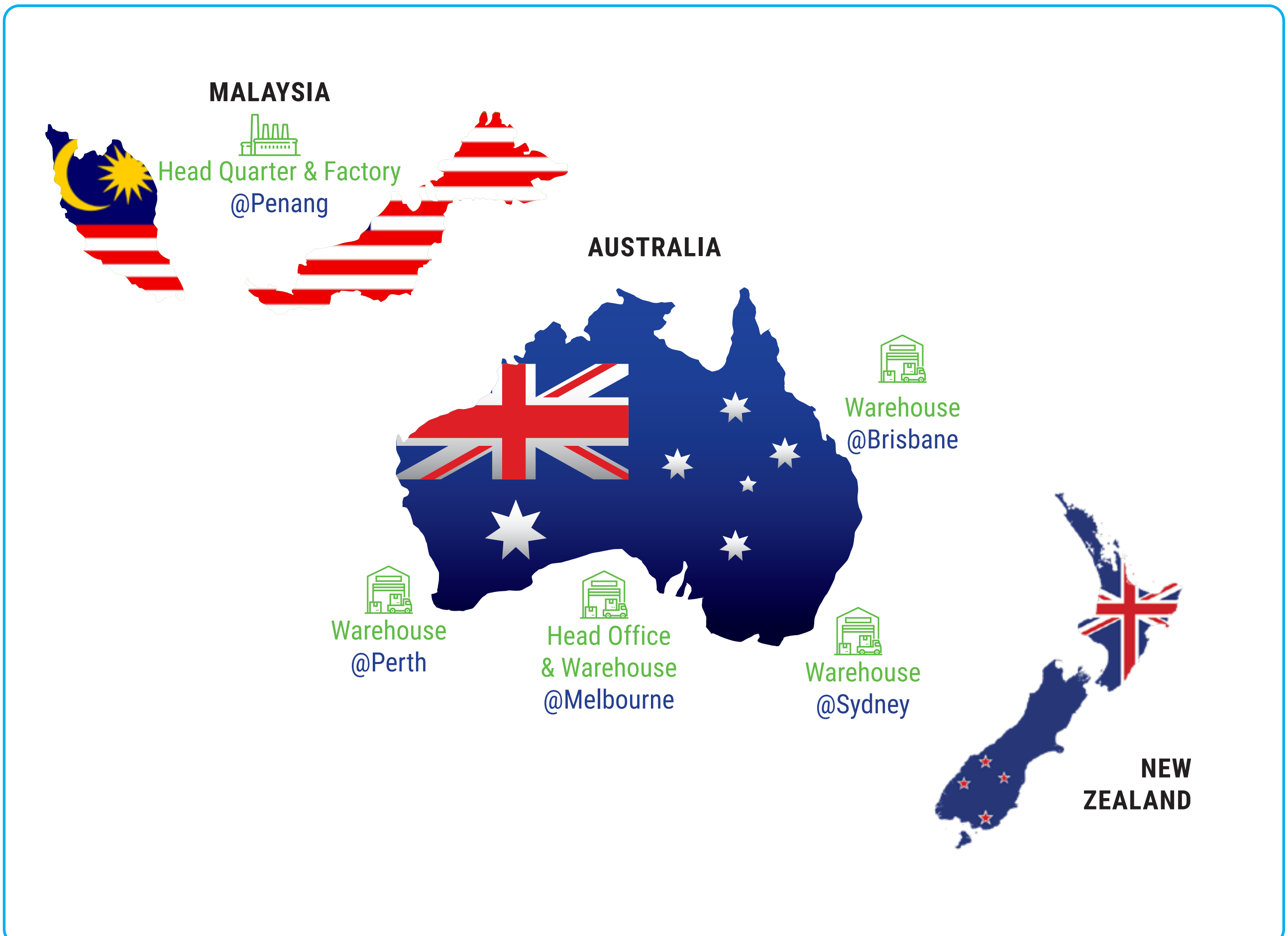
OUR SUSTAINABILITY COMMITMENT is to encapsulates the key aspects of **Environmental**, **Economic** and balancing **Social** interests while ensuring the well-being of future generations. Effective resource management, social equity, environmental protection, economic development, and community engagement are indeed crucial components in the design and implementation of sustainable communities.

ABOUT PGF

Operating commercially in 1984, Public Listed on Bursa Malaysia in 1990.

Celebrating 40th anniversary in 2024 is a moment of genuine pride and gratitude. From our roots as a mineral wool manufacturer, we've evolved into a leading insulation producer in Southeast Asia and Oceania.

Looking ahead, PGF is dedicated to a future marked by resiliency and sustainability, with a particular emphasis on promoting glass mineral wool as the forefront of sustainable insulation solutions. We pledge to innovate, specifically catering to the needs of building owners and designers, ensuring a comfortable and sustainable world.



ABOUT PGF's SUSTAINABILITY STATEMENTS

Our EESG Framework is dedicated to promoting sustainability by setting clear goals, implementing key initiatives, and executing strategic action plans across economic, environmental, social, and governance dimensions.

Sustainability stands as a central pillar of our business priorities. We are continuously addressing ongoing challenges, engaging with our stakeholders to understand their perspectives, and staying abreast of the latest legislative and regulatory updates.

Goal Setting:
Establishing ambitious yet achievable targets to drive sustainable practices.

Key Initiatives:
Identifying and prioritizing projects that have a significant impact on our ESG objectives.

Strategic Plans:
Developing detailed plans to ensure the successful implementation of these initiatives.

Sustainability Targets:
Setting specific goals for reducing carbon emissions, waste, and resource consumption.

Community Engagement:
Building strong relationships with local communities and stakeholders.

Employee Diversity:
Ensuring the well-being, safety, promoting a diverse and inclusive workplace, and professional growth of our employees.

Compliance and Ethical Standards:
Ensuring adherence to all relevant laws, regulations, internal policies, and upholding the standards of ethics and integrity

Overcoming Obstacles: Developing and implementing solutions to overcome challenges, ensuring ongoing progress toward our ESG goals

PGF's GOVERNANCE STRUCTURE

The Group has established an effective governance structure to oversee and manage the Group's sustainability management, including clear definitions of accountability, roles, and responsibilities of those involved, and this is important for PGF to ensure that progress is made in line with our sustainability goal to support the Group's long-term value creation. Our sustainability governance structure is summarised as follows:

Board Of Directors

The Board is ultimately responsible for incorporating sustainability considerations, including climate change, in the Company's business strategies. The Board is responsible for the Group's sustainability strategy and performances, including financial and non-financial reporting. Amongst others, this comprises identifying and ensuring compliance and managing matters pertaining to ESG matters, particularly where ESG risks may affect the company's performance. The Board's responsibilities include setting the Group's aspirations in relation to its sustainability matters and performing regular reviews of the Group's sustainability progress.

Senior Management
(Executive Committee)

The Senior Management ("SM") is responsible for the execution of the Group's sustainability strategy, which includes the handling of mandatory reporting obligations, overseeing the management of ESG risks and developing action plans to achieve aspirations set by the Board. The SM is assisted by the Sustainability Committee.

Some of the SM's key responsibilities include managing the planning and integration of sustainability initiatives into the Group's business strategies and operations to ensure key sustainability decisions are made in accordance with the Group's business strategies and to ensure the availability of adequate resources for the successful implementation of sustainability strategies and initiatives.

Operation Management
(Sustainability Committee)

The Operation Management ("OM") is comprised of key working-level representatives from each division and department, and they also include members of the Sustainability Committee. The Sustainability Committee is responsible for implementing action plans and pursuing sustainability targets set by the SM. In addition, the OM also collects and reports relevant data for the Group's non-financial reporting, monitoring of sustainability performance, and complying with the non-financial reporting obligations.

The OM provides execution support and oversees the daily management of sustainability matters in their respective division and functions, towards effective integration of sustainability throughout the Group.

PGF's STAKEHOLDER ENGAGEMENT

Engagement with key stakeholders plays a vital role in our sustainability journey. We believe that stakeholder engagement is crucial for identifying room for improvement, setting our sustainability expectations, and communicating our sustainability priorities, targets, and performance. We continue to form, strengthen and maintain valuable connections with stakeholders through various engagement channels.

Should any of our stakeholders have questions, suggestions, or concerns related to sustainability matters, we encourage them to reach out to us via email at mail@pgfcapital.com.my. Our aim is to facilitate a platform where all relevant parties have ample time and opportunity to partake in meaningful discussions, gain insights, and integrate each project milestone or process improvement step into their understanding. This inclusive approach underscores our dedication to fostering collaboration and ensuring that the perspectives and input of all stakeholders are valued and considered in our decision-making processes.

PGF's STAKEHOLDER ENGAGEMENT (CONT'D)

Our key engagement mechanisms is to ensure our business continue to be relevant and add value for each stakeholder during FY2024 are summarised in the table below.

Stakeholder	Engagement	Areas of Expectations
EMPLOYEE **By Annually/ and/or as and when needed**	▪ Performance reviews ▪ Educational/ Training programmes ▪ Conferences/ Seminars/ Workshops ▪ Safety inspections ▪ Code of Ethics ▪ Community development programmes ▪ Interviews ▪ Face-to-face meetings ▪ PGF's Library	▪ Knowledge and skill enhancement ▪ Career development ▪ Occupational Health & safety ▪ Environment, Health & Safety Health (EHS) practices ▪ Fair & competitive remuneration benefit ▪ Employee wellbeing and a conducive work environment ▪ Employee engagement ▪ Job security ▪ Equal opportunity
CUSTOMER **As and when needed**	▪ Customer satisfaction survey ▪ Suggestion box ▪ Social media	▪ Pricing ▪ Quality, Green & Sustainable products and services ▪ Timely project delivery ▪ Customer service and experience ▪ Property design ▪ Defect rectification ▪ EHS practices
VENDOR **As and when needed**	▪ Supplier assessment ▪ Surveys ▪ Face-to-face meetings	▪ Supply chain management ▪ Legal compliance and contractual commitments ▪ Product, service quality and delivery ▪ Fair and transparent procurement process ▪ Cost effectiveness ▪ ESH practices ▪ Payment schedule
MEDIA **As and when needed**	▪ Interviews ▪ Press releases ▪ Advertising	▪ Corporate news ▪ Industry outlook ▪ Brand image ▪ Reputation
REGULATOR BODIES **As and when needed**	▪ Audit ▪ Presentations ▪ Site visit ▪ Survey	▪ Certifications ▪ Corporate governance ▪ Regulatory compliance ▪ Anti Bribery & Corruption compliance ▪ Environmental management and compliance
INVESTOR / SHAREHOLDER **As and when needed**	▪ Company's website ▪ Bursa Announcement ▪ Annual report ▪ Annual General Meeting ▪ Fund/analyst briefing ▪ Press releases ▪ Face-to-face meetings ▪ Site visits ▪ Survey	▪ Financial performance ▪ Corporate developments ▪ Growth plans ▪ ESG practices ▪ Risk management ▪ Corporate governance ▪ Transparent disclosure ▪ Dividend policy
COMMUNITY **As and when needed**	▪ Community programme ▪ Internships ▪ Press releases ▪ Social media	▪ Community engagement ▪ Job creation and internship opportunities ▪ Local welfare ▪ Social Contribution

PGF's MATERIAITY MATRIX ASSESSMENT

We conduct an annual assessment of our material issues, aiming to continuously enhance and advance our approach in managing sustainability risks and opportunities affecting our business. This process ensures the prioritization of issues that hold the greatest impact on the economy, society, and the environment. The outcome of the survey is plotted into a materiality matrix to illustrate the relative importance of each material matter based on the importance to our Group and the importance to our stakeholders, as shown below:

PGF'S Sustainability Pillars

ENVIRONMENT

Input GREEN output GREEN
Managing & reducing Chemical Substances
Energy and emissions management
Water and waste management

ECONOMIC

Innovation
Product quality & certifications
Customer satisfaction
Supply chain management

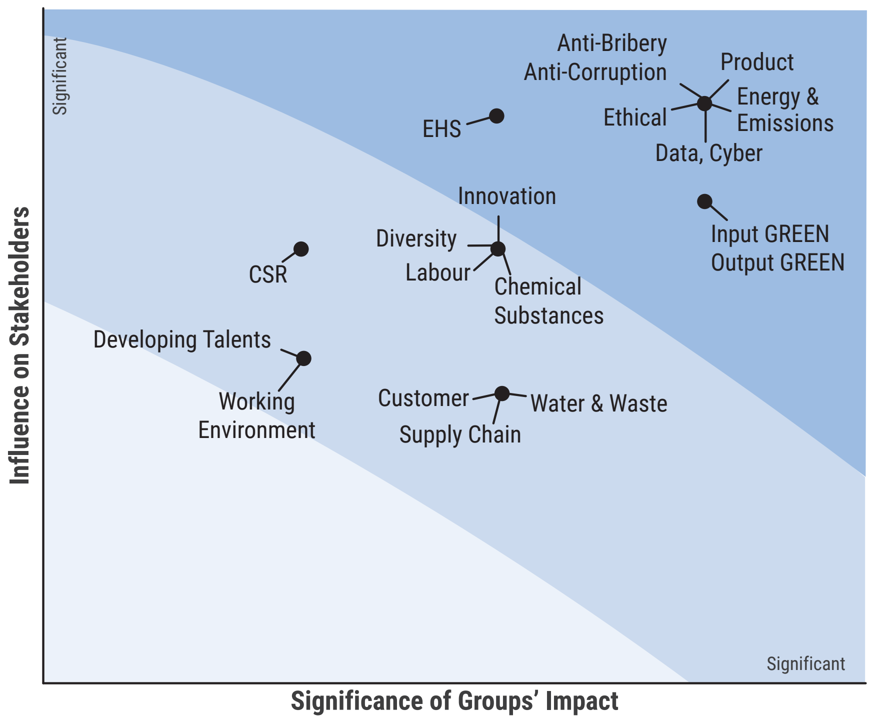
SOCIAL

Labour practices & standards
Workplace diversity
Promoting conducive working environment
Developing talents
Environmental, Health & Safety
Corporate Social Responsibility

GOVERNANCE

Ethical Business Practice
Anti-Bribery
Anti-Corruption
Data Privacy
Cybersecurity

PGF'S Material Matrix



ENVIRONMENTAL

Green Energy for Green Products - Redefining Sustainability in Our Manufacturing

One of our most significant environmental initiatives is increasing the use of recycled glass as a raw material. We demonstrate our recycling efforts by collecting industrial glass waste needed to produce Ecowool glass mineral wool insulation. Reducing waste, Saving energy, and Protecting the Planet - this is what our insulation product is all about: transforming waste into impact.

PGF has also set itself a goals which are linked to the sustainability and efficiency of our operations, driving operational efficiency, resource efficiency, and cost management. These efforts are in addition to **E**nvironmental, **E**conomic, **S**ocial and **G**overnance compliance which we view as fundamental and basic for our business. Our goals and their performance for FY2024 are as follows:

Input GREEN, Output GREEN

Using recycled materials in production is a significant step towards sustainability and reducing environmental impact. By incorporating recycled glass, we are not only reducing the need for raw materials but also minimizing waste and lowering the energy consumption associated with production processes.

Ecowool's contents are made up of more than 80% recycled glass. The glass cullet is melted to form lava-like molten glass. This molten glass is then converted into fibers through a rotary process that combines centrifugal drawing through a rotating device drilled with thousands of tiny holes and is further attenuated by high-temperature gas jet streams.

By using 20,000 metric tons of recycled glass to produce 25,000 metric tons of new glass wool products per month, PGF is making a substantial contribution to environmental sustainability. This practice not only benefits the environment but can also enhance company's reputation as a responsible and eco-friendly business.

Managing and Reducing Chemical Substances

Did you know that volatile organic compounds (VOCs) are synthetic chemicals produced during the manufacturing of products like paint, adhesives, and furniture? In the construction world, the materials we choose not only for structural integrity but also for the quality of indoor air, given the extensive time people spend indoors.

Ecowool insulation sets itself apart with its commitment to environmental responsibility and occupant well-being. With impressively low VOC content, recognized by international certifications, Ecowool goes beyond providing excellent thermal performance. It ensures the resilience of your building designs while prioritizing both your health and the planet's well-being.

Managing and Reducing Chemical Substances (Cont'd)

Better Indoor Air Quality: Building materials including Ecowool insulation that has ultra-low VOC emission significantly reduce the release of potential chemical particles into indoor spaces, leading to cleaner and healthier air for occupants.

Optimal Comfort: Ecowool insulation is completely odouriess, guaranteeing a pollutant-free environment.

Sustainable Building: Using low VOC materials aligns with environmentally-conscious building practices and reduces the overall environmental impact of construction.

Regulatory Compliance: Shifting towards a greener building practices, green building certifications around the world encourages or require the use of low VOC materials to meet indoor air quality standards.

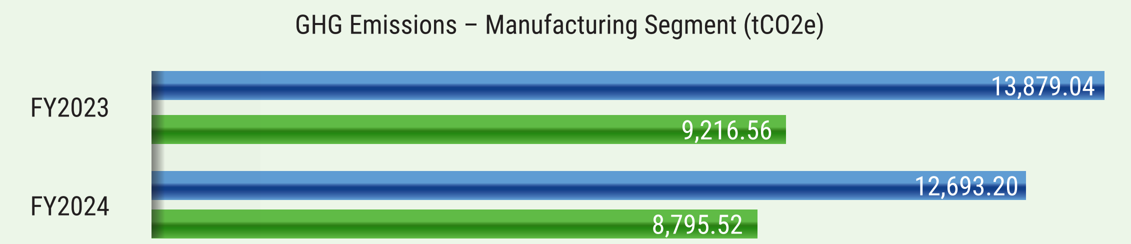
Energy and Emission Management

Our alignment with the United Nations Sustainable Development Goals (SDGs) is a testament to our deep-rooted company values, and we couldn't be more thrilled to be driving positive change in line with these global objectives.

With the adoption of EV forklifts in our manufacturing plant last year, we proudly showcase our unwavering commitment to reducing our carbon footprint and actively shaping a greener future. We have replaced 2 units of petrol cars with 2 pure electric company cars, which produce no carbon dioxide emissions. With the recent government announcement on the reduction of diesel subsidies and the subsequent initial price surge, businesses are expected to face significant cost increases. As of 29 February 2024, a diesel cost saving of RM56k is anticipated, which will result in substantial savings following this implementation.

This transition not only significantly lowers emissions, fostering improved air quality and a healthier work environment for our dedicated employees, but also eliminates the use of fossil fuels, making a profound impact in our fight against climate change.

In our efforts to minimise our environmental footprint, we also estimate our impact in relation to greenhouse gas ("GHG") emissions. For FY2024, our GHG emissions based on our energy sources, i.e. natural gas, diesel, and purchased electricity, which are also sources of our Scope 1 (Direct) and Scope 2 (Indirect) emissions for the Manufacturing segment are as follows:



	FY2024	FY2023
Scope 1	12,693.20	13,879.04
Scope 2	8,795.52	9,216.56

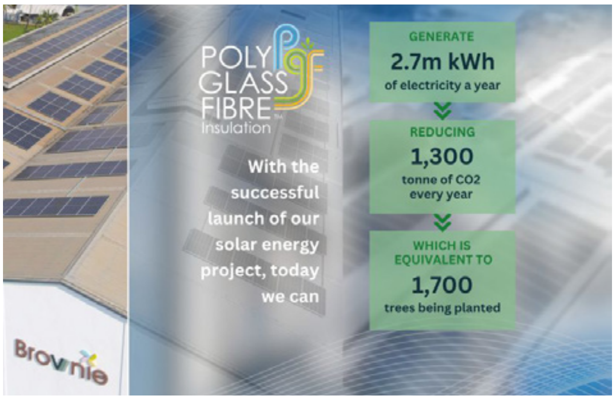
Alongside our energy management efforts, we will continue to identify ways to enhance the emissions efficiency of our operations, towards a lower carbon footprint operation in the future.

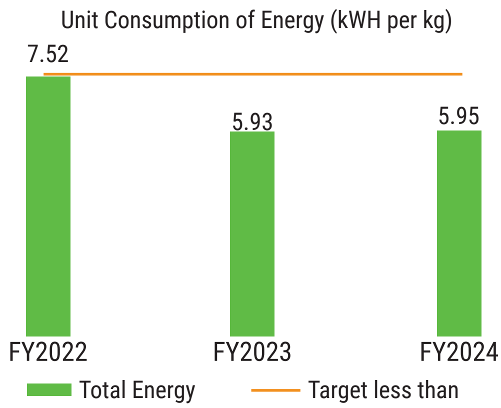
Energy and Emission Management (Cont'd)

ENERGY CONSERVATION

With the successful commissioning of our solar energy project, PGF is taking a significant step towards advancing our mission to manufacture sustainable insulation. This initiative aligns seamlessly with our commitment to environmental principles. As a results, we managed to save over RM392k worth in electricity consumption in FYE2024.

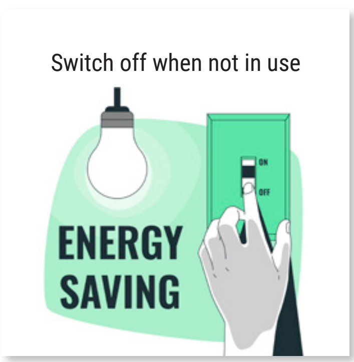
By harnessing renewable energy sources, we're not just reducing our carbon footprint; we're reaffirming our dedication to fostering a more sustainable and responsible future. Our unwavering support for energy efficiency (EE) and renewable energy (RE) initiatives further solidifies this commitment.





With energy efficiency as a vital part of the roadmap for a carbon neutral economy, our innovative insulation solutions are built to offer significant energy savings while attaining thermal and acoustic comfort at the same time. Our commitment in quality gives us the confidence to provide 70 years of product warranty on the glass mineral wool that we offer. The energy savings offered by Ecowool insulation products throughout its warranted 70 years performance is so significant, that they easily outweigh the energy needed for their production, transportation and installation.

We are currently developing a process to collect data and analyze the impact of our energy management efficiency, including the contribution of our solar panel system and its effect on our overall energy and emission footprint. This information will be disclosed in greater detail in the annual report for the next financial year, following the completion of phase 2 in September 2023 and commissioning in November 2023. Our initiatives in energy & emission management include the following etiquette:



Waste Management

PGF Manufacturing operations generate both hazardous and non-hazardous waste. We have strict processes to ensure hazardous waste is managed and handled in accordance with the applicable environmental laws and regulations, including ensuring that they are managed by licensed contractors. On the other hand, non-scheduled waste mainly comprises reject fibres which cannot be further re-used. Industrial scraps and salvageable materials are either sold to licensed scrap vendors, recycled, or reused in the production line to minimize environmental waste.

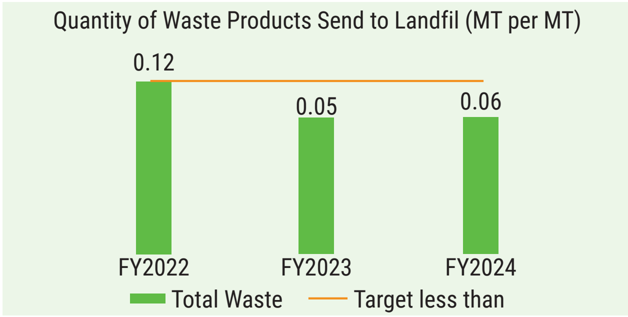
In FY2024, our company observed a significant increase in scheduled waste generation, rising by 120% from 7.26 MT to 16.04 MT per year. This substantial growth was primarily attributed to the more comprehensive identification of scheduled waste, particularly involving chemical storage containers that had previously not been classified as such. Additionally, there was a notable increase in the disposal of expired chemicals that were no longer required for research and development activities. These chemicals were appropriately categorized and disposed of as scheduled waste, further contributing to the overall increase.

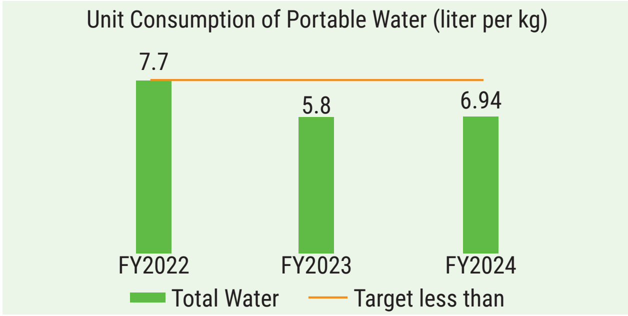
In response to these developments, we established a robust Waste Management System during the financial year. This system has been instrumental in streamlining and reorganizing the handling and disposal processes for both scheduled and non-scheduled waste. The implementation of this system is a critical step towards our goal of achieving ISO 14001:2015 certification, demonstrating our commitment to environmental sustainability and regulatory compliance.

By enhancing our waste management practices, we are ensuring that we not only meet regulatory requirements but also contribute to a more sustainable and environmentally responsible future.

PGF goal is to maximize resource efficiency, minimize waste generation, and promote recycling and reuse, contributing to a circular economy and sustainable development. Our initiatives in energy & emission management include the following etiquette:

- Reduce printing and photocopying, and optimize paper usage.
- Reused with recycle paper
- Replace with promoting a paperless environment by encouraging employees to use electronic methods for sharing and storing documents
- Provide Recycling bins and guidelines to encourage employees to actively participate in workplace recycling efforts.





Water Management

Effective water management practices aim to optimize water usage, minimize waste, prevent pollution, and mitigate the risks of water-related challenges such as scarcity, contamination, and flooding. During the financial year under review, we consumed approximately 90,310m^3 of water in our operations. Processes are currently being developed to further analyse water consumption in our operations.

During the recent water interruption in January 2024, caused by valve replacement at the Sungai Dua Water Treatment Plant by the Penang Water Supply Corporation, which affected water supply to PGF's factory in Perai, we implemented proactive measures. These measures included stockpiling water reserves and implementing strict water conservation practices across our factory. Additionally, operational employees were reminded to use water wisely during the interruption period, while office employees were encouraged to work from home. The successful implementation of these preparedness measures effectively managed the water shortage, minimizing its impact on productivity and operational continuity.

Other initiatives in water management include promoting water-saving habits among employees and consistently raising awareness at the office and factory premises through the following etiquette:

In conclusion, the total cost in environmental fines and penalties is ZERO.

ECONOMIC

INNOVATION

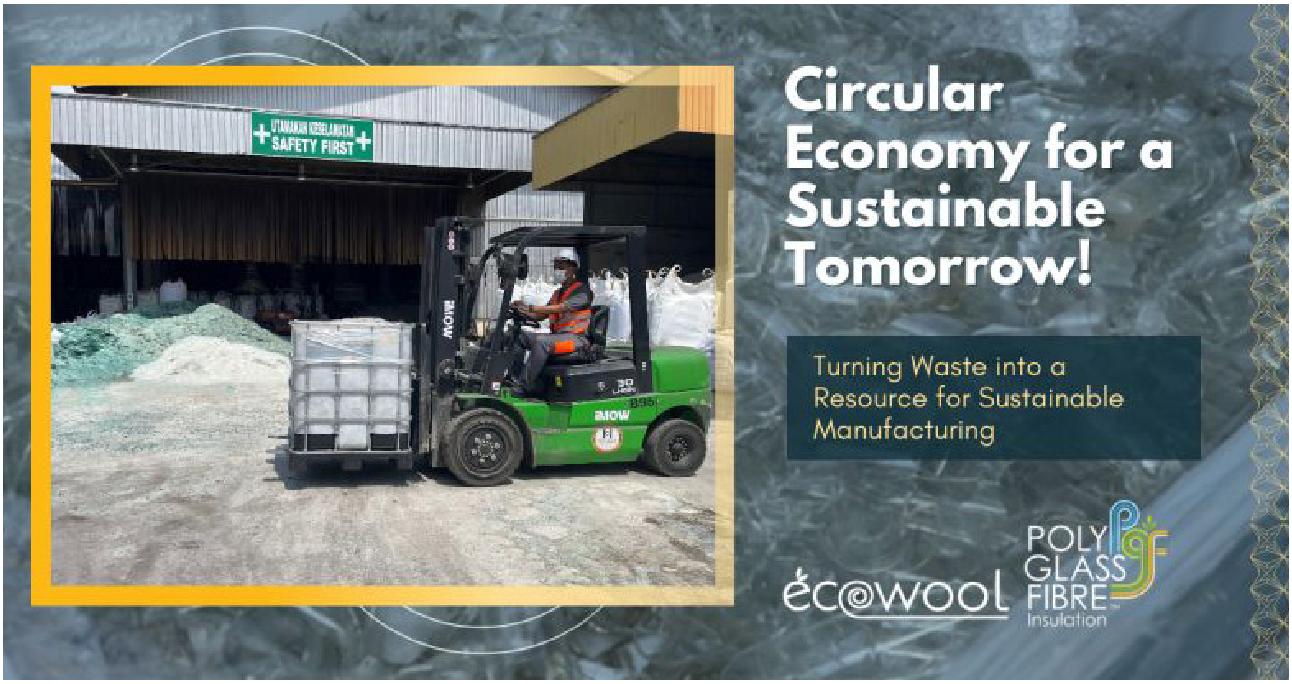
The principal products of the Group's Manufacturing segment are insulation products made from glass mineral wool._They provide thermal and acoustic insulation benefits. In Malaysia, over 30% of the energy consumption of buildings is used to cool down human-occupied spaces. Glasswool can retard heat flow when installed on building envelopes and thereby reducing the use of energy. Glasswool, which is a key material for our products, is also a sustainable material.

We're thrilled to highlight our collaboration with Karex, one of the largest condom manufacturers globally, which recently provided their glass formers for PGF to repurpose into raw materials for our glasswool. This partnership not only benefits the environment but also fosters innovation in manufacturing. Working together encourages circularity, as their glass, once a manufacturing tool, now finds new life as Ecowool's raw material. Looking ahead, we're excited to continue these collaborations, making waste contribution the norm and shaping a greener future.

Through sustainable manufacturing practices, the Company strives to develop and bring to the market products and solutions in supporting the construction sector to deliver a low-energy and sustainable built environment. A sustainable built environment is designed for longevity, flexibility, adaptability, reuse and recoverability, and considers future climate risks. It uses low-carbon, low-impact, non-toxic materials and it recovers used resources.

We offer a wide product range with different specifications to suit the different requirements of our customers. We also continuously monitor the market needs and develop new products, such as **Permeable Membrane (CLIMAWRAP)-** Durable, 3-layer and a highly vapour-permeable membrane designed to minimise condensation risk in buildings. Protected on both faces by non-woven structures against corrosive environment and engineered to meet the demands of the Australian climate conditions.

Project Highlight: PGF Insulation's Climawrap CW. This innovative triple-layer wrap is built for excellent durability and is your go-to solution for addressing condensation concerns. With its Class 4 Vapour Permeable technology, it functions as a powerful water, air, and vapor control membrane, putting an end to moisture issues. This building wrap is further enhanced with the superior sealing of EcoSeal 201 Cloth Tape, designed to withstand a wide range of temperatures across Australia.



INNOVATION (CONT'D)

By applying both products together, Climawrap CW and EcoSeal 201 Cloth Tape work harmoniously to improve overall building performance, ensuring long-lasting results and fostering a healthy living or working environment.

Our newly launched CozyRoll ceiling insulation can be easily installed on existing ceiling structures to combat rising temperatures at home due to climate change. By acting as a shield against external heat penetration, homeowners can enjoy lower TNB bills and a naturally cooler home.

Product Quality and Certifications

From the manufacturing floor to your building, PGF Ecowool insulation is engineered to be safe for everyone involved. Our commitment to excellence goes beyond delivering top-notch thermal and acoustic performance; it extends to ensuring the well-being of our manufacturing workers, insulation installers, and ultimately, the building's occupants.

Addressing health and safety misconceptions is crucial to providing accurate information and ensuring customers make informed decisions about their building materials. The safety of our products is reinforced by the International Agency for Research on Cancer (IARC)'s classification of our mineral wool as Group 3, confirming its non-carcinogenic nature. Ecowool has also been thoroughly tested for bio solubility, meaning that if glass wool dust is inhaled, it can be naturally digested by the biological system.

We are dedicated to achieving ISO9001 and ISO14001 certifications to ensure the highest quality standards for our products. ISO9001 certification demonstrates our commitment to consistent quality management and continuous improvement in our processes, ensuring that we meet customer expectations effectively. ISO14001 certification reflects our dedication to environmental management, focusing on minimizing our environmental impact and promoting sustainable practices throughout our operations. Achieving these certifications underscores our commitment to excellence, sustainability, and customer satisfaction.

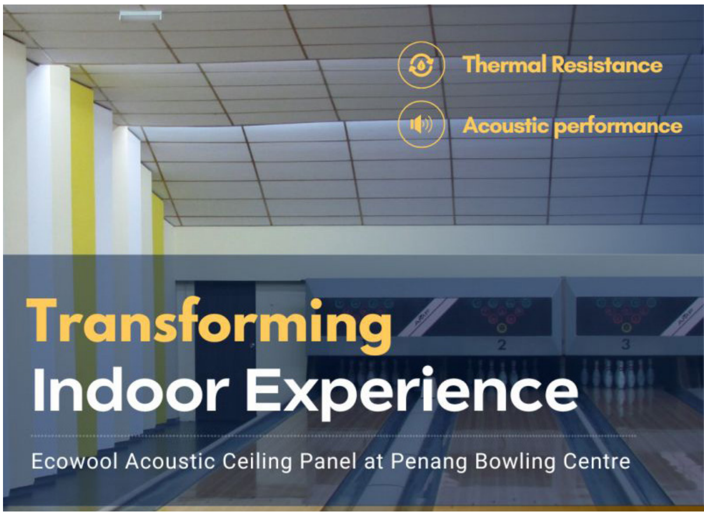
ISO9001 & ISO14001 Certification

Product Quality and Certifications (Cont'd)

Fibre glass insulation materials can last as long as the life of a property when installed according to the recommended method and is maintained well. The Group offers a product warranty of 70 years as we take our product quality seriously. We are also providing sustainable products with ultra-low formaldehyde range under our own brand product- Brownie.

PROJECT HIGHLIGHT:

Unisem site in Gopeng, Ecowool Brownie V2 insulation is installed for efficient roof and building performance.



PROJECT HIGHLIGHT:

Ecowool Acoustic Ceiling Panels have revolutionized the Penang Bowling Centre by minimizing heat transfer and maximizing comfort for bowlers.

PROJECT HIGHLIGHT:

Presenting a sneak peek into our Ecowool insulation installed by Precision Interior Walls and Ceilings at Quay Waterfront Newstead by Mirvac. Ecowool Acoustic Partition Wall Batts provide exceptional sound-absorbing qualities, allowing occupants to enjoy the luxury of peaceful privacy. This thoughtful selection of wall insulation maintains consistent indoor temperatures, reduces energy consumption, and aligns perfectly with the sustainable ethos of the apartment.

CUSTOMER SATISFACTION

Customer satisfaction is a measure of how well a company's products or services. It reflects the overall contentment of customers with their purchasing experience and the quality of the goods or services received. Customer satisfaction typically result in customer loyalty, repeat business, and positive word-of-mouth, while low levels can lead to customer churn and negative reviews.

We are committed to building enduring relationships with our customers by enhancing our product quality and services that fully meet the expectations of interested parties through a balanced approach and with on-time, defect-free delivery. To achieve this, we will commit to the continuous implementation of the ISO9001 Quality Management System and adhere to applicable requirements.

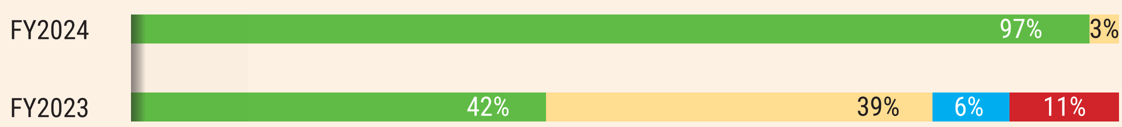
In the current financial year, PGF achieved total customer satisfaction, and we will continue to strive to Exceed Customers' Expectations through Continuous Improvement plan.

Supply Chain Management

Supply chain management involves overseeing the flow of goods, services, information, and finances as they move from suppliers to manufacturers to wholesalers to retailers and finally to consumers. It encompasses planning, procurement, production, inventory management, logistics, and distribution.

One of the key measures to safeguard our product quality is ensuring the quality of our input materials. we use uncontaminated, non-tinted glass as input materials, and we work together with selected suppliers to provide consistent supplies which meet our specifications. These supplies are largely industrial glass waste and through our purchases, we also play a part in enabling a circular economy. Hence, 100% of our trade expenses are from local suppliers in FY2024.

TRADING ANALYSE



	FY2023	FY2024
Local-Trade	42%	97%
Local-non-Trade	39%	3%
Import-Trade	6%	0%
Import-non-Trade	11%	0%

PGF Supplier's Code of Conduct outlines the expectations and standards that a company expects its suppliers to adhere to when conducting business. No code can be all inclusive, but PGF expects its Suppliers to act reasonably in all respects and to ensure that no abusive exploitative or illegal conditions exist at their workplaces.

Supply Chain Management (Cont'd)

Compliance with Laws and Regulations:
Suppliers must comply with all applicable laws and regulations related to their business operations, including those concerning bribery, corruption, and antitrust practices.

Business Ethical:
Suppliers are expected to conduct their business ethically, with integrity, honesty, and fairness in all dealings. Suppliers should encourage their own suppliers to adhere to similar standards and promote responsible practices throughout their supply chain.

Health, Safety, and Environment:
Suppliers should comply with applicable health, safety, and environmental laws and regulations, strive to minimize their environmental impact, and promote sustainability.

Confidentiality and Intellectual Property:
Suppliers should respect the confidentiality of proprietary information and intellectual property rights.

Continuous Improvement:
PGF & Suppliers are encouraged to continuously improve their practices and collaborate with the company to address any areas of concern.

In addition to the Supplier Code of Conduct, PGF expects continuous improvement from its suppliers in terms of economic, environmental, social, and corporate governance performance. To ensure supplier commitment, PGF conducts annual Supplier Assessments aimed at increasing awareness, improving transparency, and ensuring integrity throughout the supply chain. As a result, PGF has achieved 100% written commitment from its third-party service providers regarding adherence to the Supplier Code of Conduct. This commitment underscores PGF's dedication to upholding high standards in economic, environmental, social, and corporate governance practices across its supply chain.

SOCIAL

Labour Pratices and Standards

Labor practices and standards refer is the principles and guidelines that govern the treatment of workers within an organization or supply chain. These practices are essential for ensuring fair and ethical treatment of employees and contractors, promoting safe working conditions, and upholding fundamental human rights. Our labor practices and standards include:

Non-Discrimination:
Ensuring equal opportunities and fair treatment for all employees and job applicants regardless of race, color, gender, religion, nationality, age, disability, or other characteristics protected by law.

Ethical and Workplace Respect
To maintaining a workplace environment free from harsh and inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, and verbal abuse of workers. We prohibit the threat of such treatment and have implemented a clearly defined disciplinary policy to uphold these standards.

Child Labor:
Prohibiting the use of child labor, which refers to any work performed by children under the legal minimum age, as defined by national laws or international standards such as the International Labour Organization (ILO) conventions.

Forced Labor:
Prohibiting any form of forced or compulsory labor, including slavery, bonded labor, or human trafficking.

Working Hours and Compensation:
Setting limits on working hours, ensuring compliance with legal overtime requirements, and providing fair compensation that meets or exceeds minimum wage standards and industry norms.

Health and Safety:
Providing a safe and healthy work environment, implementing measures to prevent accidents and occupational hazards, and providing appropriate training and protective equipment for employees.

Training and Development:
Providing opportunities for skills development, training, and career advancement to enhance employee capabilities and job satisfaction.

Grievance Mechanisms:
Establishing procedures for handling employee grievances fairly and promptly, ensuring transparency in disciplinary actions, and protecting whistleblowers from retaliation. PGF grievance mechanism is formalized in our Employee Handbook, which is provided to all employees and accessible via intranet.

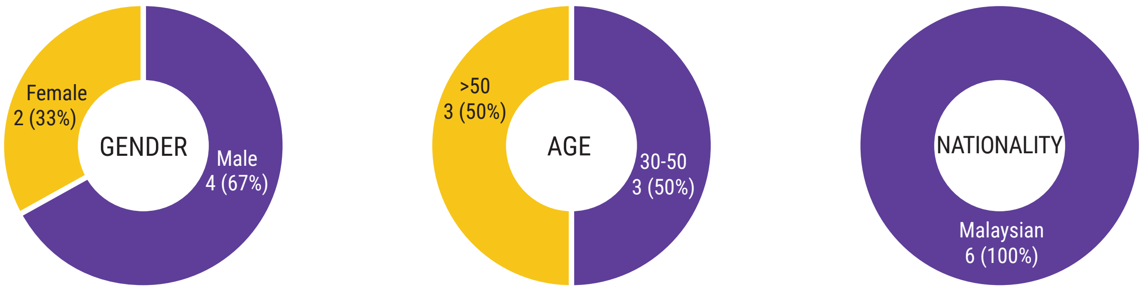
Labor practices and standards not only promotes ethical behavior and social responsibility but also enhances employee morale, productivity, and retention. It helps build trust and credibility with stakeholders, including employees, customers, investors, and communities, contributing to sustainable business growth and positive social impact. In FYE2024, 100% written commitment from its employess & directors regarding to the adherence on PGF's Code of Conduct, ZERO complaints concerning human rights violations (forced or child labour, discrimination, harassment or other breach of human and labour rights).

Workplace Diversity

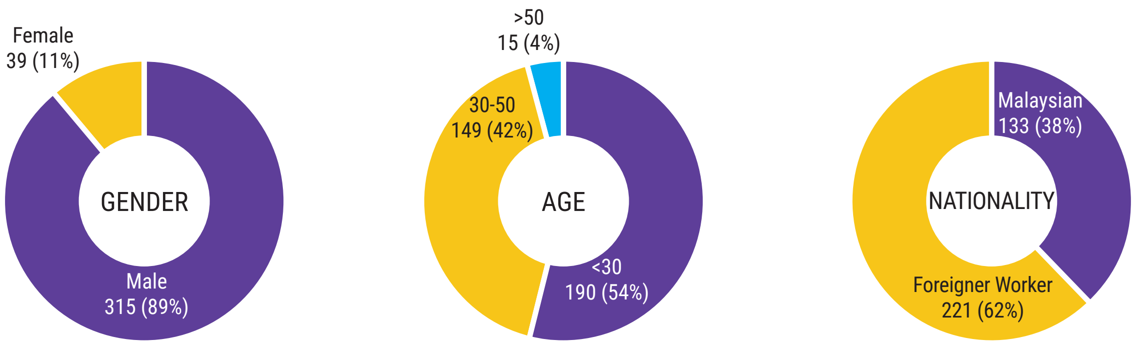
At PGF, we are committed to fostering an inclusive and diverse workplace that respects and values the unique contributions of each individual. We believe that diversity drives innovation and creativity, and we strive to create an environment where everyone feels welcomed, respected, and empowered to contribute to their fullest potential.

The breakdown of the Group's employee demographics, including all business segments in Malaysia and Oceania, is as follows.

DIRECTOR'S DEMOGRAPHIC



WORKFORCE'S DEMOGRAPHIC



By upholding these principles of workplace diversity and labor practices and standards, PGF not only enhances the well-being of our employees but also strengthens our organization as a whole, driving us towards greater innovation, productivity, and success.

Promoting Conducive Working Environment

We are dedicated to creating a supportive and productive working environment that fosters the growth and development of our employees. We believe that a positive workplace culture is essential for both individual and organizational success. Here's how we promote a conducive working environment and develop talents:

We promote a healthy **work-life balance** by offering flexible working hours, remote work options, and encouraging employees to take their entitled leave. A **positive workplace culture** cultivate a culture of respect, inclusivity, and open communication. We encourage teamwork, recognize and celebrate achievements, and foster an environment where employees feel valued and motivated.

EVENT HIGHLIGHT: PAINTBALL TOURNAMENT @ PENANG COUNTRY CLUB

EVENT HIGHLIGHT: XMAS GIFT EXCHANGE

EVENT HIGHLIGHT: CNY CELEBRATION

Promoting Conducive Working Environment (Cont'd)

EVENT HIGHLIGHT: MONTHLY BIRTHDAY CELEBRATION

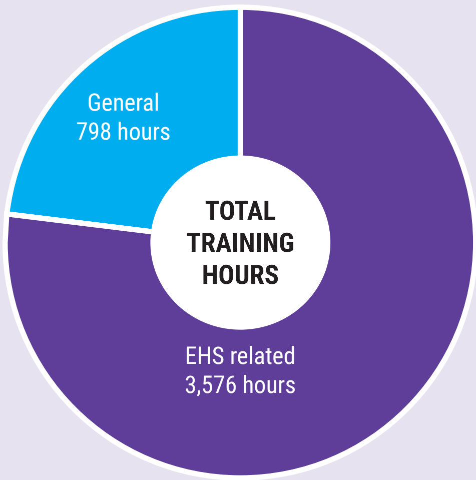
We support the overall **well-being of our employees** by offering wellness programs, mental health resources, and creating a supportive work environment that addresses both professional and personal needs.

EVENT HIGHLIGHT: YEARLY WORKPLACE HEALTH SCREENING

Developing Talents

Talent development also an important element to maintain the Group's human capital and ensure there is a successive pipeline of required skills and talents to enable the ongoing leadership and sustainable management of the business. We provide ongoing training and development opportunities to help employees enhance their skills and advance their careers. This includes workshops, seminars, online courses, and professional development programs.

During the financial year under review, the Group recorded a total of 4,374 training hours amongst its employees, translating to 16.1 training hours per person. The breakdown of the training hours attended based on General and EHS related is as follows. We are committed to investing in our people, recognizing that they are our most valuable asset.



Developing Talents (Cont'd)

We recognize and reward outstanding performance **talent recognition and retention**. By valuing our employees' contributions each year to be the recipients of the Core Values Award that embodies the company's core values of Accountability, Excellence, Agility, Integrity, Quality and Unity.

In celebrating this remarkable achievement, we firmly believe that success goes hand in hand with upholding the core values that define us as a company. Recognizing employees is not a mere formality; it's a fundamental part of our journey as a glass mineral wool manufacturer. Congratulations on this well-deserved award.

By promoting a conducive working environment and focusing on talent development, PGF not only enhances employee satisfaction and retention but also drives organizational growth and excellence. We are committed to investing in our people, recognizing that they are our most valuable asset.

Environmental, Health and Safety

At PGF, we prioritize Environmental, Health, and Safety (EHS) to ensure a safe, healthy, and sustainable working environment for our employees, stakeholders, and the communities we serve. Our commitment to EHS is integral to our operations and is reflected in our policies, practices, and culture.

The Group has established a Safety, Health & Environment Committee (SHEC) with dedicated officers responsible for health, safety, and environmental matters. The SHEC is chaired by the Manager and supported by both employer and employee representatives. The committee evaluates and analyzes the risks that can affect our employees and manages them responsibly as per below principles:

Environmental Management

We implement sustainable practices to minimize our environmental footprint, including waste reduction, recycling programs, and energy-efficient processes as part of our sustainability initiatives. Our resource conservation efforts focus on using resources efficiently, reducing emissions, and promoting the use of renewable energy sources.

Health Management

We offer comprehensive occupational health programs that include regular health screenings, audiometry tests, and wellness initiatives to promote the well-being of our employees, and clear health and safety policies that outline procedures for ensuring a healthy workplace.

Environmental, Health and Safety (Cont'd)

Safety Management

We conduct regular safety training sessions and drills to prepare employees for emergency situations and ensure they understand safety protocols. We also perform thorough risk assessments to identify potential hazards and implement measures to mitigate them. Through a robust system for reporting and investigating incidents, we aim to prevent reoccurrences and continuously improve our safety practices. All employees have access to and are trained in the proper use of Personal Protective Equipment (PPE) to protect them from workplace hazards.

PGF is committed to EHS excellence. We encourage active participation from all employees in EHS initiatives, fostering a culture of safety and responsibility. We regularly review and update our EHS policies and procedures to incorporate best practices as part of our continuous improvement efforts. Additionally, we engage with stakeholders to promote EHS awareness and collaboration.

By prioritizing Environmental, Health, and Safety (EHS), PGF aims to create a safer, healthier, and more sustainable workplace. Our comprehensive EHS program not only protects our employees but also contributes to the well-being of the wider community and the environment.

Hence, we provide ongoing education and training for employees to enhance their awareness and responsibility towards environmental conservation.

	Training Programme	No. of Employee Participation
1	Chemical Handling and Spillage Management	71
2	Hearing Conservation Programme	49
3	Schedule Waste Training	42
4	PGF Safety Induction	148
5	Handling High Pressure Waterjet	14
6	LoTo Awareness	42
7	Safe Forklift Operating	24
8	Rotating Machine Hazard	15
9	Safe Work Of Hammer Mill Cleaning	42

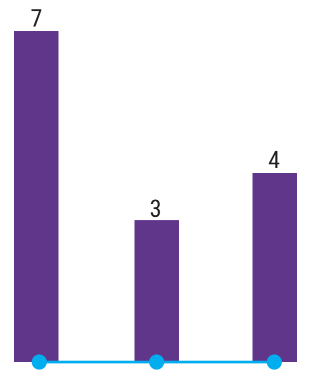
EVENT HIGHLIGHT: FIRE DRILL ACTIVITIES

Environmental, Health and Safety (Cont'd)

Safety data is a key indicator that we collect to monitor the safety performance of our operations. It is also part of our goals and key indicators that we monitor every year. In FY2024, the lost time incident rate was recorded at 14.6% with 4 major injuries, which indicates a slight increase compared to the previous year. This shows that the occurrence of any incident is unacceptable, actions have been taken to prevent recurrence and to share the lessons learned across our operations, to raise safety and health awareness among employees.

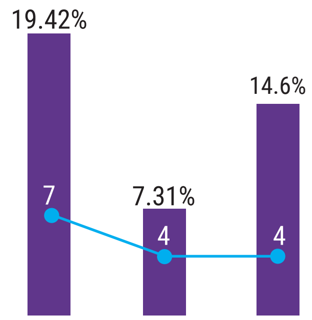
There were zero cases of fatalities, occupational poisoning and occupational disease reported in connection with work, and we did not receive any penalties or imprisonment from DOSH. We believe that by executing our strategy devised to improve workplace safety, we will continue to improve our safety performance in line with our zero-harm vision.

MAJOR SAFETY INCIDENTS IN THE WORKPLACE



	FY2022	FY2023	FY2024
Case Reported	7	3	4
Target	0	0	0

INCIDENCE RATE



	FY2022	FY2023	FY2024
Incidence Rate	19.42	7.31	14.6
Total Case	7	4	4

By prioritizing Environmental, Health, and Safety (EHS), PGF aims to create a safer, healthier, and more sustainable workplace. Our comprehensive EHS program not only protects our employees but also contributes to the well-being of the wider community and the environment.

Corporate Social Responsibility

At PGF, Corporate Social Responsibility (CSR) is a fundamental aspect of our business strategy and operations. We are committed to making a positive impact on society and the environment through responsible and sustainable practices. Our commitment to CSR is driven by our core values of integrity, accountability, excellence, and sustainability. By integrating CSR into our business operations, we aim to create long-term value for our stakeholders and contribute to a better, more sustainable world.

PGF is committed to cultivating a healthy relationship with employees, shareholders, partners, customers, vendors, stakeholders and the communities. **Community** surrounding the business premises is one of the key foundations of our existence, success and survival. The community provides the market, human capital and a range of supporting services and activities crucial to our business growth and operations. Hence, we take every opportunity to build rapport with people in the communities around us. This includes developing our human capital, making a difference in the community and sustainable practices a way of life.

Corporate Social Responsibility (Cont'd)

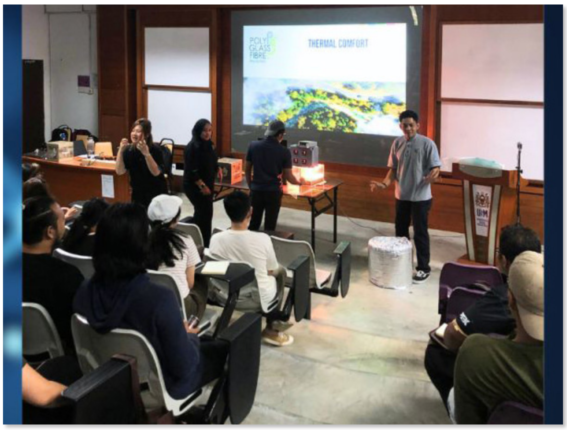
We actively engage with local communities by supporting educational programs, healthcare initiatives, and community development projects are as follows:

Event Highlight: As the proud sponsor of the Penang Green Market by the Penang Green Council, we are thrilled to join hands with the Council to demonstrate our thermal kit, showcasing the temperature difference in homes with and without roof or ceiling insulation.

Event Highlight: Our mission to unveil the secrets of creating cozy, sustainable spaces continues with the architect and interior design students at Equator College.

Event Highlights: Another sincere thank you to the School of Architecture & Built Environment (UCSI) for providing us with the opportunity to share our insulation expertise and empower students to create designs that align with sustainable and innovative practices. By delving into the realm of insulation, we equip aspiring architects with a tangible understanding of energy efficiency, environmental impact, and occupant comfort. We are fostering knowledge and collaborative projects for the future architects!

Corporate Social Responsibility (Cont'd)



Event Highlights: Another incredible opportunity from the School of Housing, Building, and Planning (Universiti Sains Malaysia) for us to share our insulation expertise and empower the next generation of architects. PGF is grateful for the privilege to teach and inspire; we eagerly await future collaborations, knowing that the seeds of knowledge we planted will blossom into a more sustainable future.

Event Highlight: During the financial year, PGF collaborated with the Federation of Malaysian Manufacturers (FMM) and the University of Wollongong Australia for research and development studies on the **Thermal Resistance Of Roofs With Reflective Cavities**. The project cost was AUD$7,425.

The research and development efforts focus on validating the practical benefits of reflective cavities in roofing systems, including their impact on energy performance, indoor comfort, and building durability. These studies provide valuable insights for architects, engineers, and building owners seeking to optimize building design for energy efficiency and sustainability in varying environmental conditions.

We provide aid and support in response to natural disasters and emergencies, helping affected communities to recover and rebuild. As part of PGF's commitment to sustainability, we proudly participated in the Penang Governor's Charity Foundation's **'1-Million Trees Planting Program'** to mark Earth Day with donating 200 Meranti trees.

Corporate Social Responsibility (Cont'd)

We are contributing to and supporting organizations that align with our values and mission. As PGF reaches its remarkable 40th anniversary in 2024, we embark on a special mission to make a lasting impact on our Malaysian community and beyond. We're delighted to be giving away 100,000 square feet of our Ecowool insulation products to enhance the comfort and safety of our local community.

Hence, we are excited to share our latest CSR project in collaboration with the Aluminium Company of Malaysia (ALCOM) for the resilient Orang Asli community in Kampung Runchang, Muadzam Shah, Pahang with 22 rolls Ecowool Brownie V2 Roofwhite Blanket. Through this initiative, we are providing a comfortable learning environment for approximately 40 young students who were facing challenging conditions due to the unbearable heat in their temporary school building.

GOVERNANCE

Ethical Business Practice

PGF upholds ethical business practices in its business and operations. This involves conducting business in a manner that is honest, transparent, and fair while respecting the rights and dignity of all stakeholders, including employees, customers, suppliers, and the broader community.

Ethical business practices encompass a wide range of activities, including business ethics, which focus on external conduct and the relationship between the organization and its stakeholders, and core values, which focus on the internal culture and principles of the organization. These core values include:

Accountability

We take ownership of our work, do what we say and take full responsibility for our actions.

Unity

We are strongest when we work together as a team.

Excellence

We pursue the highest standards and challenge the status quo with open minds in all that we do; We continually learn and innovate for better outcomes.

Quality

We pay attention to every detail; we strive to do the right thing right, the first and every time.

Agility

We adapt to ever-changing environments with focus and speed.

Integrity

We are trustworthy and act in good faith.

Core values are about what an organization believes in and strives for internally, while Business Ethics are about how an organization conducts itself externally in relation to laws, regulations, and societal expectations. Both are essential for building a reputable and sustainable business. By adhering to these principles, businesses can build trust and credibility, foster long-term relationships, and contribute to the overall well-being of society.

Our Ethical Business Practice set the foundation for the Group's Code of Conduct, which is applicable for all employees, including Directors. It recognises the Company's roles in contributing towards the social and environmental growth of the surroundings in which PGF operates. The Code of Conduct was adopted by the Board and addresses matters including conflict of interest, compliance, anti-corruption and anti-bribery, safe and healthy work environment, and protection of the environment. Violations of the Code of Conduct can be reported via the Whistle Blowing Policy which available on PGF's website at www.pgfcapital.com.my

Anti Bribery, Anti Corruption

CODE OF CONDUCT

PGF has adopted a zero-tolerance policy against all forms of corruption and bribery, formalized via the Code of Conduct. We conduct all our business in an honest, ethical, and transparent manner. We are committed to acting professionally, fairly, and with integrity in all our relationships and business dealings in accordance with our Code of Conduct and Ethical Business Practices. Additionally, we implement and enforce effective systems to counter bribery. We uphold all laws relevant to countering corruption and bribery and remain bound by the laws of Malaysia, including the Malaysian Anti-Corruption Commission Act 2009 and any of its amendments or re-enactments made by the relevant authorities from time to time, in respect of our conduct both domestically and internationally.

All new employees are briefed on the Group's zero-tolerance policy against bribery and corruption, together with the Code of Conduct which is provided during employee orientation. External parties such as key suppliers and business partners are also communicated on these ethical business expectations, as necessary. We endeavour to promote ethical business practices within our business environment as well as our value chain through raising awareness among our employees and business associates. As of 29 February 2024, 100% of written consent was obtained from all employees in the Group, and there were zero recorded incidents of corruption across our operations.

SUPPLIER CODE OF CONDUCT

In alignment with the Company's commitment in enhancing the social responsibility of our supply chain practices, we have established the Supplier Code of Conduct, which all suppliers are required to adhere to. 100% full compliance from our suppliers with all the anti-corruption principles, conducting all business dealings with utmost transparency.

As indicated in the Supplier Code of Conduct, all suppliers shall committing to promote values of integrity, transparency, accountability and good corporate governance. Fighting any form of corrupt practice and supporting corruption prevention initiatives by the Government and the local authorities.

Data Privacy and Cyber Security

PGF data privacy and cyber security encompasses a comprehensive set of principles and practices aimed at protecting computing assets and online information from various threats. It involves measures to secure systems, networks, and data from unauthorized access, cyberattacks, and other forms of digital harm. By implementing robust data and cybersecurity protocols, employees and organizations are to ensure the integrity, confidentiality, and availability of the digital resources.

AWARENESS RULING FOR EMPLOYEES

End-user are the last line of defense in cybersecurity framework. It is crucial to adhere to the following guidelines to ensure the security of our systems and data:

1. **Create and Maintain Strong Passwords and Passphrases**
   Use complex and unique passwords for different accounts, and regularly update the passwords and avoid using easily guessable information.

2. **Manage Your Account and Password Effectively**
   Do not share your passwords with anyone.

3. **Secure Your Computer**
   Install and update antivirus software regularly. Enable firewalls and use secure connections (e.g., VPNs) when accessing the network.

4. **Protect the Data You Handle**
   Encrypt sensitive data and store it securely and regularly back up important data and ensure it is stored safely.

Data Privacy and Cyber Security (Cont'd)

AWARENESS RULING FOR EMPLOYEES (CONT'D)

5. **Assess Risky Behavior Online:**
   Be cautious of phishing emails, suspicious links, and untrusted websites, void downloading or installing software from unknown sources.

6. **Equip Yourself with Knowledge of Security Guidelines, Policies, and Procedures:**
   Familiarize with the organization's cybersecurity policies and best practices. Participate in regular cybersecurity training and awareness programs that conducted by MIS Department.

By following these guidelines, overall security of our organization's digital assets you contribute significantly to the. Stay vigilant and proactive in protecting our information and systems. In FYE2024, there were NO reports of major cybersecurity violations, and NO cases related to data breaches or complaints were received from external stakeholders.

CONCLUSION

Our EESG Framework is a living document, continually evolving based on our experiences and the changing landscape of sustainability. By sharing our journey, including both successes and lessons learned, we aim to contribute to a more sustainable future for all.

In conclusion, our unwavering commitment to sustainability drives every aspect of our operations at PGF Insulation. We are dedicated to reducing our environmental footprint, promoting the well-being of our employees and communities, and advancing innovative solutions that contribute to a sustainable future. As we continue to evolve and grow, we remain steadfast in our mission to lead by example, championing responsible practices that align with our core values and the broader goals of global sustainability. Together, we can build a better, greener world for future generations.

PERFORMANCE DATA

Indicator	Measurement Unit	2024
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	85,329.35 *
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	99.508000
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	84 *
Executive	Hours	1,275 *
Non-executive/Technical Staff	Hours	2,152 *
General Workers	Hours	863 *
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	3 *
Executive	Number	30 *
Non-executive/Technical Staff	Number	11 *
General Workers	Number	26 *
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	6.00
Management Above 50	Percentage	2.00
Executive Under 30	Percentage	8.00
Executive Between 30-50	Percentage	8.00
Executive Above 50	Percentage	1.00
Non-executive/Technical Staff Under 30	Percentage	0.00
Non-executive/Technical Staff Between 30-50	Percentage	5.00
Non-executive/Technical Staff Above 50	Percentage	1.00
General Workers Under 30	Percentage	46.00
General Workers Between 30-50	Percentage	23.00
General Workers Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	7.00
Management Female	Percentage	1.00
Executive Male	Percentage	9.00
Executive Female	Percentage	9.00
Non-executive/Technical Staff Male	Percentage	5.00
Non-executive/Technical Staff Female	Percentage	1.00
General Workers Male	Percentage	68.00
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	67.00
Female	Percentage	33.00
Under 30	Percentage	0.00
Between 30-50	Percentage	50.00
Above 50	Percentage	50.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	14.60
Bursa C5(c) Number of employees trained on health and safety standards	Number	447
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	17,011.83
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	8.00
Executive	Percentage	18.00
Non-executive/Technical Staff	Percentage	16.00
General Workers	Percentage	58.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

Internal assurance | External assurance | No assurance | (*)Restated

Statement on Corporate Governance

The Board of Directors fully appreciates the importance of adopting high standards of corporate governance within the Group. The Board views corporate governance as synonymous with three key concepts, namely transparency, accountability and integrity.

The Board evaluates the status of the Group's corporate governance practices with a view to adopt and apply, where practicable, the Principles of Malaysian Code on Corporate Governance 2012 (the "Code") respectively. As such, the Board is fully committed to the maintenance of high standards of corporate governance in its quest to enhance shareholders' value.

The comprehensive Corporate Governance Report ("CG Report") is published on the Company's corporate website at www.pgfcapital.com.my

The Board is pleased to provide the following statement, which outlines the main corporate governance practices that were in place throughout the financial year under review unless otherwise stated.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Board Composition and Balance

The Board currently has six (6) members, comprising of three (3) Executive Directors and three (3) Independent Non-Executive Directors. This complies with the Listing Requirements of Bursa Malaysia Securities Berhad that one third of its Board consists of Independent Directors.

The Board comprises a mixture of businessmen and professionals. The current composition of the Board brings the required mix of skills and experience required for the Board to function effectively. A brief write-up of the background of the Board members as at the date of this statement is set out in the Directors' profile section of this Annual Report.

The Board recognizes that Mr. Fong Wern Sheng, the Chairman of the Board, also assumes an executive position but is of the view that there are sufficient experiences and independent non-executive Directors on Board to provide assurance that there is adequate check and balance.

Board Roles and Responsibilities

The Board has adopted a Board Charter that sets out the functions that are reserved for the Board.

The Board had delegated the management of the Group to Executive Directors and management team. The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing day to day operations as well as coordinating the development and implementation of business and corporate strategies.

The Non-Executive Directors ensure that the strategies proposed by the Management are fully deliberated and examined, taking into account the long-term interest of the stakeholders including contributing to the formulation of policy and other decision-making process through their expertise and experience.

The Board of Directors regularly review the strategic direction of the Company and the progress of the Group's operations taking into account the changes in business environment and risk factors.

Board Charter and Code of Conduct/ Ethics

The Board has adopted a Board Charter which sets out the role, functions, compositions, operations and processes of the Board. The Charter provides guidance to the Board in relation to the Board's role, duties and responsibilities and authority.

The Board appreciates the need for a Code of Conduct for Directors and employees which governs the standards of ethics and good conduct expected of Directors and employees.

The Board will review the Board Charter regularly to ensure it remains consistent with the Board's objectives and responsibilities.

The Board Charter is posted on our website at www.pgfcapital.com.my

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Supply of Information

The Chairman, with the assistance of the Company Secretary, ensures that all Directors have full and timely access to information with Board papers distributed in advance of meetings. Every Director also has unhindered access to the advice and services of the Company Secretary. The Company Secretary circulates relevant guidelines and updates on statutory and regulatory requirements from time to time for the Directors' reference.

Prior to the meetings of the Board and the Audit and Risk Management Committee, appropriate documents which include the agenda and reports relevant to the issues of the meetings covering the areas of strategic, financial, operational and regulatory compliance matters, are circulated to all the members to obtain further explanation, where necessary, in order to be properly briefed before the meeting. The Company Secretary ensures that all Board and Committee meetings are properly convened and that deliberations, proceedings and resolutions are properly minuted and documented.

The Directors review and approve all quarterly financial results and announcements before releasing them to Bursa Securities.

The Directors collectively determine, whether as a full Board or in their individual capacity, to take independent professional advice, where necessary and under appropriate circumstances, in furtherance of their duties, at the Group's expense.

Corporate Social Responsibility

The Board is aware of the importance of the practice of Corporate Social Responsibility. The Company is committed to support the nation's energy efficiency agenda and the Malaysian Prime Minister's carbon emission target commitment made in the Copenhagen Summit 2009. This could be achieved through educating policy makers and general public on the need for better passive insulation of Malaysian buildings. The Company, either individually or through the Malaysian Insulation Manufacturers Group under the Federation of Malaysian Manufacturers (FMM), contributes actively towards this end. The Group has also provided free insulation to schools to improve occupants comfort and raise awareness of energy efficiency.

The manufacturing arm of the Group has continued to take initiatives to reduce carbon footprints in all areas of its operations, e.g. adopting energy efficient equipment to lower energy consumption and increase the use of recycled materials in its manufacturing process. With the recent upgrades and expansion of production, the Company has started collection of industrial glass waste from sheet glass fabricators and solar panel companies to use as raw material. These glass waste would otherwise been sent to landfill. Within the working environment, in the face of growing demand for energy and depleting natural resources, employees are encouraged to reduce the use of paper, recycle any recyclable items and reduce wastages.

PRINCIPLE 2: STRENGTHEN COMPOSITION

The Group strives to have a balanced Board comprising member with suitable qualifications, skills, expertise and exposures.

Board Committees

The Board has established the following Committees to assist the Board to discharge its fiduciary duties:

(a) Audit and Risk Management Committee

The Audit and Risk Management Committee comprises three (3) Independent Directors. A full report of the Audit and Risk Management Committee with details of its membership and a summary of the work performed during the financial year are set out in the Audit and Risk Management Committee Report of this Annual Report.

(b) Nominating Committee

The Nominating Committee is primarily responsible for identifying and recommending new nominees to the Board. Besides this, the Committee shall also assess the effectiveness of the Board, the committees of the Board and contributions of each director on an ongoing basis and annually review the required mix of skills, experiences and other qualities including core competencies. The recommendations of the Committee will be subject to the approval of the Board.

PRINCIPLE 2: STRENGTHEN COMPOSITION (CONT'D)

Board Committees (Cont'd)

(b) Nominating Committee (Cont'd)

The Nominating Committee comprises three (3) Independent Non-Executive Directors, namely:

Ms. Ofelia Cheah Loo Ee	Independent Non-Executive Director
Mr. Tan Jin Sun	Independent Non-Executive Director
Ms. Tan Suat Hoon	Independent Non-Executive Director

All members of the Nominating Committee are Non-Executive Independent Directors.

For the financial year ended 29 February 2024, the Nominating Committee met twice with full attendance of its members and has carried out the following key activities:

- Reviewed and recommended the re-election of Members of the Board at the AGM for shareholders' approval, pursuant to the Constitution of the Company;
- Reviewed the annual assessment of the required mix of skills and experience of the individual Board members and the Board committees;
- Assessed the annual effectiveness of the Board as a whole, the committees of the Board, the contribution of each individual director, including Independent Non-Executive Directors and Executive Directors;
- Assessment of the independence of the Independent Directors based on the criteria set out in the Main Market Listing Requirements of Bursa Securities;
- Reviewed and assessed the effectiveness of the Audit and Risk Management Committee in carrying out its duties as set out in the terms of reference; and

The Board supports non-discrimination on gender, ethnicity and age group of candidates to be appointed as Board members although no formal policy has been formed. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with skills, experience, time commitment and other qualities in meeting the future needs of the Group.

(c) Remuneration Committee

The Remuneration Committee comprises three (3) Independent Non-Executive Directors, namely:

Ms. Tan Suat Hoon	Independent Non-Executive Director
Ms. Ofelia Cheah Loo Ee	Independent Non-Executive Director
Mr. Tan Jin Sun	Independent Non-Executive Director

The Remuneration Committee shall be responsible for developing the remuneration policy and determining the remuneration packages for Executive Directors of the Company.

The Company's policy on Directors' remuneration is to attract and retain the Directors of caliber needed to manage the business of the Company and to align the interest of the Directors to those of the shareholders.

PRINCIPLE 2: STRENGTHEN COMPOSITION (CONT'D)

Board Committees (Cont'd)

(c) Remuneration Committee (Cont'd)

The performance of the Executive Directors is measured based on the achievements of their annual Key Performance Indicators (KPIs). These KPIs comprise not only quantitative targets, such as revenue and profit growth, but also qualitative targets which include strategic milestones and initiatives that need to be achieved.

The determination of the remuneration of each Non-Executive Director is decided by the Board as a whole, with individual Directors abstaining from decisions in respect of their individual remuneration.

The Company pays each Non-Executive Directors an annual fee and benefits, which is approved by the shareholders at the Annual General Meeting. The Board, as a whole, determines the remuneration of the Executive Directors, with the individual Directors concerned abstaining from decision in respect of their individual remuneration. The Directors' remuneration for the financial year is under review as follows:

Directors	Remuneration RM	Fees RM	Other emoluments RM	Benefits-in-kind RM
Executive	1,008,458	-	-	24,245
Non-Executive	-	38,292	16,450	-

The number of Directors whose remuneration falls into the following bands comprises:

Range of remuneration	Number of Directors	
RM	*Executive*	*Non-Executive*
0 – 50,000	-	4
200,001 – 300,000	1	-
300,001 – 400,000	2	-

In compliance with Practice 8.1 of the MCCG, there is detailed disclosure on named basis for the remuneration of individual Directors and it is disclosed in the Corporate Governance Report, which can be downloaded from the Group's corporate website at www.pgfcapital.com.my or Bursa Announcement website.

PRINCIPLE 3: REINFORCE INDEPENDENCE OF THE BOARD

The Board consists of three Non-Executive Directors, all of them are Independent Directors and they are able to express their independent views without any constraint. The Independent Directors remain objective and independent in decision making, actively participated at meetings of the Board and Board Committees and provided constructive feedback.

Re-election of Directors

The Constitution provides that all Directors of the Company are subject to retirement. At least one-third of the Directors for the time being, of if their number is not three (3) or a multiple of three (3), then the number nearest to, but not more than one-third (1/3) of the total shall retire from office at the Annual General Meeting, provided always that all Directors shall retire from office at least once in every three (3) years. A retiring Director shall be eligible for re-election. This provides an opportunity for shareholders to renew their mandates.

The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, attendance of meetings and the shareholdings in the Group of each Director standing for election are furnished in the Annual Report accompanying the Notice of the Annual General Meeting.

The Company Secretary ensures that all the necessary information is obtained and that all legal and regulatory obligations are met before the appointments are made.

PRINCIPLE 4: FOSTER COMMITMENT

Each Director does not hold more than five directorships in public listed companies to ensure that they have sufficient time to focus and discharge their duties and responsibilities. The Board is satisfied with the level of the time commitment given by the Non-Executive Directors toward fulfilling their roles and responsibilities as Directors of the Company during the financial year ended 29 February 2024.

Board Meetings

The Board meets at least four times a year at quarterly intervals, with additional meetings convened as necessary. There were five (5) meetings held during the financial year ended 29 February 2024 and details of the attendance of the Directors were as follows:

Director	No. of Meetings Attended
Mr. Fong Wern Sheng	5/5
Mr. Tan Ming Chong	5/5
Mr. Fong Wah Kai	5/5
Mr. Khoo Kah Hock	2/2
Ms. Ofelia Cheah Loo Ee	5/5
Mr. Tan Jin Sun	5/5
Ms. Tan Suat Hoon	4/4

Directors' training

Directors are encouraged to attend any form of training to enhance their knowledge and expertise in relations to the industry, laws and regulations, business environment, etc. The Directors continue to attend relevant seminars and programmes to keep their knowledge and expertise updated.

In FY2024, training programme attended by directors of the Company are as follows:

Training Programme		Attended by
1.	MIS Cybersecurity Training	Fong Wern Sheng
2.	Introducing the first ISSB™ Standards: Understanding what they mean for global companies	Fong Wern Sheng
3.	Webinar: Integrating and Operationalising ESG – How to Start	Fong Wern Sheng
4.	Webinar: Materiality Assessment – How to Carry Out Effective and Meaningful Assessments.	Fong Wern Sheng
5.	Bursa Webinar on "Conflict of Interest ("COI") and Governance of COI"	Fong Wern Sheng
6.	Webinar: Carbon Footprint – How to Start and Using the Data	Fong Wern Sheng
7.	Bursa Webinar: Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers	Fong Wern Sheng
8.	Webinar: Sustaining ESG Momentum – Maintaining and Improving Performance for The Long Term	Fong Wern Sheng
9.	TIM Expo Shanghai 2023 - International Thermal Insulation Material and Energy-saving Technology Exhibition	Fong Wern Sheng
10.	Importance of production for durian and its planting techniques	Tan Ming Chong
11.	Understanding and Implementing ISO 14001:2015 training	Tan Ming Chong
12.	The Edge Malaysia Sustainable Construction Forum	Tan Ming Chong
13.	Bursa Carbon Exchange - Sustainable Forestry Towards Net-Zero	Tan Ming Chong
14.	MalaysiaGBC - IEM Conditions of Contract Simple Explainer	Tan Ming Chong
15.	MalaysiaGBC Webinar: Net Zero Carbon & Beyond - 2nd Series	Tan Ming Chong
16.	Introduction of Bursa Carbon Exchange (BCX) & Centralised Sustainability Intelligence Platform (CSIP)	Tan Ming Chong
17.	Bursa Malaysia webinar on "Conflict of Interest ("COI") and Governance of COI"	Tan Jin Sun
18.	Mandatory Accreditation Programme (MAP)	Tan Suat Hoon
19.	Robotic Automation Process in Management Accounting	Tan Suat Hoon
20.	Transformative Skills Pack - Sustainable Mindset (ESG)	Tan Suat Hoon
21.	Bursa Webinar: Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers	Tan Suat Hoon
22.	Management of Cyber Risk Programme	Tan Suat Hoon

PRINCIPLE 4: FOSTER COMMITMENT (CONT'D)

Directors' training (Cont'd)

In addition to the above, Directors are updated on the recent developments in the areas of statutory and regulatory requirements from briefings by the External Auditors; Company Secretary and the Internal Auditors during the Audit and Risk Management Committee and Board Meetings.

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

Financial reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of the results to shareholders and the Chairman's statement in the Annual Report. The Board is assisted by the Audit and Risk Management Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

Relationship with External Auditors

The Company has established transparent and appropriate relationship with the external auditors through the Audit and Risk Management Committee of the Company. From time to time, the external auditors will highlight matters that require further attention of the Audit and Risk Management Committee and the Board of Directors.

Audit and Risk Management Committee meets with external auditors at least twice annually or whenever deemed necessary to discuss their audit plans, audit findings and their reviews of the Company's financial results/financial statements.

In addition, the external auditors will be attending the Annual General Meeting of the Company and are available to clarify and answer shareholders' questions on their conduct of the audit.

PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

The Board regards risk management and internal controls as an integral part of the overall management processes. Recognising the importance of having risk management processes and practices, the Board has established a Risk Management Committee ("RMC"), which is chaired by an Independent Non-Executive Director, to oversee the identification, evaluation, control, monitoring and reporting of the critical risks faced by the Group.

Information on internal control and internal audit function of the Group is detailed in the Statement of Risk Management and Internal Control set out on pages 64 to 67.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Company recognizes the importance of transparency and accountability to its shareholders and investors. The Board endeavours to keep its shareholders and investors informed of its progress through Annual Report, Annual General Meeting ("AGM") and Extraordinary General Meeting. It is the Company's practice to send the Notice of AGM and related papers to shareholders at least twenty-one (21) working days before the meeting. At the AGM, the shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general.

The Group also maintains a corporate website at www.pgfcapital.com.my whereby shareholders as well as members of the public may access for the latest information on the Group. Alternatively, they may obtain the Company's latest announcements via the website of Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Annual General Meeting ("AGM") is the principal forum for dialogue and interaction with the shareholders of the Company. Shareholders are encouraged to attend the Company's AGM and use the opportunity to actively participate in the proceedings. They are encouraged to ask questions both about the resolutions being proposed or any issues pertaining to the Company. Members of the Board and the external auditors of the Company are present to answer questions raised at the meeting as and when appropriate.

Poll Voting

Pursuant to the Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, the Company is required to ensure that any resolution set out in the notice of general meeting is voted by poll. All resolutions set out in the notice of AGM will be voted by way of poll.

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cashflows for the year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016 have been applied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have a general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("Board") of PGF Capital Berhad ("PGF" or the "Company") is pleased to present this Statement on Risk Management and Internal Control ("Statement") to provide information about the current state of PGF's risk management and internal control system as a group (PGF and its subsidiaries but excluding associate and joint venture companies or the "Group"). This Statement has been prepared in accordance with paragraph 15.26(b) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements and guided by the "Statement on Risk Management & Internal Control - Guidelines for Directors of Listed Issuers".

GOVERNANCE STRUCTURE

The Group has an established governance structure for matters relating to risk management and internal control as follows:

Board of Directors

The Board recognises the immense importance of, and acknowledges its responsibility in embedding a sound risk management and internal control system in accordance with Principle B of the Malaysian Code on Corporate Governance to safeguard the interest of shareholders, customers, employees and the Group's assets. The Board, with the assistance of the Audit and Risk Management Committee ("ARMC"), is primarily responsible for:

- reviewing the adequacy and the integrity of the Group's internal control system and information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- ensuring an effective Enterprise Risk Management ("ERM") Framework is in place to identify, analyse, evaluate, manage and monitor the key risks of the Group;
- setting the risk appetite within which the Board expects the Management to operate; and
- performing risk oversight and reviewing significant financial and non-financial risks (including sustainability related).

↑

Audit and Risk Management Committee

The ARMC is a Board Committee consisting exclusively of Independent Directors. The ARMC is tasked to assist the Board to oversee and monitor the effectiveness of the Group's risk management and internal control system by:

- reviewing the adequacy of scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- reviewing the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate action is taken;
- reviewing and endorsing policies and frameworks and other key components of risk management for implementation within the Group;
- reviewing and endorsing the corporate risk profile for the Group, and the progress of ongoing risk management activities to identify, evaluate, monitor and manage critical risks;
- overseeing the effective implementation of risk policies and guidelines, ERM and cultivation of risk management culture within the organisation; and
- reviewing and monitoring the status of the Group's principal risks and their mitigation actions, and update the Board accordingly.

↑

Management

The duties to continuously identify, analyse, evaluate and manage key business risks are delegated to the Senior Management, led by the Executive Chairman. The Management, assisted by all employees, are responsible to perform the following:

- establishes and maintains relevant internal controls to safeguard the Group's assets;
- identifies, assesses and implements relevant controls to address risks arising from operations;
- reports to the ARMC, the Group's risk profile, including any risks with significant impact, and action plans developed or taken to manage these risks;
- establishes and implements action plans on all risks that are beyond the Group's risk appetite; and
- reviews the effectiveness of existing controls and risk-mitigating strategies.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group's ERM Framework guides the identification, analysis, evaluation, management and monitoring of key risks to safeguard shareholders' investments and the Group's assets. The Framework is guided by ISO31000:2018 Risk Management – Guidelines and is designed to embed ERM into key activities, initiatives and processes of the Group. The ERM processes include:

Risk Identification

This process, which is done on an ongoing basis entails examining all key factors within PGF's business context from an 'outside-in' perspective, i.e. from macro-environment (external) to industry and internal risks. During this process, risks are generally considered in four (4) main categories, i.e. strategic, operational, financial and compliance. Risks identified and relevant risk information, including Key Risk Indicators, are then captured and updated into the Group's risk register.

Risk Analysis

Risks identified are assessed and ranked based on the severity of impact, likelihood of occurrence and effectiveness of existing controls. This process is guided by established risk parameters to ensure consistent criteria are used during the rating process. The results provide insight for the Management on whether the current risk levels are within the Board's risk appetite.

Risk Treatment

Risk treatment process aims to bring the risks down to an acceptable level (within the Board's risk appetite). The Group has four (4) response strategies for risk treatments, i.e.:

Terminate	terminating the risk by eliminating the business or by significantly altering it;
Reduce	reducing the risk level by taking specific actions or controls to reduce the likelihood of occurrence or severity of impact or both;
Accept	consciously accept certain risks which are within the Board's risk appetite; and
Pass on	transferring or sharing all or part of a risk to/ with other parties.

The treatment plans are outlined in the risk registers and highlighted to the ARMC. The implementation of risk treatment plans is generally the responsibility of the risk owners and risk delegates.

Risk Monitoring

Key risks identified are monitored by risk owners and risk delegates to ensure the risk ratings remained relevant and that controls in place remained effective and adequate amidst changing circumstances. Any changes are reported, and appropriate action plans are devised to realign the risk rating to an acceptable level.

In essence, the Group's ERM is conducted through an ongoing process between the Board, ARMC, the Management and employees in the Group. This process is reviewed annually by the Board for effectiveness, enhancement and improvement. The Group believes that the ERM framework adopted and implemented has strengthened the risk ownership and risk management culture amongst the employees. Nevertheless, the joint venture and associate companies have not been dealt with as part of the Group for the purpose of this Statement.

For the financial year under review, the Group has performed a review of its existing risk registers and noted that the key risks that are critical to the success of the business were similar to the previous year, such as the ability for sales to keep up with production, or vice-versa, product quality, timeliness in product delivery, and the ability to maximise return with the Group's existing assets and investments. The likelihood and impact of these risks have been assessed and appropriate mitigation actions have been identified for the risks.

INTERNAL CONTROL SYSTEM

Internal controls are regarded as an integral part of the Group's business management processes. The internal control system of the Group covers, inter-alia, risk management, financial, operational and compliance controls. This process has been in place for the year under review and up to the date of approval of this statement for inclusion in the Annual Report. Some of the key elements of the Group's internal control system are:

- **Board Oversight**

  The Board meets at least quarterly and has set a schedule of matters which is required to be brought to its attention for discussion, thus ensuring that it maintains full and effective supervision over appropriate controls. The Chief Operating Officer provides explanations in the Board papers on pertinent issues. In addition, the Board is regularly updated on the Group's activities and operations.

- **Organisation Structure**

  The Group has established an organisation structure that defines clear lines of responsibility and delegation of authority, established through relevant terms of references and authority limits. The organisation structure enables each department/function to focus on the respective roles and responsibilities assigned to them and enhances operational efficiency and effectiveness.

- **Integrity, Ethical Values and Anti-Bribery and Corruption**

  The Group has formalised a Code of Conduct to provide a behavioural framework that sets out the Group's standards of integrity, acceptable conduct and behaviour. The Code of Conduct was communicated to all employees and is made available on PGF's website.

  In addition, the Group has amongst others, implemented the Anti-Bribery and Corruption Policy to set out the Group's "zero tolerance" stance against all forms of bribery and corruption practices, conducted the corruption risk assessment to identify activities and positions with higher corruption risk exposures, mandate relevant personnel to participate in the anti-corruption training organised by the Group, and communicate the Group's stance and expectation to all of its vendors and business associates.

- **Policies and Procedures**

  The Group has established policies and procedures for the Group's core business units, which have been clearly communicated to all relevant parties. These policies and procedures are reviewed and updated from time to time to adapt to the changing business environment and to ensure compliance with relevant laws and regulations and also the International Organisation for Standardisation ("ISO") certification.

In view of the limitations inherent in any internal control system, the Board recognises that such system is designed to manage and mitigate risks, rather than to eliminate risks, and therefore can only provide reasonable but not absolute assurance against material misstatement, financial loss or fraud.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is outsourced to an independent consulting firm, namely Galton Advisory PLT. The internal audit function is led by Low Chiun Yik, an Executive Partner of the consulting firm, who holds a Master Degree in Accountancy and Finance, and is also a Chartered Audit Committee Director of the Institute of Internal Auditors, Malaysia. Mr. Low has been specialising in the field of internal audit and risk management since 2010. He is also an Independent Director of two (2) publicly listed companies, where he is the Chairman of the Audit and Remuneration Committee, and sits on the Risk Management, Remuneration and Nominating Committee as a member.

The outsourced internal audit function is responsible for reviewing and assessing the adequacy of the Group's internal control system. The internal audit function reports directly to the ARMC and provides reasonable assurance through its internal audit works, which includes the audit activities, presenting findings and recommendations, and follow-ups on action plans devised to address any weaknesses in the internal control system, as agreed by Management. In carrying out its audit activities, the internal audit function has unrestricted access to relevant records, personnel and physical properties.

INTERNAL AUDIT FUNCTION (CONT'D)

The outsourced internal audit function conducts its audit work based on a risk-based internal audit plan approved by the ARMC. The outsourced internal audit function, including the professionals conducting the audit works, is independent and objective, and free from any relationships or conflicts of interest. All internal audit work is guided by the International Professional Practice Framework promulgated by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.

For the financial year ended 29 February 2024, the internal audit function has conducted reviews on the Group's processes in relation to human resources, health, safety and environment, and biological assets.

Following the completion of its work, the internal audit function reported directly to the ARMC on findings from the audit works, including recommendations for improvement measures and Management's responses. The internal audit function also reported to the ARMC, the follow-up status of the implementation of action plans arising from recommendations from previous cycles of internal audit. The ARMC Chairman thereafter reported the outcome of work conducted by the internal audit function to the Board.

The total cost incurred for internal audit activities for the financial year ended 29 February 2024 amounted to RM35,010.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the financial year ended 29 February 2024, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Annual Report of the Group, in all material aspects:

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

b) is factually inaccurate.

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

CONCLUSION

Based on the findings and procedures performed by the relevant parties, and assurance from the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, the Board is of the view that the risk management and internal control system in place for the financial year under review and up to the date of the approval of this Statement has operated satisfactorily and is sufficient to safeguard shareholders' investments, the Group's assets and the interest of customers, regulators and employees.

There were no material internal control weaknesses that had resulted in any material losses, uncertainties or contingencies that would require disclosure in this Annual Report. Nevertheless, the Board and Management will continue to take appropriate measures to improve and strengthen the enterprise risk management and internal control framework of the Group.

This Statement on Risk Management and Internal Control is approved by the Board of Directors on 24 June 2024.

Audit & Risk Management Committee Report

For The Financial Year Ended 29 February 2024

1. CONSTITUTION

The Audit Committee was established by the Board in 1994 as the prime body to assist the Board in ensuring a high standard of corporate responsibility, integrity and accountability to shareholders in line with the corporate governance and disclosure standards expected from that of a public listed company in Malaysia. The Audit Committee was then renamed as Audit & Risk Management Committee ("the Committee") in 2018 to reflect its duties and responsibilities accordingly.

The present members of the Committee are:

Mr. Tan Jin Sun	Chairman/Independent Non-Executive Director
Members:	
Ms. Ofelia Cheah Loo Ee	Independent Non-Executive Director
Ms. Tan Suat Hoon	Independent Non-Executive Director

2. ATTENDANCE AT MEETINGS

There were five (5) meetings convened the financial year ended 29 February 2024.

Details of the attendance of members at the Committee Meetings are as follows:

	Attendance
Mr. Tan Jin Sun	5/5
Ms. Ofelia Cheah Loo Ee	5/5
Ms. Tan Suat Hoon	4/4

3. TERMS OF REFERENCE

The terms of reference of the Committee are available on the Company's website www.pgfcapital.com.my

4. SUMMARY OF ACTIVITIES OF THE COMMITTEE

In line with the terms of reference, the following activities were carried out by the Committee during the financial year ended 29 February 2024 in discharge of its duties and responsibilities:

(a) reviewed the quarterly unaudited financial results and the annual audited financial statements of the Company and the Group prior to recommending them for approval by the Board of Directors;

(b) reviewed the external auditors' scope of work and the audit planning memorandum;

(c) reviewed with the external auditors the results of the annual audit, their audit and management letter together with management's response to the findings of the external auditors;

(d) reviewed with external auditors, the draft Audited Financial Statements of the Company and the Group;

(e) evaluated the performance and independence of the external auditors and made recommendations to the Board of Directors on their re-appointment and remuneration;

(f) reviewed the annual internal audit plans to ensure adequate scope, coverage of the activities of the Company and the Group;

4. SUMMARY OF ACTIVITIES OF THE COMMITTEE (CONT'D)

(g) reviewed the internal audit reports, audit recommendations and management's responses to these recommendations;

(h) reviewed related party transaction entered into by the Company and the Group during the year;

(i) reviewed conflict of interest or potential conflict of interest situations that may arise and the measures taken to resolve, eliminate or mitigate such conflict, if any;

(j) reviewed of the Statement on Risk Management and Internal Control for inclusion in the Annual Report; and

(k) reviewed and discussed with management the outcome of the exercise to identify, evaluate and manage significant strategic, operational and financial risks faced by the Group.

5. INTERNAL AUDIT FUNCTION

Internal audit function was conducted by an outsourced professional firm with an objective that independent feedback and reviews will be provided to the Committee and subsequently to the Board of Directors.

The internal audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. Scheduled internal audits are carried out by the internal auditors based on the audit plan presented to and approved by the Committee.

The Committee has full and direct access to the internal auditors and the Committee receives reports on all internal audits performed. The internal auditors continue to independently and objectively monitor compliance with regard to policies and procedures, and the effectiveness of the internal controls systems. Significant findings and recommendations for improvement are highlighted to management and the Committee with periodic follow-up of the implementation of actions plans. The management is responsible for ensuring that corrective actions are implemented accordingly.

Based on the internal audit reports, there is a reasonable assurance that the Group's systems of internal control are generally adequate and appear to be working satisfactorily. A number of minor internal control weaknesses were identified during the financial year, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The internal audit cost incurred for the financial year ended 29 February 2024 was RM35,010.

This report is made in accordance with a resolution of the Board of Directors dated 24 June 2024.

Additional Compliance Information

The information disclosed below is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. **Material Contracts**
The Company and its subsidiaries involving directors and substantial shareholders has not entered into any material contracts either still subsisting at the end of the financial year ended 29 February 2024.

2. **Audit and Non-Audit Services**
During the financial year, the audit fees and non-audit fees paid/payable to the Company's external auditors by the Company and by the Group incurred for services rendered are as follows: -

Type of Fees	Company (RM)	Group (RM)
Audit Fees	35,000	142,500
Non-Audit Fees	33,300	68,000

3. **Employees Share Options Scheme**
The Group did not offer any share scheme for employees during the financial year under review.

4. **Internal Audit Function**
The internal audit function was outsourced and the cost incurred for the internal audit function in respect of the financial year under review was RM35,010.

5. **Continuing Education Programme**
Details of the seminars or courses attended by the Directors of the Company are disclosed in the Corporate Governance Statement, as set out on Page 61 of this Annual Report.

6. **Recurrent Related Party Transaction of a Revenue Nature or Trading Nature**
The Company does not have any recurrent related party transaction of a revenue nature or trading nature for the financial year ended 29 February 2024.

7. **Issue of Shares and Debentures**
During the financial year, a total of 893,700 ICPS were converted into 893,700 ordinary shares of the Company. As a result, the number of issued and fully paid ordinary shares of the Company increased from 163,277,298 ordinary shares to 164,170,998 ordinary shares. The issue share capital of the Company increased from RM205,734,048 to RM206,538,378

   The new ordinary shares issued during the financial year rank pari passu with the existing ordinary shares of the Company. The Company did not issue any debentures during the financial year.

Financial Statements

Directors' Report

For The Year Ended 29 February 2024

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 29 February 2024.

Principal activities

The Company is principally engaged in the trading of fibre glasswool and its related products, provision of management services and investment holding. The principal activities and other details of the subsidiaries are disclosed in Note 7 to the financial statements.

Results

	Group RM	Company RM
Profit for the financial year	10,456,177	7,387,698

Dividends

During the financial year, the Company paid a final dividend of 1.0 sen per ordinary share amounting to RM1,635,935 in respect of the financial year ended 28 February 2023.

A final dividend of 1.5 sen per ordinary share in respect of the financial year ended 29 February 2024 will be proposed for shareholders' approval at the forthcoming annual general meeting.

Reserves and provisions

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

Issue of shares or debentures

During the financial year, the issued and fully paid share capital of the Company was increased from RM213,402,560 to RM214,117,520 by way of conversion of 893,700 irredeemable convertible preference shares into 893,700 ordinary shares at a net cash consideration of RM714,960.

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

Share options

The Company did not grant any share options during the financial year.

Bad and doubtful debts

Before the financial statements 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 provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent.

Current assets

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

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

Valuation methods

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

Contingent and other liabilities

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

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

(ii) any contingent liability which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group or 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 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 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 or the Company for the financial year in which this report is made.

Directors

The directors in office since the beginning of the financial year are:

Directors of the Company

Fong Wah Kai
Fong Wern Sheng
Tan Ming Chong
Khoo Kah Hock (resigned on 28.7.2023)
Ofelia Cheah Loo Ee
Tan Jin Sun
Tan Suat Hoon

Directors of subsidiaries (other than directors of the Company)

Michael Antony Charles Gibson
James Tan Chia Vern

Directors' interests

According to the register of directors' shareholdings, the interests in shares in the Company of the directors in office at the end of the financial year are as follows:

	Number of ordinary shares			
Name of director	**At 1.3.2023**	**Bought**	**Sold**	**At 29.2.2024**
Fong Wah Kai				
- Direct	6,782,200	0	0	6,782,200
- Indirect[(a)]	78,056,900	0	0	78,056,900
Fong Wern Sheng				
- Direct	10,792,600	0	0	10,792,600
- Indirect[(a)]	24,258,053	0	(600,000)	23,658,053
Tan Ming Chong				
- Direct	121,500	132,000	0	253,500

	Number of irredeemable convertible preference shares			
Name of director	**At 1.3.2023**	**Bought**	**Converted**	**At 29.2.2024**
Fong Wah Kai				
- Direct	3,399,400	0	0	3,399,400
- Indirect[(a)]	39,028,450	0	0	39,028,450
Fong Wern Sheng				
- Direct	5,398,700	0	0	5,398,700
- Indirect[(a)]	18,626,225	0	0	18,626,225
Tan Ming Chong				
- Direct	0	80,400	0	80,400

[(a)] *Deemed interest by virtue of shares held by company in which the director has interest*

Directors' interests (cont'd)

By virtue of their interests in shares in the Company, Fong Wah Kai and Fong Wern Sheng are deemed to have interests in shares in the subsidiaries to the extent of the Company's interests, pursuant to Section 8 of the Companies Act 2016.

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than the directors' remuneration as disclosed in Note 25 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and insurance for directors and officers

There was no indemnity given to or liability insurance effected for any director or officer of the Group or the Company during the financial year.

Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office. The auditors' remuneration is disclosed in Note 26 to the financial statements. There was no indemnity given to or liability insurance effected for the auditors during the financial year.

Signed in accordance with a resolution of the directors dated 24 June 2024

Fong Wern Sheng

Tan Ming Chong

Statement by Directors

In the opinion of the directors, the financial statements set out on pages 81 to 132 give a true and fair view of the financial position of the Group and the Company as at 29 February 2024 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed in accordance with a resolution of the directors dated 24 June 2024

Fong Wern Sheng

Tan Ming Chong

Statutory Declaration

I, **Loo Chee Hin** (NRIC no.690316-07-5043) (MIA membership no.: 11893), being the officer primarily responsible for the financial management of PGF Capital Berhad, do solemnly and sincerely declare that the financial statements set out on pages 81 to 132 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Loo Chee Hin at George Town in the State of Penang on this 24 June 2024

Loo Chee Hin
Chief Financial Officer

Before me

Shamini A/P M Shanmugam
No. P157
Commissioner for Oaths

Report on the audit of the financial statements

Opinion

We have audited the financial statements of PGF Capital Berhad, which comprise the statements of financial position as at 29 February 2024 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 81 to 132.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 29 February 2024, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Key audit matters

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

Key audit matter	*How our audit addressed the key audit matter*
<u>Valuation of land held for property development under inventories (Refer to Notes 3 and 11 to the financial statements)</u> Land held for property development represents the most significant asset of the Group. Land held for property development is subject to assessment for any potential write-down of cost to net realisable value. Such assessment involves judgements and estimation uncertainty in considering information about the asset's value and economic performance as well as the overall property market conditions.	Our audit procedures included, among others: • Reviewing the feasibility study of future development projects and evaluating the reasonableness thereof by considering the project plans and budgets as well as the prospective market and economic conditions. • Obtaining the latest available fair valuation performed by professional valuers and evaluating the appropriateness of their work as well as their competence, capabilities and objectivity. • Assessing the reasonableness of the value of the land by comparing against actual recent transacted prices of similar type of land within the proximity.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

Information other than the financial statements and auditors' report thereon

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

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

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

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

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

Auditors' responsibilities for the audit of the financial statements (cont'd)

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: (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 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 the Company, including the disclosures, and whether the financial statements of the Group and 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, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that we have not acted as auditors of a subsidiary, PGF Insulation Pty. Ltd.

Other matters

The financial statements of the Group and the Company for the financial year ended 28 February 2023 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 27 June 2023.

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.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Eddy Chan Wai Hun
02182/10/2025 J
Chartered Accountant

Date: 24 June 2024

Penang

Consolidated Statement of Financial Position

As At 29 February 2024

	Note	2024 RM	2023 RM
Non-current assets			
Property, plant and equipment	4	58,403,426	56,360,167
Investment properties	5	5,160,256	5,290,288
Right-of-use assets	6	21,057,728	5,671,204
Investment in associate	8	2,026,448	1,622,911
Investments in joint ventures	9	484,890	392,916
Other investments	10	807,420	768,045
Inventories	11	147,490,936	146,664,233
Prepayments		0	339,306
Deferred tax assets	12	1,341,864	713,780
		236,772,968	217,822,850
Current assets			
Inventories	11	28,365,349	28,885,904
Biological assets	13	107,300	0
Receivables	14	22,794,423	19,943,578
Prepayments		2,254,480	3,334,567
Current tax assets		14,817	184,497
Cash and cash equivalents	15	26,103,376	19,234,476
		79,639,745	71,583,022
Current liabilities			
Payables	16	15,792,235	16,625,869
Loans and borrowings	17	11,653,949	17,582,621
Lease liabilities	18	4,257,425	322,720
Contract liabilities	19	3,812,660	4,253,732
Current tax liabilities		1,463,985	56,275
		36,980,254	38,841,217
Net current assets		42,659,491	32,741,805
Non-current liabilities			
Deferred tax liabilities	12	30,494,502	31,568,502
Loans and borrowings	17	17,822,910	15,464,046
Lease liabilities	18	13,541,940	1,319,742
Deferred income on government grants	20	5,756,809	0
		67,616,161	48,352,290
Net assets		211,816,298	202,212,365
Equity			
Share capital	21	214,117,520	213,402,560
Capital reserve		0	670,403
Currency translation reserve		32,420	(36,311)
Accumulated losses		(2,333,642)	(11,824,287)
Total equity		211,816,298	202,212,365

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

Consolidated Statement of Comprehensive Income

For The Financial Year Ended 29 February 2024

	Note	2024 RM	2023 RM
Revenue	22	128,642,566	91,111,029
Impairment gains on financial assets	23	0	76,734
Other income		1,460,128	12,074,883
Changes in work-in-progress and finished goods		(3,298,680)	12,861,380
Raw materials consumed		(49,156,453)	(45,956,087)
Depreciation	24	(11,892,627)	(8,805,442)
Employee benefits expense	25	(18,344,787)	(14,691,923)
Finance costs		(2,944,566)	(1,298,896)
Other expenses		(29,500,914)	(21,735,026)
Share of associate's profit		1,105,387	838,872
Share of joint ventures' loss		(681,027)	(187,335)
Profit before tax	26	15,389,027	24,288,189
Tax expense	27	(4,932,850)	(8,016,130)
Profit for the financial year		10,456,177	16,272,059
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss: - Currency translation differences for foreign operations		68,731	(36,311)
Other comprehensive income for the financial year		68,731	(36,311)
Comprehensive income for the financial year		10,524,908	16,235,748
Earnings per share:	28		
- Basic (sen)		6.39	10.10
- Diluted (sen)		5.55	9.31

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

Consolidated Statement of Changes In Equity

For The Financial Year Ended 29 February 2024

	Ordinary shares RM	Irredeemable convertible preference shares RM	Capital reserve RM	Prepaid share reserve RM	Currency translation reserve RM	Accumulated losses RM	Total equity RM
Balance at 1 March 2022	202,761,930	0	670,403	7,998,747	0	(26,478,468)	184,952,612
Issue of irredeemable convertible preference shares	0	7,998,747	0	(7,998,747)	0	0	0
Conversion of irredeemable convertible preference shares	2,972,118	(330,235)	0	0	0	0	2,641,883
Dividends (Note 29)	0	0	0	0	0	(1,617,878)	(1,617,878)
Total transactions with owners	2,972,118	7,668,512	0	(7,998,747)	0	(1,617,878)	1,024,005
Profit for the financial year	0	0	0	0	0	16,272,059	16,272,059
Currency translation differences for foreign operations (representing other comprehensive income for the financial year)	0	0	0	0	(36,311)	0	(36,311)
Comprehensive income for the financial year	0	0	0	0	(36,311)	16,272,059	16,235,748
Balance at 28 February 2023	205,734,048	7,668,512	670,403	0	(36,311)	(11,824,287)	202,212,365
Conversion of irredeemable convertible preference shares	804,330	(89,370)	0	0	0	0	714,960
Dividends (Note 29)	0	0	0	0	0	(1,635,935)	(1,635,935)
Total transactions with owners	804,330	(89,370)	0	0	0	(1,635,935)	(920,975)
Profit for the financial year	0	0	0	0	0	10,456,177	10,456,177
Currency translation differences for foreign operations (representing other comprehensive income for the financial year)	0	0	0	0	68,731	0	68,731
Comprehensive income for the financial year	0	0	0	0	68,731	10,456,177	10,524,908
Transfer of capital reserve	0	0	(670,403)	0	0	670,403	0
Balance at 29 February 2024	206,538,378	7,579,142	0	0	32,420	(2,333,642)	211,816,298

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

Consolidated Statement of Cash Flows

For The Financial Year Ended 29 February 2024

	Note	2024 RM	2023 RM
Cash flows from operating activities			
Profit before tax		15,389,027	24,288,189
Adjustments for:			
Amortisation of deferred income		(484,784)	0
Depreciation		11,892,627	8,805,442
Fair value changes in biological assets		(66,700)	0
Fair value gains on financial instruments		(39,375)	0
Gain on disposal of property, plant and equipment		(94,569)	(81,552)
Impairment gains on financial assets		0	(76,734)
Impairment loss on property, plant and equipment		345,327	373,102
Interest expense		2,944,566	1,298,896
Interest income		(286,899)	(165,640)
Inventories written down		93,794	45,426
Property, plant and equipment written off		2,944,246	4,483
Reversal of inventories written down		0	(10,743,869)
Share of associate's profit		(1,105,387)	(838,872)
Share of joint ventures' loss		681,027	187,335
Unrealised loss on foreign exchange		285,229	1,286,823
Operating profit before working capital changes		32,498,129	24,383,029
Changes in:			
Inventories		(399,942)	(14,318,090)
Biological assets		(40,600)	0
Receivables		(2,284,732)	(3,654,964)
Prepayments		1,419,393	(850,047)
Payables		(836,184)	(1,633,667)
Contract liabilities		(441,072)	(885,788)
Cash generated from operations		29,914,992	3,040,473
Tax paid		(5,368,146)	(806,585)
Tax refunded		310,602	0
Net cash from operating activities		24,857,448	2,233,888
Cash flows from investing activities			
Acquisition of joint ventures		(773,001)	(100,001)
Acquisition of property, plant and equipment		(12,720,939)	(5,666,906)
Acquisition of right-of-use assets	30	(219,211)	(72,000)
Dividend received		729,600	0
Government grants received		6,241,593	0
Interest received		286,899	165,640
Proceeds from disposal of property, plant and equipment		99,000	312,154
Net cash used in investing activities		(6,356,059)	(5,361,113)

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

Consolidated Statement of Cash Flows (Cont'd)

For The Financial Year Ended 29 February 2024

	Note	2024 RM	2023 RM
Cash flows from financing activities			
Changes in term deposits pledged as security		(951,865)	(596,817)
(Decrease)/Increase in short-term loans and borrowings (net)	30	(5,555,976)	6,191,170
Dividend paid		(1,635,935)	(1,617,878)
Drawdown of term loans	30	6,193,128	4,526,914
Interest paid		(2,854,168)	(1,298,896)
Payment of lease liabilities	30	(3,386,644)	(184,460)
Proceeds from conversion of irredeemable convertible preference shares		714,960	2,641,883
Refund of excess application for irredeemable convertible preference shares		0	(3,950,690)
Repayment of term loans	30	(5,172,577)	(5,869,154)
Net cash (used in)/from financing activities		(12,649,077)	(157,928)
Currency translation differences		64,723	(36,311)
Net increase/(decrease) in cash and cash equivalents		5,917,035	(3,321,464)
Cash and cash equivalents brought forward		18,637,659	21,959,123
Cash and cash equivalents carried forward	15	24,554,694	18,637,659

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

Statement of Financial Position

As At 29 February 2024

	Note	2024 RM	2023 RM
Non-current assets			
Property, plant and equipment	4	8,128	22,823
Right-of-use assets	6	589,771	190,875
Investments in subsidiaries	7	221,493,080	203,493,080
Investment in associate	8	60	60
Investments in joint ventures	9	750,052	750,001
Receivables	14	8,546,147	20,781,975
		231,387,238	225,238,814
Current assets			
Receivables	14	836,097	512,534
Prepayments		50,173	11,433
Current tax assets		5,475	31,630
Cash and cash equivalents	15	450,484	324,764
		1,342,229	880,361
Current liabilities			
Payables	16	8,227,168	8,433,874
Loans and borrowings	17	2,000,000	2,000,000
Lease liabilities	18	125,992	57,186
		10,353,160	10,491,060
Net current liabilities		(9,010,931)	(9,610,699)
Non-current liabilities			
Lease liabilities	18	389,469	108,000
Net assets		221,986,838	215,520,115
Equity			
Share capital	21	214,117,520	213,402,560
Capital reserve		0	1,235,748
Retained profits		7,869,318	881,807
Total equity		221,986,838	215,520,115

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

Statement of Comprehensive Income

For The Financial Year Ended 29 February 2024

	Note	2024 RM	2023 RM
Revenue	22	9,803,341	4,217,230
Other income		78,433	18,348
Depreciation	24	(90,805)	(86,510)
Employee benefits expense	25	(1,755,334)	(1,445,323)
Finance costs		(106,497)	(53,934)
Other expenses		(536,940)	(951,013)
Profit before tax	26	7,392,198	1,698,798
Tax expense	27	(4,500)	0
Profit for the financial year		7,387,698	1,698,798
Other comprehensive income for the financial year		0	0
Comprehensive income for the financial year		7,387,698	1,698,798

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

Statement of Changes In Equity

For The Financial Year Ended 29 February 2024

	Ordinary shares RM	Irredeemable convertible preference shares RM	Capital reserve RM	Prepaid share reserve RM	Retained profits RM	Total equity RM
Balance at 1 March 2022	202,761,930	0	1,235,748	7,998,747	800,887	212,797,312
Issue of irredeemable convertible preference shares	0	7,998,747	0	(7,998,747)	0	0
Conversion of irredeemable convertible preference shares	2,972,118	(330,235)	0	0	0	2,641,883
Dividends (Note 29)	0	0	0	0	(1,617,878)	(1,617,878)
Total transactions with owners	2,972,118	7,668,512	0	(7,998,747)	(1,617,878)	1,024,005
Profit (representing comprehensive income) for the financial year	0	0	0	0	1,698,798	1,698,798
Balance at 28 February 2023	205,734,048	7,668,512	1,235,748	0	881,807	215,520,115
Conversion of irredeemable convertible preference shares	804,330	(89,370)	0	0	0	714,960
Dividends (Note 29)	0	0	0	0	(1,635,935)	(1,635,935)
Total transactions with owners	804,330	(89,370)	0	0	(1,635,935)	(920,975)
Profit (representing comprehensive income) for the financial year	0	0	0	0	7,387,698	7,387,698
Transfer of capital reserve	0	0	(1,235,748)	0	1,235,748	0
Balance at 29 February 2024	206,538,378	7,579,142	0	0	7,869,318	221,986,838

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

Statement of Cash Flows

For The Financial Year Ended 29 February 2024

	Note	2024 RM	2023 RM
Cash flows from operating activities			
Profit before tax		7,392,198	1,698,798
Adjustments for:			
Depreciation		90,805	86,510
Dividend income		(7,729,600)	(3,500,000)
Gain on disposal of property, plant and equipment		(48,999)	0
Interest expense		106,497	53,934
Interest income		(29,433)	(18,348)
Property, plant and equipment written off		0	11
Unrealised loss on foreign exchange		121	0
Operating loss before working capital changes		(218,411)	(1,679,095)
Changes in:			
Receivables		(823,684)	(10,874)
Prepayments		(38,740)	417,317
Payables		(206,706)	(2,396,646)
Cash absorbed by operations		(1,287,541)	(3,669,298)
Tax paid		(4,500)	(460)
Tax refunded		26,155	0
Net cash used in operating activities		(1,265,886)	(3,669,758)
Cash flows from investing activities			
Acquisition of joint venture		(51)	(100,001)
Acquisition of right-of-use assets	30	(61,507)	0
Acquisition of subsidiaries		0	(3,553,512)
Dividends received		8,229,600	4,500,000
Interest received		29,433	18,348
Proceeds from disposal of property, plant and equipment		49,000	0
Repayment from/(Advances to) subsidiaries (net)		12,235,828	(7,485,878)
Subscription for shares in subsidiaries		(18,000,000)	(500,000)
Net cash from/(used in) investing activities		2,482,303	(7,121,043)
Cash flows from financing activities			
Dividend paid		(1,635,935)	(1,617,878)
Increase in short-term loans and borrowings (net)	30	0	2,000,000
Interest paid		(106,497)	(53,934)
Payment of lease liabilities	30	(63,225)	(66,403)
Proceeds from conversion of irredeemable convertible preference shares		714,960	2,641,883
Refund of excess application for irredeemable convertible preference shares		0	(3,950,690)
Net cash used in financing activities		(1,090,697)	(1,047,022)
Net increase/(decrease) in cash and cash equivalents		125,720	(11,837,823)
Cash and cash equivalents brought forward		324,764	12,162,587
Cash and cash equivalents carried forward		450,484	324,764

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

1. General information

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

The Company is principally engaged in the trading of fibre glasswool and its related products, provision of management services and investment holding. The principal activities of the subsidiaries are disclosed in Note 7.

The registered office of the Company is located at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 George Town, Penang, Malaysia and its principal place of business is located at No. 2449, Lorong Perusahaan Sepuluh, Kawasan Perusahaan Perai, 13600 Perai, Penang, Malaysia.

The consolidated financial statements set out on pages 81 to 85 together with the notes thereto cover the Company and its subsidiaries ("Group") and the Group's interests in associate and joint ventures. The separate financial statements of the Company set out on pages 86 to 89 together with the notes thereto cover the Company solely.

The presentation currency of the financial statements is Ringgit Malaysia ("RM").

The financial statements were authorised for issue in accordance with a resolution of the directors dated 24 June 2024.

2. Material accounting policy information

2.1 Basis of preparation of financial statements

The financial statements of the Group and the Company are prepared under the historical cost convention, modified to include other bases of measurement as disclosed in other sections of the material accounting policy information, and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following MFRSs became effective for the financial year under review:

MFRS	Effective for annual periods beginning on or after
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contracts*	1 January 2023
Amendment to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 - Comparative Information*	1 January 2023
Amendments to MFRS 101 *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108 *Definition of Accounting Estimates*	1 January 2023
Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 112 *International Tax Reform - Pillar Two Model Rules*	1 January 2023

The initial application of the above MFRSs did not have any significant impacts on the financial statements.

2. Material accounting policy information (cont'd)

2.1 Basis of preparation of financial statements (cont'd)

The Group and the Company have not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective:

MFRS (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred
Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*	1 January 2024
Amendments to MFRS 121 *Lack of Exchangeability*	1 January 2025

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

2.2 Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. If the assets acquired are not a business, the transaction or other event is accounted for as an asset acquisition.

Business combinations are accounted for using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:

(a) the aggregate of:
  (i) the acquisition-date fair value of the consideration transferred;
  (ii) the amount of any non-controlling interests; and
  (iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.

(b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

2. Material accounting policy information (cont'd)

2.3 Basis of consolidation

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. 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.

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary are recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10.

Capital work-in-progress is not depreciated. Bearer plants, which represent the capitalised costs on new planting and replanting of tropical fruits, are depreciated on a straight-line basis over their estimated useful lives of 5 years. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:

Buildings	2 - 5%
Plant, machinery and equipment	5 - 25%
Furniture, fittings and equipment	10 - 20%
Motor vehicles	20%

The residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

2.5 Investment properties

Investment property is property held (by the owner or the lessee as a right-of-use asset) to earn rentals or for capital appreciation or both. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10.

Building is depreciated on a straight-line basis over its estimated useful life of 50 years.

2. Material accounting policy information (cont'd)

2.6 Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Lessor accounting

When the Group acts as a lessor, it classifies each lease as either an operating lease or a finance lease. A finance lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, whereas an operating lease does not.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term. The Group has not entered into any finance lease.

Lessee accounting

Initial recognition and measurement

When the Group or the Company acts as a lessee, it recognises a right-of-use asset (representing its right to use the underlying leased asset) and a lease liability (representing its obligation to make lease payments) at the commencement date. The Group and the Company have elected not to apply such recognition principle to short-term leases (which have a lease term of 12 months or less) and leases of low-value assets. The lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term.

A right-of-use asset is initially recognised at cost, which comprises the initial amount of lease liability, any lease payments made at or before the commencement date (less any lease incentives), any initial direct costs and any estimated dismantling, removing and restoring costs.

A lease liability is initially recognised at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The unpaid lease payments included in the measurement of lease liability comprise fixed payments (less any lease incentives), variable lease payments linked to an index or a rate, expected amounts payable under residual value guarantees, the exercise price of a purchase option reasonably certain to be exercised and the penalties of a termination option reasonably certain to be exercised.

Subsequent measurement

A right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The impairment policy is disclosed in Note 2.10.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that a purchase option will be exercised, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of its useful life. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term.

A lease liability is subsequently measured at amortised cost, and remeasured to reflect any reassessment (arising from changes to the lease payments) or lease modifications.

2.7 Investments in subsidiaries

As required by the Companies Act 2016, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investments in subsidiaries are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.10.

2. Material accounting policy information (cont'd)

2.8 Investment in associate

An associate is an entity over which an investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In the consolidated financial statements, investment in associate is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. After application of the equity method, the investment is assessed for any objective evidence of impairment. If any such evidence exists, the carrying amount of the investment is tested for impairment in accordance with Note 2.10.

In the separate financial statements of the Company, investment in associate is stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.10.

2.9 Investments in joint ventures

A joint venture is a joint arrangement whereby the joint venturers that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the joint venturers sharing control.

In the consolidated financial statements, investments in joint ventures are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. After application of the equity method, the investment is assessed for any objective evidence of impairment. If any such evidence exists, the carrying amount of the investment is tested for impairment in accordance with Note 2.10.

In the separate financial statements of the Company, investments in joint ventures are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.10.

2.10 Impairment of non-financial assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than deferred tax assets, biological assets stated at fair value less costs of disposal and inventories, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss.

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

2. Material accounting policy information (cont'd)

2.11 Inventories

Property development

Inventories are valued at the lower of cost (determined principally on the specific identification basis) and net realisable value. Cost consists of costs associated with the acquisition of land, costs that relate directly to a specific development project and other costs attributable to development activities in general and can be allocated to the project. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

Land held for property development is classified as non-current assets. It is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

Materials and goods

Inventories are valued at the lower of cost (determined principally on the first-in, first-out basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

2.12 Biological assets

Biological assets (excluding bearer plants but including the produce growing thereon) and agricultural produce harvested therefrom are measured at fair value less costs of disposal. Any gain or loss arising from initial recognition at or a change in the fair value less costs of disposal is recognised in profit or loss.

2.13 Contract assets and contract liabilities

A contract is presented in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A contract asset is an entity's right to consideration in exchange for goods or services transferred to a customer when that right is conditioned on something other than the passage of time. The asset is subject to impairment assessment on the same basis as trade receivables as disclosed in Note 2.14. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

2.14 Financial assets

Financial assets of the Group and the Company consist of investment linked financial instruments, receivables and cash and cash equivalents.

Initial recognition and measurement

A financial asset is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets is recognised or derecognised using settlement date accounting. Trade receivables that do not contain a significant financing component are initially recognised at their transaction price (as defined in Note 2.18). Other financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

2. Material accounting policy information (cont'd)

2.14 Financial assets (cont'd)

Subsequent measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss in accordance with their classification on the basis of both the business model within which they are held and their contractual cash flow characteristics.

(i) Amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All receivables and cash and cash equivalents are classified under this category. Any gain or loss is recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

(ii) Fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is to both collect contractual cash flows and sell financial assets and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group and the Company do not have any financial assets classified under this category.

(iii) Fair value through profit or loss

A financial asset is measured at fair value through profit or loss if it does not meet the criteria to be measured at amortised cost or fair value through other comprehensive income. Investment linked financial instruments are classified under this category. Any gain or loss is recognised in profit or loss.

Impairment

At each reporting date, the Group and the Company recognise a loss allowance for expected credit losses on a financial asset measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. Any adjustment to the loss allowance is recognised in profit or loss as an impairment gain or loss.

Irrespective of whether there is any significant increase in credit risk since initial recognition, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9 *Financial Instruments*. Such lifetime expected credit losses are calculated using a provision matrix based on historical credit loss experience and adjusted for reasonable and supportable forward-looking information that is available without undue cost or effort.

The expected credit losses for a credit-impaired financial asset are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The gross carrying amount of a credit-impaired financial asset is directly written off when there is no reasonable expectation of recovery.

2. Material accounting policy information (cont'd)

2.14 Financial assets (cont'd)

Derecognition

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or all the risks and rewards of ownership are substantially transferred. A direct write-off of gross carrying amount when there is no reasonable expectation of recovering a financial asset constitutes a derecognition event.

Fair value measurement

The carrying amounts of receivables and cash and cash equivalents which are short-term in nature or repayable on demand are reasonable approximations of fair values.

The fair values of investment linked financial instruments are directly measured using their unadjusted market values quoted by insurance company.

2.15 Financial liabilities

Financial liabilities of the Group and the Company consist of payables, loans and borrowings and financial guarantee contracts.

Initial recognition and measurement

A financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs.

Subsequent measurement

All payables and loans and borrowings are subsequently measured at amortised cost. Any gain or loss is recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance and the amount initially recognised less any cumulative income recognised.

Derecognition

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

Fair value measurement

The carrying amounts of payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities.

2. Material accounting policy information (cont'd)

2.16 Foreign currency transactions and translation

The consolidated financial statements and separate financial statements of the Company are presented in Ringgit Malaysia, which is also the Company's functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

A foreign currency transaction is recorded in the functional currency using the exchange rate at transaction date. At the end of the reporting period, foreign currency monetary items are translated into the functional currency using the closing rate. Foreign currency non-monetary items measured at cost are translated using the exchange rate at transaction date, whereas those measured at fair value are translated using the exchange rate at valuation date. Exchange differences arising from the settlement or translation of monetary items are recognised in profit or loss. Any exchange component of the gain or loss on a non-monetary item is recognised on the same basis as that of the gain or loss, i.e. in profit or loss or in other comprehensive income.

In translating the financial position and results of a foreign operation whose functional currency is not the presentation currency, i.e. Ringgit Malaysia, assets and liabilities are translated into the presentation currency using the closing rate, whereas income and expenses are translated using the exchange rates at transaction dates. All resulting exchange differences are recognised in other comprehensive income and accumulated in equity as currency translation reserve until the foreign operation is disposed of, at which time the cumulative exchange differences previously recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

Any goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation to be expressed in its functional currency and translated into the presentation currency using the closing rate.

2.17 Share capital

Ordinary shares and irredeemable preference shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Dividends on shares declared and unpaid at the end of the reporting period are recognised as a liability, whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

2.18 Revenue from contracts with customers

The Group and the Company recognise revenue (by applying the following steps) to depict the transfer of promised goods or services to customers at the transaction price.

(i) Step 1: Identify contract - A contract is an agreement between two or more parties that creates enforceable rights and obligations.

(ii) Step 2: Identify performance obligations - Each promise to transfer distinct goods or services is identified as a performance obligation and accounted for separately.

(iii) Step 3: Determine transaction price - The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. It is adjusted for the effects of variable consideration (e.g. discounts, rebates, incentives or penalties), significant financing component, non-cash consideration and consideration payable to customer.

2. Material accounting policy information (cont'd)

2.18 Revenue from contracts with customers (cont'd)

(iv) Step 4: Allocate transaction price to performance obligations - The transaction price is allocated to each performance obligation on the basis of the relative (estimated) stand-alone selling prices of each distinct good or service promised in the contract.

(v) Step 5: Recognise revenue - Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). Revenue is recognised either over time or at a point in time depending on the timing of transfer of control.

Sale of goods

The Group determines that the transfer of control of promised goods generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of goods is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

Sale of agricultural produce

The Group determines that the transfer of control of promised agricultural produce generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of agricultural produce is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

Sale of completed development units

For sale of completed development units, the Group determines that the transfer of control generally coincides with the delivery of vacant possession. Accordingly, revenue is recognised at a point in time when the vacant possession has been delivered to the customer.

Rendering of services

The Company determines that the transfer of control of promised services generally coincides with the Company's performance as the customer simultaneously receives and consumes the benefits of the performance as the Company performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed. The Company measures the progress towards complete satisfaction of the performance obligation using an output method, i.e. time elapsed.

2.19 Other income

Dividend income is recognised in profit or loss only when the entity's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

Interest income is recognised in profit or loss using the effective interest method.

Operating lease income is recognised in profit or loss on a straight-line basis over the lease term.

2.20 Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to the grants and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets are presented in the statement of financial position as deferred income which is amortised on a straight-line basis over the estimated useful lives of the assets. Grants related to income are presented under "other income" in the statement of comprehensive income.

2. Material accounting policy information (cont'd)

2.21 Employee benefits

Short-term employee benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss or included in the cost of an asset, where appropriate, in the period in which the associated services are rendered by the employee.

Defined contribution plans

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). The Group's foreign subsidiary makes contributions to its respective country's statutory pension scheme. Contributions to defined contribution plans are recognised in profit or loss or included in the cost of an asset, where appropriate, in the period in which the associated services are rendered by the employee.

2.22 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.23 Income taxes

Income taxes for the year comprise current tax and deferred tax.

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

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with goodwill or 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 nor taxable results and does not give rise to equal taxable and deductible temporary differences.

A deferred tax liability is recognised for all taxable temporary differences, whereas a deferred tax asset is recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.24 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, term deposits that are withdrawable on demand 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. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

3. Judgements and estimation uncertainty

Judgements made in applying accounting policies

In the process of applying the accounting policies of the Group and the Company, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

Sources of estimation uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

<u>Valuation of inventories</u>

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews involve judgements and estimation uncertainty in forming expectations about future sales and demands. Any changes in these accounting estimates will result in revisions to the valuation of inventories (Note 11).

<u>Impairment of receivables</u>

The Group and the Company recognise loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of receivables (Note 14).

4. Property, plant and equipment

Group

	Buildings RM	Plant, machinery and equipment RM	Furniture, fittings and equipment RM	Motor vehicles RM	Bearer plants RM	Capital work-in-progress RM	Total RM
Cost							
Balance at 1 March 2022	22,238,605	91,457,636	2,918,413	1,478,723	1,775,985	411,764	120,281,126
Additions	68,510	602,361	403,130	25,996	4,428,522	138,387	5,666,906
Disposals/Write-offs	0	(8,848)	(516,549)	0	0	0	(525,397)
Reclassifications	0	411,764	0	0	0	(411,764)	0
Balance at 28 February 2023	22,307,115	92,462,913	2,804,994	1,504,719	6,204,507	138,387	125,422,635
Additions	30,740	7,138,992	862,239	65,980	3,314,889	1,308,099	12,720,939
Disposals/Write-offs	0	(19,645,924)	(36,122)	(398,848)	(148,181)	0	(20,229,075)
Reclassifications	0	70,240	69,603	0	0	(139,843)	0
Transfer from right-of-use assets	0	0	115,000	0	0	0	115,000
Currency translation differences	0	0	1,630	0	0	1,456	3,086
Balance at 29 February 2024	22,337,855	80,026,221	3,817,344	1,171,851	9,371,215	1,308,099	118,032,585

4. Property, plant and equipment (cont'd)

Group

	Buildings RM	Plant, machinery and equipment RM	Furniture, fittings and equipment RM	Motor vehicles RM	Bearer plants RM	Capital work-in-progress RM	Total RM
Depreciation and impairment losses							
Balance at 1 March 2022							
- Accumulated depreciation	7,702,037	49,905,301	1,850,982	1,344,608	0	0	60,802,928
- Accumulated impairment losses	0	0	0	0	0	0	0
	7,702,037	49,905,301	1,850,982	1,344,608	0	0	60,802,928
Depreciation	760,139	7,069,831	299,618	47,162	0	0	8,176,750
Disposals/Write-offs	0	(8,841)	(281,471)	0	0	0	(290,312)
Impairment loss	0	373,102	0	0	0	0	373,102
Balance at 28 February 2023							
- Accumulated depreciation	8,462,176	56,966,291	1,869,129	1,391,770	0	0	68,689,366
- Accumulated impairment losses	0	373,102	0	0	0	0	373,102
	8,462,176	57,339,393	1,869,129	1,391,770	0	0	69,062,468
Depreciation	682,002	6,135,653	373,488	65,355	130,143	0	7,386,641
Disposals/Write-offs	0	(16,852,629)	(33,352)	(394,417)	0	0	(17,280,398)
Impairment loss	0	345,327	0	0	0	0	345,327
Transfer from right-of-use assets	0	0	114,999	0	0	0	114,999
Currency translation differences	0	0	122	0	0	0	122
Balance at 29 February 2024							
- Accumulated depreciation	9,144,178	46,249,315	2,324,386	1,062,708	130,143	0	58,910,730
- Accumulated impairment losses	0	718,429	0	0	0	0	718,429
	9,144,178	46,967,744	2,324,386	1,062,708	130,143	0	59,629,159

4. Property, plant and equipment (cont'd)

Group

	Buildings RM	Plant, machinery and equipment RM	Furniture, fittings and equipment RM	Motor vehicles RM	Bearer plants RM	Capital work-in-progress RM	Total RM
Carrying amount							
Balance at 1 March 2022	14,536,568	41,552,335	1,067,431	134,115	1,775,985	411,764	59,478,198
Balance at 28 February 2023	13,844,939	35,123,520	935,865	112,949	6,204,507	138,387	56,360,167
Balance at 29 February 2024	13,193,677	33,058,477	1,492,958	109,143	9,241,072	1,308,099	58,403,426

The carrying amounts of property, plant and equipment pledged as security for credit facilities granted to the Group are as follows:

	Group 2024 RM	2023 RM
Buildings	6,423,034	6,794,112
Plant, machinery and equipment	24,998,337	25,438,451
Furniture, fittings and equipment	17,380	15,853
	31,438,751	32,248,416

4. Property, plant and equipment (cont'd)

Company

	Furniture, fittings and equipment RM	Motor vehicles RM	Total RM
Cost			
Balance at 1 March 2022	119,792	545,289	665,081
Disposals/Write-offs	(18,181)	0	(18,181)
Balance at 28 February 2023	101,611	545,289	646,900
Disposals/Write-offs	0	(329,752)	(329,752)
Transfer from right-of-use assets	115,000	0	115,000
Balance at 29 February 2024	216,611	215,537	432,148
Accumulated depreciation			
Balance at 1 March 2022	117,405	510,106	627,511
Depreciation	1,116	13,620	14,736
Disposals/Write-offs	(18,170)	0	(18,170)
Balance at 28 February 2023	100,351	523,726	624,077
Depreciation	1,076	13,619	14,695
Disposals/Write-offs	0	(329,751)	(329,751)
Transfer from right-of-use assets	114,999	0	114,999
Balance at 29 February 2024	216,426	207,594	424,020
Carrying amount			
Balance at 1 March 2022	2,387	35,183	37,570
Balance at 28 February 2023	1,260	21,563	22,823
Balance at 29 February 2024	185	7,943	8,128

5. Investment properties

Group

	Building RM
Cost	
Balance at 1 March 2022 / 28 February 2023 / 29 February 2024	6,458,968
Accumulated depreciation	
Balance at 1 March 2022	1,038,648
Depreciation	130,032
Balance at 28 February 2023	1,168,680
Depreciation	130,032
Balance at 29 February 2024	1,298,712

5. Investment properties (cont'd)

	Building RM
Carrying amount	
Balance at 1 March 2022	5,420,320
Balance at 28 February 2023	5,290,288
Balance at 29 February 2024	5,160,256
Fair value	
Estimated fair value at 28 February 2023	6,295,000
Estimated fair value at 29 February 2024	6,771,000

The fair value of investment properties was determined based on management's estimate by reference to relevant market information.

The Group leases its building under operating lease for 2 years. The undiscounted lease payments to be received are as follows:

	2024 RM	2023 RM
Within 1 year	408,000	320,000
1 to 2 years	340,000	0
	748,000	320,000

6. Right-of-use assets

Group

	Leasehold land RM	Buildings RM	Furniture, fittings and equipment RM	Motor vehicles RM	Total RM
Balance at 1 March 2022	4,053,096	0	326,830	358,191	4,738,117
Additions	0	0	720,000	711,747	1,431,747
Depreciation	(209,268)	0	(152,307)	(137,085)	(498,660)
Balance at 28 February 2023	3,843,828	0	894,523	932,853	5,671,204
Additions	0	18,309,086	0	1,437,127	19,746,213
Depreciation	(105,688)	(3,651,867)	(212,808)	(405,591)	(4,375,954)
Transfer to property, plant and equipment	0	0	(1)	0	(1)
Currency translation differences	0	0	0	16,266	16,266
Balance at 29 February 2024	3,738,140	14,657,219	681,714	1,980,655	21,057,728

Certain leasehold land with carrying amount of RM2,579,767 (2023 : RM2,731,519) has been pledged as security for credit facilities granted to the Group.

6. Right-of-use assets (cont'd)

Company

	Furniture, fittings and equipment RM	Motor vehicles RM	Total RM
Balance at 1 March 2022	11,499	251,150	262,649
Depreciation	(11,498)	(60,276)	(71,774)
Balance at 28 February 2023	1	190,874	190,875
Additions	0	475,007	475,007
Depreciation	0	(76,110)	(76,110)
Transfer to property, plant and equipment	(1)	0	(1)
Balance at 29 February 2024	0	589,771	589,771

The Group acquired the rights to use the leasehold land as its principal places of business for 60 years. It also leases some warehouses for 5 years. The rights to use the furniture, fittings and equipment and motor vehicles were acquired under hire purchase financing whereby ownership will be transferred by the end of the lease terms of 5 years.

7. Investments in subsidiaries

Company

	2024 RM	2023 RM
Unquoted shares - at cost	221,673,821	203,673,821
Impairment losses	(180,741)	(180,741)
	221,493,080	203,493,080

Impairment losses have been recognised for investment in a loss-making subsidiary.

The details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest 2024	Effective ownership interest 2023	Principal activity
Clover Sdn. Bhd.	Malaysia	100%	100%	Property holding, trading in fibre glasswool and its related products
Concrete Energy Sdn. Bhd.	Malaysia	100%	100%	Property holding, trading and manufacture of melt-blown non-woven
Diamond Creeks Eco Farm Sdn. Bhd.	Malaysia	100%	100%	Plantation of tropical fruits

7. Investments in subsidiaries (cont'd)

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest 2024	Effective ownership interest 2023	Principal activity
Golden Approach Sdn. Bhd.	Malaysia	100%	100%	Property development
PGF Global Distribution Sdn. Bhd.	Malaysia	100%	100%	Trading in fibre glasswool and its related products
PGF Insulation Pty. Ltd.[(a)]	Australia	100%	100%	Manufacture and sale of fibre glasswool and its related products
PGF Insulation Sdn. Bhd.	Malaysia	100%	100%	Manufacture and sale of fibre glasswool and its related products
PGF Technical Textile Sdn. Bhd.	Malaysia	100%	100%	Manufacture and trading of building and hygiene related products

(a) Not required to be audited, and consolidated using unaudited financial statements

8. Investment in associate

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Unquoted shares - at cost	60	60	60	60
Share of post-acquisition changes in net assets	2,026,388	1,622,851	0	0
	2,026,448	1,622,911	60	60

The details of the associate are as follows:

Name of associate	Principal place of business/ Country of incorporation	Effective ownership interest 2024	Effective ownership interest 2023	Principal activity
Ecowool Insulation Pty. Ltd. ("EIPL")	Australia	20%	20%	Sale and distribution of fibre glasswool and related products

8. Investment in associate (cont'd)

The summarised financial information of EIPL is as follows:

	2024 RM	2023 RM
Non-current assets	218,581	0
Current assets	13,254,169	14,133,403
Current liabilities	(3,340,513)	(6,018,552)
Net assets	10,132,237	8,114,851
Revenue	59,142,313	57,715,308
Profit (representing comprehensive income)	5,526,933	4,200,196
Dividend paid to the Group	(729,600)	0

The reconciliation of the above summarised financial information to the carrying amount of the investment in EIPL is as follows:

	Group	
	2024 RM	2023 RM
Net assets	10,132,237	8,114,851
Effective ownership interest	20%	20%
Carrying amount	2,026,448	1,622,911

9. Investments in joint ventures

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unquoted shares - at cost	1,523,002	750,001	750,052	750,001
Share of post-acquisition changes in net assets	(1,038,112)	(357,085)	0	0
	484,890	392,916	750,052	750,001

The details of the joint ventures are as follows:

Name of joint venture	Principal place of business/ Country of incorporation	Effective ownership interest 2024	Effective ownership interest 2023	Principal activity
Diamond Creeks Aquatech Sdn. Bhd.	Malaysia	50%	50%	Engaged in hatchery of freshwater aquaculture and related activities
Select Insulation Pty. Ltd.[a]	Australia	50%	50%	Wholesale and trading of building materials
Nexel Group Sdn Bhd (formerly known as PGF Malvest Sdn Bhd)	Malaysia	50%	0%	Dormant

[a] *Held through PGF Insulation Pty. Ltd.*

9. Investments in joint ventures (cont'd)

The joint ventures are not considered to be individually material to the Group. The Group's share of their comprehensive income in aggregate is as follows:

	Group	
	2024	**2023**
	RM	**RM**
Loss (representing comprehensive income)	(681,027)	(187,335)

10. Other investments

Group

	2024	**2023**
	RM	**RM**
Investment linked financial instruments - at fair value	807,420	768,045

The fair values of investment linked financial instruments were directly measured using their unadjusted market values quoted by insurance company.

11. Inventories

Group

	2024	**2023**
	RM	**RM**
Non-current assets		
Land held for property development	147,490,936	146,664,233
Current assets		
Completed development units	564,420	564,420
Raw materials	6,345,038	5,924,035
Consumables	4,625,297	4,172,761
Work-in-progress	0	34,136
Finished goods	14,926,008	18,190,552
Goods-in-transit	1,904,586	0
	28,365,349	28,885,904
Total inventories	175,856,285	175,550,137

Certain land held for property development with total carrying amount of RM22,615,677 (2023 : nil) has been pledged as security for credit facilities granted to the Group.

12. Deferred tax assets and deferred tax liabilities

Group

	2024 RM	2023 RM
Balance at 1 March	(30,854,722)	(25,042,502)
Deferred tax income/(expense) relating to origination and reversal of temporary differences	1,880,084	(5,555,220)
Deferred tax liabilities underprovided in prior year	(178,000)	(257,000)
Balance at 29/28 February	(29,152,638)	(30,854,722)
Disclosed as:		
- Deferred tax assets	1,341,864	713,780
- Deferred tax liabilities	(30,494,502)	(31,568,502)
	(29,152,638)	(30,854,722)
In respect of:		
- (Taxable)/Deductible temporary differences of:		
- Property, plant and equipment	(4,988,000)	(6,073,000)
- Inventories	(24,235,638)	(25,001,722)
- Financial instruments	71,000	197,000
- Unused investment tax allowances	0	23,000
	(29,152,638)	(30,854,722)

12. Deferred tax assets and deferred tax liabilities (cont'd)

Save as disclosed above, as at 29 February 2024, deferred tax liabilities and deferred tax assets have also effectively been recognised and offset against each other by the Group and the Company to the extent of RM6,956,000 and RM7,000 (2023 : RM1,410,000 and RM5,000) respectively. No further deferred tax assets have been recognised for the following excess of deductible temporary differences, unused capital allowances and tax losses over taxable temporary differences:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deductible temporary differences of:				
- Property, plant and equipment	277,000	0	8,000	0
- Right-of-use assets	0	6,000	0	6,000
- Inventories	6,737,000	6,233,000	0	0
- Financial instruments	356,000	256,000	0	0
- Lease liabilities	17,258,000	1,472,000	0	9,000
Unused capital allowances	11,537,000	6,570,000	354,000	309,000
Unused tax losses expiring in year of assessment:				
- 2028	15,400,000	15,400,000	0	0
- 2029	9,653,000	9,653,000	0	0
- 2030	192,000	195,000	189,000	189,000
- 2031	425,000	425,000	420,000	420,000
- 2032	1,714,000	1,714,000	970,000	970,000
- 2033	1,667,000	1,667,000	982,000	982,000
- 2034	1,839,000	0	71,000	0
- With no expiry date	2,579,000	1,008,000	0	0
Taxable temporary differences of:				
- Property, plant and equipment	(8,253,000)	(4,277,000)	0	(19,000)
- Right-of-use assets	(16,474,000)	(1,418,000)	(30,000)	0
- Biological assets	(67,000)	0	0	0
- Financial instruments	(11,000)	0	0	0
	44,829,000	38,904,000	2,964,000	2,866,000

The deductible temporary differences and unused capital allowances have no expiry date.

13. Biological assets

Group

	Tropical fruits RM	Aquaculture livestocks RM	Total RM
Balance at 1 March 2023	0	0	0
Purchases	0	40,600	40,600
Fair value gains	245,401	50,700	296,101
Harvest and sales	(229,401)	0	(229,401)
Balance at 29 February 2024	16,000	91,300	107,300
Estimated quantities:			
- Harvested during the year (kilograms)	12,184	0	0
- Unharvested at 29 February 2024 (kilograms)	848	2,254	3,102

Biological assets represent tropical fruits growing on trees and aquaculture livestocks and are measured at fair value less costs of disposal. The fair values were measured by multiplying the estimated quantities of biological assets of different age attributes by the observable current market prices of harvested biological assets prorated using a linear interpolation.

14. Receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current assets				
Amounts due from subsidiaries	0	0	8,546,147	20,781,975
Current assets				
Trade receivables:				
- Associate	1,402,171	5,266,019	0	0
- Joint venture	945,241	0	0	0
- Unrelated parties	18,918,220	12,903,579	0	0
	21,265,632	18,169,598	0	0
Other receivables	593,802	1,771,980	1,530	3,660
Amounts due from subsidiaries	0	0	827,118	8,874
Amount due from associate	0	2,000	0	0
Amounts due from joint ventures	934,989	0	7,449	0
	22,794,423	19,943,578	836,097	12,534
Dividend receivable	0	0	0	500,000
	22,794,423	19,943,578	836,097	512,534
Total receivables	22,794,423	19,943,578	9,382,244	21,294,509

14. Receivables (cont'd)

Trade receivables

The Group determines credit risk concentrations in terms of counterparties and geographical areas. As at 29 February 2024, the Group did not have any major credit risk concentration relating to any individual customer or counterparty. The credit risk concentration profile by geographical areas of trade receivables is as follows:

	Group	
	2024	**2023**
	RM	**RM**
Malaysia	6,960,903	7,013,541
Oceania	13,883,970	10,343,347
Others	420,759	812,710
	21,265,632	18,169,598

The credit terms of trade receivables range from 14 to 120 days. The Group uses past due information to assess the credit risk of trade receivables. The analysis by past due status is as follows:

	Group	
	2024	**2023**
	RM	**RM**
Not past due	19,277,092	16,728,161
1 to 30 days past due	331,256	390,288
31 to 60 days past due	368,208	45,841
61 to 90 days past due	200	0
More than 90 days past due	1,288,876	1,005,308
	21,265,632	18,169,598

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on trade receivables are not considered to be material and hence, have not been recognised.

Amounts due from related parties

The amounts due from related parties are unsecured, interest free and repayable on demand.

15. Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash and bank balances:				
- Interest earning	17,545,886	7,869,020	445,644	322,884
- Non-interest earning	7,008,808	10,768,639	4,840	1,880
	24,554,694	18,637,659	450,484	324,764
Term deposits	1,548,682	596,817	0	0
	26,103,376	19,234,476	450,484	324,764

Cash and cash equivalents are placed with reputable financial institutions with low credit risk. Accordingly, their expected credit losses are not considered to be material and hence, have not been recognised.

The term deposits have been pledged as security for credit facilities granted to the Group. Accordingly, these term deposits are not freely available for use.

The effective interest rates of interest earning bank balances and term deposits as at 29 February 2024 ranged from 2.70% to 4.44% (2023 : 2.45% to 3.75%) per annum.

For the purpose of statement of cash flows, cash and cash equivalents are presented net of pledged deposits as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash and cash equivalents	26,103,376	19,234,476	450,484	324,764
Term deposits pledged as security	(1,548,682)	(596,817)	0	0
	24,554,694	18,637,659	450,484	324,764

16. Payables

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Trade payables	3,234,800	3,774,456	0	0
Other payables	12,557,435	12,851,413	133,177	128,397
Amounts due to subsidiaries	0	0	8,093,991	8,305,477
	15,792,235	16,625,869	8,227,168	8,433,874

Payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Trade and other payables

The credit terms of trade and other payables range from 7 to 90 days.

Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest free and repayable on demand.

17. Loans and borrowings

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Secured				
Term loans	22,422,804	20,523,897	0	0
Unsecured				
Banker acceptances	1,103,495	2,727,370	0	0
Revolving credits	5,425,750	9,795,400	2,000,000	2,000,000
Onshore foreign currency loan	524,810	0	0	0
	29,476,859	33,046,667	2,000,000	2,000,000
Disclosed as:				
- Current liabilities	11,653,949	17,582,621	2,000,000	2,000,000
- Non-current liabilities	17,822,910	15,464,046	0	0
	29,476,859	33,046,667	2,000,000	2,000,000

Secured loans and borrowings are secured against certain property, plant and equipment (Note 4), right-of-use assets (Note 6) and inventories (Note 11).

The effective interest rates of loans and borrowings as at 29 February 2024 ranged from 4.23% to 7.68% (2023 : 3.72% to 7.07%) per annum.

Except for term loans, loans and borrowings are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Term loans are repayable over 7 to 10 years. The repayment analysis is as follows:

	Group 2024 RM	Group 2023 RM
Gross loan instalments:		
- Within 1 year	6,064,092	5,899,446
- 1 to 5 years	18,383,105	5,100,356
- After 5 years	3,003,566	11,814,962
Total contractual undiscounted cash flows	27,450,763	22,814,764
Future finance charges	(5,027,959)	(2,290,867)
Present value of term loans	22,422,804	20,523,897

The fair values of term loans were measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities. The fair values measured were considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximated to the effective interest rates of term loans.

18. Lease liabilities

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Gross lease liabilities:				
- Within 1 year	5,201,766	432,415	153,005	63,734
- 1 to 5 years	14,834,917	1,499,102	420,093	119,070
Total contractual undiscounted cash flows	20,036,683	1,931,517	573,098	182,804
Future finance charges	(2,237,318)	(289,055)	(57,637)	(17,618)
Present value of lease liabilities	17,799,365	1,642,462	515,461	165,186
Disclosed as:				
- Current liabilities	4,257,425	322,720	125,992	57,186
- Non-current liabilities	13,541,940	1,319,742	389,469	108,000
	17,799,365	1,642,462	515,461	165,186

The incremental borrowing rates applied to lease liabilities as at 29 February 2024 ranged from 3.91% to 6.61% (2023 : 2.05% to 7.50%) per annum.

19. Contract liabilities

Group

	2024	**2023**
	RM	**RM**
Sale of goods (Note (i))	319,060	256,132
Property development (Note (ii))	3,493,600	3,997,600
	3,812,660	4,253,732

(i) Contract liabilities from sale of goods

	2024	**2023**
	RM	**RM**
Balance at 1 March	256,132	441,920
Revenue recognised from opening contract liabilities	(256,132)	(441,920)
Excess of consideration over revenue recognised	319,060	256,132
Balance at 29/28 February	319,060	256,132

19. Contract liabilities (cont'd)

(ii) Contract liabilities from property development

	2024 RM	2023 RM
Balance at 1 March	3,997,600	4,697,600
Revenue recognised during the year	0	(700,000)
Cancellation of contracts	(504,000)	0
Balance at 29/28 February	3,493,600	3,997,600

20. Deferred income on government grants

Group

	2024 RM	2023 RM
Balance at 1 March	0	0
Grants related to property, plant and equipment	6,241,593	0
Amortisation	(484,784)	0
Balance at 29/28 February	5,756,809	0

A subsidiary received grants from the local government for modernisation and upgrading of facilities and equipment to undertake manufacturing activities. The grants covered 50% of the project costs subject to the limits approved by the local government.

21. Share capital

	2024		2023	
	Number of shares with no par value	RM	Number of shares with no par value	RM
Issued and fully paid				
Ordinary shares				
- Balance at 1 March	163,277,298	205,734,048	159,974,948	202,761,930
- Conversion of ICPS	893,700	804,330	3,302,350	2,972,118
- Balance at 29/28 February	164,170,998	206,538,378	163,277,298	205,734,048
Irredeemable convertible preference shares ("ICPS")				
- Balance at 1 March	76,685,124	7,668,512	0	0
- Issue of ICPS	0	0	79,987,474	7,998,747
- Conversion during the year	(893,700)	(89,370)	(3,302,350)	(330,235)
- Balance at 29/28 February	75,791,424	7,579,142	76,685,124	7,668,512
	239,962,422	214,117,520	239,962,422	213,402,560

21. Share capital

The salient features of the ICPS are as follows:

(i) The Company has full discretion over the declaration of dividends, if any. Dividends, if declared, shall be payable annually in arrears non-cumulatively.

(ii) The ICPS may be converted into new ordinary shares at the option of the ICPS holders at any time within 5 years commencing on and including the date of issue of the ICPS, 7 March 2022. Any remaining ICPS that is not converted by the expiry of the conversion period shall be automatically converted into new ordinary shares.

(iii) The ICPS can be converted into 1 new ordinary share at the conversion price of RM0.90.

22. Revenue

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Revenue from contracts with customers:				
- Sale of fibre glasswool and its related products	127,182,846	88,768,939	0	0
- Sale of melt-blown non-woven fabric	192,009	1,231,343	0	0
- Sale of completed development units	650,000	700,000	0	0
- Sale of tropical fruits	229,711	1,147	0	0
- Rendering of services	0	0	2,073,741	717,230
	128,254,566	90,701,429	2,073,741	717,230
Other sources of revenue:				
- Dividend income	0	0	7,729,600	3,500,000
- Operating lease income	388,000	409,600	0	0
	388,000	409,600	7,729,600	3,500,000
	128,642,566	91,111,029	9,803,341	4,217,230

Disaggregation of revenue from contracts with customers

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Geographical areas:				
- Malaysia	26,249,501	27,014,788	1,907,906	717,230
- Oceania	93,401,202	54,630,810	165,835	0
- Others	8,603,863	9,055,831	0	0
	128,254,566	90,701,429	2,073,741	717,230
Timing of revenue recognition:				
- At a point in time	128,254,566	90,701,429	0	0
- Over time	0	0	2,073,741	717,230
	128,254,566	90,701,429	2,073,741	717,230

Company

Information about disaggregation of revenue has not been disclosed as the Company derives revenue mainly from rendering management services to subsidiaries.

23. Impairment gains on financial assets

Group

	2024 RM	2023 RM
Trade receivables from contracts with customers	0	76,734

24. Depreciation

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Property, plant and equipment	7,386,641	8,176,750	14,695	14,736
Investment properties	130,032	130,032	0	0
Right-of-use assets	4,375,954	498,660	76,110	71,774
	11,892,627	8,805,442	90,805	86,510

25. Employee benefits expense (including directors' remuneration)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors of the Company:				
- Fees:				
- Current year	36,667	25,200	36,667	25,200
- Prior year	1,625	0	1,625	0
- Other short-term employee benefits	915,161	778,835	915,161	778,835
- Defined contribution plans	109,747	108,036	109,747	108,036
	1,063,200	912,071	1,063,200	912,071
Directors of subsidiaries:				
- Short-term employee benefits	1,284,695	798,978	0	0
- Defined contribution plans	101,897	62,236	0	0
	1,386,592	861,214	0	0
Other employees:				
- Short-term employee benefits	14,775,188	12,153,776	617,431	474,051
- Defined contribution plans	1,119,807	764,862	74,703	59,201
	15,894,995	12,918,638	692,134	533,252
	18,344,787	14,691,923	1,755,334	1,445,323

25. Employee benefits expense (including directors' remuneration) (cont'd)

The estimated money value of benefits received or receivable by certain directors otherwise than in cash is as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Directors of the Company	24,245	23,160	24,245	23,160
Director of subsidiary	2,717	0	0	0
	26,962	23,160	24,245	23,160

26. Profit before tax

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Profit before tax is arrived at after charging:				
Auditors' remuneration	142,500	148,000	35,000	30,000
Direct operating expenditure for investment properties generating rental income	123,857	123,725	0	0
Fee expense for financial instruments not measured at fair value through profit or loss	140,873	70,017	914	2,706
Impairment loss on property, plant and equipment[a]	345,327	373,102	0	0
Interest expense for financial liabilities not measured at fair value through profit or loss	1,920,907	1,264,558	98,343	45,757
Interest expense for lease liabilities	1,023,659	34,338	8,154	8,177
Inventories written down	93,794	45,426	0	0
Lease expense relating to:				
- Short-term leases	583,943	239,280	380	0
- Leases of low-value assets (other than short-term leases)	49,813	14,655	0	0
Loss on foreign exchange:				
- Realised	0	0	1,877	0
- Unrealised	285,229	1,286,823	121	0
Property, plant and equipment written off	2,944,246	4,483	0	11
and crediting:				
Amortisation of deferred income	484,784	0	0	0
Fair value changes in biological assets (net)	66,700	0	0	0
Fair value gains on financial instruments mandatorily measured at fair value through profit or loss	39,375	0	0	0
Gain on disposal of property, plant and equipment	94,569	81,552	48,999	0
Interest income for financial assets measured at amortised cost	286,899	165,640	29,433	18,348

[a] *Included in other expenses*

26. Profit before tax (cont'd)

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Operating lease income from inventories	55,600	0	0	0
Realised gain on foreign exchange	300,510	582,102	0	0
Reversal of inventories written down	0	10,743,869	0	0

27. Tax expense

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Tax based on results for the year:				
- Current tax	6,765,250	2,355,588	4,500	0
- Deferred tax	(1,880,084)	5,555,220	0	0
	4,885,166	7,910,808	4,500	0
Tax (over)/under provided in prior year:				
- Current tax	(130,316)	(151,678)	0	0
- Deferred tax	178,000	257,000	0	0
	4,932,850	8,016,130	4,500	0

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate on results for the year is as follows:

	Group 2024 %	Group 2023 %	Company 2024 %	Company 2023 %
Applicable tax rate	24.00	24.00	24.00	24.00
Non-deductible expenses	4.56	7.05	0.97	23.54
Non-taxable income	(2.61)	0.00	(25.23)	(49.45)
Tax incentives claimed	(3.37)	0.00	0.00	0.00
Effect of differential tax rates	(0.96)	0.00	0.00	0.00
Increase in unrecognised deferred tax assets	10.12	1.52	0.32	1.91
Average effective tax rate	31.74	32.57	0.06	0.00

28. Earnings per share

Group

The earnings per share is calculated by dividing the Group's profit for the financial year by the weighted average number of ordinary shares in issue during the year as follows:

	2024	2023
Profit for the financial year (RM)	10,456,177	16,272,059
Number of ordinary shares in issue at 1 March	163,277,298	159,974,948
Effect of conversion of irredeemable convertible preference shares	286,311	1,130,783
Weighted average number of ordinary shares for computing basic earnings per share	163,563,609	161,105,731
Number of irredeemable convertible preference shares deemed to have been converted for no consideration	24,832,759	13,641,393
Weighted average number of ordinary shares for computing diluted earnings per share	188,396,368	174,747,124
Basic earnings per share (sen)	6.39	10.10
Diluted earnings per share (sen)	5.55	9.31

29. Dividends

Group and Company

	2024 RM	2023 RM
In respect of the financial year ended 28 February 2023:		
- Interim dividend of 1.0 sen per ordinary share	0	1,617,878
- Final dividend of 1.0 sen per ordinary share	1,635,935	0
	1,635,935	1,617,878

A final dividend of 1.5 sen per ordinary share in respect of the financial year ended 29 February 2024 will be proposed for shareholders' approval at the forthcoming annual general meeting.

30. Notes to statements of cash flows

Acquisition of right-of-use assets

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cost of right-of-use assets acquired	19,746,213	1,431,747	475,007	0
Acquisition by means of leases	(19,527,002)	(1,359,747)	(413,500)	0
Net cash disbursed	219,211	72,000	61,507	0

30. Notes to statements of cash flows (cont'd)

Short-term loans and borrowings

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Balance at 1 March	12,522,770	6,229,400	2,000,000	0
Net cash flow changes	(5,555,976)	6,191,170	0	2,000,000
Currency translation differences	87,261	102,200	0	0
Balance at 29/28 February	7,054,055	12,522,770	2,000,000	2,000,000
Represented by:				
- Banker acceptances (Note 17)	1,103,495	2,727,370	0	0
- Revolving credits (Note 17)	5,425,750	9,795,400	2,000,000	2,000,000
- Onshore foreign currency loan (Note 17)	524,810	0	0	0
	7,054,055	12,522,770	2,000,000	2,000,000

Term loans

	Group	
	2024	2023
	RM	RM
Balance at 1 March	20,523,897	20,681,514
Drawdowns	6,193,128	4,526,914
Repayments	(5,172,577)	(5,869,154)
Other changes	90,398	0
Currency translation differences	787,958	1,184,623
Balance at 29/28 February (Note 17)	22,422,804	20,523,897

Lease liabilities

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Balance at 1 March	1,642,462	467,175	165,186	231,589
Acquisition of right-of-use assets	19,527,002	1,359,747	413,500	0
Payments	(3,386,644)	(184,460)	(63,225)	(66,403)
Currency translation differences	16,545	0	0	0
Balance at 29/28 February (Note 18)	17,799,365	1,642,462	515,461	165,186

30. Notes to statements of cash flows (cont'd)

Lease liabilities (cont'd)

The total cash outflow for leases is as follows:

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Operating activities				
Lease expense recognised in profit or loss (Note 26)	633,756	253,935	380	0
Investing activities				
Acquisition of right-of-use assets	219,211	72,000	61,507	0
Financing activities				
Interest portion of lease liabilities (Note 26)	1,023,659	34,338	8,154	8,177
Principal portion of lease liabilities	3,386,644	184,460	63,225	66,403
	5,263,270	544,733	133,266	74,580

31. Related party disclosures

Transactions with related parties during the financial year are as follows:

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Key management personnel compensation:				
- Short-term employee benefits	2,712,484	2,186,790	1,221,684	1,033,334
- Defined contribution plans	270,298	245,118	138,722	139,886
	2,982,782	2,431,908	1,360,406	1,173,220
Dividend declared from subsidiary	0	0	7,000,000	3,500,000
Dividend declared from associate	729,600	0	729,600	0
Rendering of services to subsidiaries	0	0	2,073,741	717,230
Sale of goods to associate	15,874,823	45,463,079	0	0
Sale of goods to joint venture	580,614	0	0	0
Subscription for shares in subsidiaries	0	0	18,000,000	500,000

32. Segment reporting

Group

Operating segments

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:

(i) Insulation
(ii) Property development
(iii) Investment holding

Other non-reportable segments comprise operations related to trading and manufacturing of melt-blown non-woven fabric, building and hygiene related products and plantation of tropical fruits.

Performance is measured based on segment profit/(loss) before tax, interest and share of results of equity accounted associate and joint ventures ("segment profit") as included in the internal management reports that are reviewed by the Group's Executive Chairman (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The total segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Executive Chairman. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Executive Chairman. Hence, no disclosure is made on segment liability.

32. Segment reporting (cont'd)

Operating segments (cont'd)

	Insulation RM	Property development RM	Investment holding RM	Others RM	Total RM
2024					
Segment assets	137,071,805	149,613,388	14,281,466	15,446,054	316,412,713
Included in the measure of segment assets are:					
- Additions to non-current assets	25,337,931	12,770	510,095	6,606,356	32,467,152
Segment profit/(loss)	19,811,524	(485,045)	545,450	(2,249,595)	17,622,334
Interest income	234,013	4,589	32,958	15,339	286,899
Interest expense	(2,582,984)	0	(267,035)	(94,547)	(2,944,566)
Share of associate's profit	0	0	1,105,387	0	1,105,387
Share of joint ventures' loss	0	0	(681,027)	0	(681,027)
Profit/(Loss) before tax	17,462,553	(480,456)	735,733	(2,328,803)	15,389,027
Tax expense	(4,469,308)	(10,000)	(452,792)	(750)	(4,932,850)
Profit/(Loss) for the financial year	12,993,245	(490,456)	282,941	(2,329,553)	10,456,177
Included in the measure of segment profit/(loss) are:					
- External revenue	127,182,846	650,000	388,000	421,720	128,642,566
- Depreciation	9,898,300	13,439	830,809	1,150,079	11,892,627
2023					
Segment assets	126,213,040	149,264,753	3,563,668	10,364,411	289,405,872
Included in the measure of segment assets are:					
- Additions to non-current assets	1,478,808	2,750	226,007	5,391,088	7,098,653
Segment profit/(loss)	13,808,238	10,323,994	2,499,895	(1,862,219)	24,769,908
Interest income	135,924	2,001	23,142	4,573	165,640
Interest expense	(1,025,563)	0	(265,740)	(7,593)	(1,298,896)
Share of associate's profit	0	0	838,872	0	838,872
Share of joint ventures' loss	0	0	(187,335)	0	(187,335)
Profit/(Loss) before tax	12,918,599	10,325,995	2,908,834	(1,865,239)	24,288,189
Tax expense	(5,139,976)	(2,581,025)	(295,129)	0	(8,016,130)
Profit/(Loss) for the financial year	7,778,623	7,744,970	2,613,705	(1,865,239)	16,272,059
Included in the measure of segment profit/(loss) are:					
- External revenue	88,768,939	700,000	409,600	1,232,490	91,111,029
- Reversal of land held for property development written down	0	10,743,869	0	0	10,743,869
- Depreciation	7,382,148	11,445	869,852	541,997	8,805,442

32. Segment reporting (cont'd)

Geographical information

Revenue and non-current assets are based on the geographical location of customers and assets respectively. The amounts of non-current assets do not include investment in an associate, investment in joint ventures and deferred tax assets. Geographical information for revenue is as disclosed in Note 22.

	Non-current assets	
	2024	2023
	RM	RM
Malaysia	216,216,154	214,315,497
Oceania	16,703,612	777,746
	232,919,766	215,093,243

Major customers

The major customers of the insulation segment that contributed 10% or more of the Group's total revenue are as follows:

	External revenue	
	2024	2023
	RM	RM
Customer I	15,849,815	29,783,307
Customer II	12,636,896	9,463,885
Customer III	18,028,570	4,873,002
	46,515,281	44,120,194

33. Contractual commitments

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Acquisition of property, plant and equipment	1,523,000	4,427,000	223,000	0

34. Financial guarantee contracts

Company

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of RM60,394,000 (2023 : RM53,932,000). The total utilisation of these credit facilities as at 29 February 2024 amounted to RM31,636,000 (2023 : RM35,459,000). No maturity analysis is presented for the financial guarantee contracts as the entire amount could be called at any time in the event of default by the subsidiaries.

The aforementioned financial guarantee contracts should have been recognised in the statement of financial position in accordance with the recognition and measurement policies as stated in Note 2.15. After considering that the probability of the subsidiaries defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

35. Financial risk management

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk, currency risk and interest rate risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

Credit risk

The Group's exposure to credit risk arises mainly from receivables and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statement of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 34.

The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an ongoing basis, setting and monitoring counterparties' limits and credit terms. The quantitative information about such credit risk exposure is disclosed in Note 14. As the Group only deals with reputable financial institutions, the credit risk associated with deposits placed with them is low.

Liquidity risk

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

35. Financial risk management (cont'd)

Currency risk

The Group's exposure to currency risk arises mainly from transactions entered into by individual entities within the Group in currencies other than their functional currencies. The major functional currencies within the Group are Ringgit Malaysia ("RM") and Australian Dollar ("AUD"), whereas the major foreign currencies transacted are US Dollar ("USD") and New Zealand Dollar ("NZD"). The gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are as follows:

	Group			
	Denominated in USD		Denominated in NZD	
	2024 RM	2023 RM	2024 RM	2023 RM
Receivables	196,695	807,666	4,107,760	1,522,067
Cash and cash equivalents	1,401,194	4,211,973	19,096	27,261
Payables	(596,798)	(1,166,554)	0	0
Loans and borrowings	(17,808,787)	(17,686,517)	0	0
	(16,807,696)	(13,833,432)	4,126,856	1,549,328

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways:

(i) The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies.

(ii) The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss and equity to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:

	Group Profit/(Loss) and equity	
	2024 RM	2023 RM
Appreciation of USD against RM by 2% (2023 : 5%)	(255,503)	(544,670)
Depreciation of USD against RM by 2% (2023 : 5%)	255,503	544,670
Appreciation of NZD against RM by 2% (2023 : 5%)	62,728	58,874
Depreciation of NZD against RM by 2% (2023 : 5%)	(62,728)	(58,874)

Interest rate risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely interest earning cash and cash equivalents, loans and borrowings and lease liabilities.

35. Financial risk management (cont'd)

Interest rate risk (cont'd)

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's policy to maintain a mix of fixed and floating rate financial instruments as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Fixed rate instruments				
Financial assets	19,094,568	8,465,837	445,644	322,884
Financial liabilities	(24,853,420)	(14,165,232)	(2,515,461)	(2,165,186)
Floating rate instruments				
Financial liabilities	(22,422,804)	(20,523,897)	0	0

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect its profit or loss and equity. For floating rate financial instruments measured at amortised cost, the following table demonstrates the sensitivity of profit or loss and equity to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:

	Group Profit/(Loss) and equity	
	2024	**2023**
	RM	**RM**
Increase in interest rates by 10 (2023 : 50) basis points	(18,469)	(77,991)
Decrease in interest rates by 10 (2023 : 50) basis points	18,469	77,991

36. Capital management

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity and total interest-bearing debts to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total interest-bearing debts divided by total equity as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loans and borrowings	29,476,859	33,046,667	2,000,000	2,000,000
Lease liabilities	17,799,365	1,642,462	515,461	165,186
Total interest-bearing debts	47,276,224	34,689,129	2,515,461	2,165,186
Total equity	211,816,298	202,212,365	221,986,838	215,520,115
Total capital	259,092,522	236,901,494	224,502,299	217,685,301
Debt-to-equity ratio (times)	0.22	0.17	0.01	0.01

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

List of Properties

	Location/Address	Tenure	Area	Description	Age of Assets (Years)	Carrying amount RM'000	Date of Acquisition
1.	Plot 255, Mukim 1 Prai Industrial Estate Seberang Perai Tengah Pulau Pinang	Leasehold (60 years expiring 25.10.2044)	6,142 sq. metres	Office and Factory Building)			
2.	Plot 254, Mukim 1 Prai Industrial Estate Seberang Perai Tengah Pulau Pinang	Leasehold (60 years expiring 14.05.2039)	10,117 sq. metres	Office and Factory Building)	38	7,441	01-03-1992
3.	Plot 4710, Mukim 1 Prai Industrial Estate Seberang Perai Tengah Pulau Pinang	Leasehold (60 years expiring 06.03.2041)	19,806 sq. metres	Office and Factory Building	16	9,003	12-08-2008
4.	Plot 254(a) Prai Industrial Park Seberang Perai Tengah Pulau Pinang	Leasehold (60 years expiring 12.09.2077	2,549 sq. metres	Office and Factory Building	8	488	20-04-2016
5.	Unit No. A12A.01 Lot No. 491, Section 10 Town of Georgetown North East District of Penang	Freehold	1,908 sq. metres	Light Industrial Lot	11	5,160	28-03-1996
6.	Diamond Creeks Country Retreat Mukim Ulu Bernam Timur, Daerah Batang Padang, Perak	Leasehold (99 years expiring 04.07.2095)	5,306,034 sq. metres	Land held for future Development and completed properties held for sale	27	148,055	21-02-1997

* For additional details please refer to Note 9 of the financial statements

Analysis of Shareholdings

As At 4 June 2024

Total number of issued Shares	:	(i) 181,245,448 ordinary shares (ii) 58,716,974 Irredeemable Convertible Preference Shares
Class of Shares	:	Ordinary shares Irredeemable Convertible Preference Shares ("ICPS")
Voting Rights	:	(i) One vote per Ordinary Share (ii) The ICPS does not carry any voting right except in circumstances as set out in the Company's Constitution

DIRECTORS' SHAREHOLDINGS IN ORDINARY SHARES

Name	Direct	%	Deemed	%
Fong Wah Kai	6,782,200	3.74	71,193,150[(i)]	39.28
Fong Wern Sheng	10,792,600	5.95	23,658,053[(i)]	13.05
Tan Ming Chong	303,500	0.17	-	-
Ofelia Cheah Loo Ee	-	-	-	-
Tan Jin Sun	-	-	-	-
Tan Suat Hoon	-	-	-	-

Note: -

(i) Deemed interested by virtue of Section 8(4) of the Companies Act 2016 ("Act")

CHIEF FINANCIAL OFFICER'S SHAREHOLDINGS IN ORDINARY SHARES

Name	Direct	%	Deemed	%
Loo Chee Hin	1,118,800	0.62	-	-

DIRECTORS' SHAREHOLDINGS IN ICPS

Name	Direct	%	Deemed	%
Fong Wah Kai	3,399,400	5.79	22,172,200[(i)]	37.76
Fong Wern Sheng	5,398,700	9.19	18,626,225[(i)]	31.72
Tan Ming Chong	80,400	0.14	-	-
Ofelia Cheah Loo Ee	-	-	-	-
Tan Jin Sun	-	-	-	-
Tan Suat Hoon	-	-	-	-

Note: -

(i) Deemed interested by virtue of Section 8(4) of the Act

CHIEF FINANCIAL OFFICER'S SHAREHOLDINGS IN ICPS

Name	Direct	%	Deemed	%
Loo Chee Hin	559,400	0.95	-	-

SUBSTANTIAL ORDINARY SHAREHOLDERS

Name of Shareholders	Direct	%	Deemed	%
Equaplus Sdn. Bhd.	71,193,150	39.28	-	-
Fong Wah Kai	6,782,200	3.74	71,193,150[(i)]	39.28
Green Cluster Sdn. Bhd.	23,658,053	13.05	-	-
Fong Wern Sheng	10,792,600	5.95	23,658,053[(i)]	13.05

Note: -
(i) Deemed interested by virtue of Section 8(4) of the Act

SUBSTANTIAL ICPS HOLDERS

Name of Holders	Direct	%	Deemed	%
Equaplus Sdn. Bhd.	22,172,200	37.76	-	-
Fong Wah Kai	3,399,400	5.79	22,172,200[(i)]	37.76
Green Cluster Sdn. Bhd.	18,626,225	31.72	-	-
Fong Wern Sheng	5,398,780	9.19	18,626,225[(i)]	31.72

Note: -
(i) Deemed interested by virtue of Section 8(4) of the Act

DISTRIBUTION ORDINARY SHAREHOLDINGS

No. of Holders	Size of Holdings	Total Holdings	%
81	Less than 100	1,253	0.00
1,299	100 to 1,000 shares	1,205,394	0.67
1,571	1,001 to 10,000 shares	5,943,802	3.28
205	10,001 to 100,000 shares	6,557,700	3.62
63	100,001 to less than 5% of issued shares	72,686,096	40.10
2	5% and above of issued shares	94,851,203	52.33
3,221	**TOTAL**	**181,245,448**	**100.00**

DISTRIBUTION OF SHAREHOLDINGS IN ICPS

No. of Holders	Size of Holdings	Total Holdings	%
4	Less than 100	177	0.00
73	100 to 1,000 shares	50,422	0.09
133	1,001 to 10,000 shares	476,850	0.81
39	10,001 to 100,000 shares	1,009,700	1.72
7	100,001 to less than 5% of issued shares	9,523,800	16.22
4	5% and above of issued shares	47,656,025	81.16
260	**TOTAL**	**58,716,974**	**100.00**

LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS

	Shareholder's Name	Shareholdings	%
1.	Equaplus Sdn. Bhd.	71,193,150	39.28
2.	Green Cluster Sdn. Bhd.	23,658,053	13.05
3.	Maybank Nominees (Tempatan) Sdn. Bhd. Fong Wern Sheng	6,510,600	3.59
4.	Tokio Marine Life Insurance Malaysia Bhd. As Beneficial Onwer (TMEF)	6,200,000	3.42
5.	Tan Seok Leng	5,539,600	3.06
6.	Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt An For AIA Bhd.	4,815,500	2.66
7.	Tan Chong Kheng	4,755,600	2.62
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Fong Wah Kai	4,440,600	2.45
9.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An For Citibank New York (Norges Bank 22)	3,200,000	1.77
10.	Koh Chye Khim	3,056,496	1.69
11.	HLB Nominees (Tempatan) Sdn. Bhd Pledged Securities Account For Lim Zee Ping	2,400,000	1.32
12.	Citigroup Nominees (Tempatan) Sdn. Bhd. Lembaga Tabung Haji (UOB)	2,350,000	1.30
13.	Fong Wah Kai	2,341,600	1.29
14.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Fong Wern Sheng	2,200,000	1.21
15.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Fong Wern Sheng (7000981)	2,050,000	1.13
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LPF)	2,000,000	1.10
17.	UOBM Nominees (Tempatan) Sdn. Bhd. UOB Asset Management (Malaysia) Berhad For Malaysian Timber Council (OF-EQ)	1,940,000	1.07
18.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lim Sim Tong	1,200,000	0.66
19.	Loo Chee Hin	1,118,800	0.62
20.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Zee Capital Sdn. Bhd.	1,000,000	0.55
21.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Jonathan Lai Jun Fei (7013331)	1,000,000	0.55
22.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LGF)	1,000,000	0.55
23.	Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Accounts For James Tan Chia Vern (Margin)	924,800	0.51
24.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities For Lim Sor Yee	920,000	0.51
25.	UOBM Nominees (Tempatan) Sdn. Bhd. UOB Asset Management (Malaysia) Berhad For FWD Aggressive Fund	900,000	0.50
26.	Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Accounts for Soon Kee Liat (Margin)	773,900	0.43
27.	Cartaban Nominees (Asing) Sdn. Bhd. Exempt An For Barclays Capital Securities Ltd (SBL/PB)	616,600	0.34
28.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Takaful Berhad (Mekar)	583,000	0.32
29.	HSBC Nominees (Asing) Sdn. Bhd. J.P. Morgan Securities PLC	516,300	0.29
30.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Takaful Berhad (CTPIA2)	500,000	0.28

LIST OF THIRTY (30) LARGEST ICPS HOLDERS

	ICPS Holder's Name	ICPS Holdings	%
1.	Equaplus Sdn. Bhd.	22,172,200	37.76
2.	Green Cluster Sdn. Bhd.	18,626,225	31.72
3.	Tan Seok Leng	3,602,300	6.14
4.	Maybank Nominees (Tempatan) Sdn. Bhd. Fong Wern Sheng	3,255,300	5.54
5.	Tan Chong Kheng	2,466,500	4.20
6.	Maybank Nominees (Tempatan) Sdn. Bhd. Fong Wah Kai	2,220,300	3.78
7.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Fong Wern Sheng	2,128,500	3.62
8.	Fong Wah Kai	1,179,100	2.01
9.	Geoffrey Lim Fung Keong	845,000	1.44
10.	Loo Chee Hin	559,400	0.95
11.	Low Hing Noi	125,000	0.21
12.	Tan Say Fung	90,000	0.15
13.	Tan Ming Chong	80,400	0.14
14.	Loke Pek Yoke	80,000	0.14
15.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Walter Wurtz	50,000	0.08
16.	Law Goo @ Law Yeow Ching	50,000	0.08
17.	Ooi Phuay Gim	49,500	0.08
18.	Lee Chee Seng	45,000	0.08
19.	Teh Bee Gaik	31,000	0.05
20.	Goh Sau Chong	30,000	0.05
21.	Tan Hock Soon	28,600	0.05
22.	Ng Boon Ho	25,000	0.04
23.	Teoh Choon Nooi	25,000	0.04
24.	Tio Seng Soon	23,000	0.04
25.	Teoh Ah Ba @ Teoh Peng Leng	22,500	0.04
26.	Chew Hong Woon	22,000	0.04
27.	Liew Thong	20,000	0.03
28.	Ng Wooi Ying	20,000	0.03
29.	Wong Park Yuen	20,000	0.03
30.	Wong Foong Phing	19,800	0.03

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 34th Annual General Meeting ("AGM") of the Company will be held at Kelawai Room, Lobby Level, Evergreen Laurel Hotel Penang, No. 53, Persiaran Gurney, 10250 Penang on 26 July 2024 at 10.00 a.m. for the following purposes: -

AGENDA

ORDINARY BUSINESS

1. To receive the Company's Audited Financial Statements for the year ended 29 February 2024 together with the Reports of Directors and Auditors thereon.

2. To approve the payment of a final dividend of 1.5 sen per ordinary share in respect of the financial year ended 29 February 2024. (Resolution 1)

3. To re-elect the following Directors, who retire in accordance with Article 88 of the Company's Constitution, and being eligible have offered themselves for re-election: -

   (a) Mr. Fong Wah Kai (Resolution 2)
   (b) Mr. Tan Ming Chong (Resolution 3)

4. To approve the Directors' Fees of RM36,667 for the financial year ended 29 February 2024. (Resolution 4)

5. To approve the Directors' Other Benefits Payables up to an amount of RM21,000 from 27 July 2024 to the next AGM of the Company. (Resolution 5)

6. To re-appoint Messrs Crowe Malaysia PLT as Auditors to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. (Resolution 6)

SPECIAL BUSINESS

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

7. **Authority to Issue Shares Pursuant to the Companies Act 2016**
   "THAT, subject always to the Companies Act 2016 ("Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the provisions of the Constitution of the Company and approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Board of Directors of the Company ("Board") be and is hereby empowered pursuant to Section 75 and 76 of the Act, to issue and allot shares in the capital of the Company, at any time upon such terms and conditions and for such purposes as the Board may, in its absolute discretion deem fit, provided that the aggregate number of the shares issued pursuant to this resolution does not exceed ten (10) per centum of the issued share capital of the Company for the time being and the Board be and is also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("Mandate") and that such authority shall continue in force until the conclusion of the next AGM of the Company;

   THAT pursuant to Section 85 of the Act read together with Article 10 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company in respect of the allotment and issuance of new Shares pursuant to the Mandate AND THAT such new Shares when allotted shall rank pari passu in all respects with the existing class of ordinary shares;

   AND FURTHER THAT the Board is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the allotment and issuance of new Shares pursuant to the Mandate." (Resolution 7)

8. To transact any other ordinary business for which due notice has been given in accordance with the Act.

NOTICE IS HEREBY GIVEN that for purpose of determining a member who shall be entitled to attend this 34th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, to issue a General Meeting Record of Depositors as at 19 July 2024. Only a depositor whose name appears on the Record of Depositors as at 19 July 2024 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that, subject to the approval of the shareholders at the 34th Annual General Meeting, a final dividend of 1.5 sen per ordinary share in respect of the financial year ended 29 February 2024 will be paid on 15 August 2024 respectively to depositors registered in the Records of Depositors on 1 August 2024.

A depositor shall qualify for entitlement only in respect of: -

(a) Shares transferred into the depositor's securities account before 4.00 p.m. on 1 August 2024 in respect of transfers; and
(b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

Ch'ng Lay Hoon
SSM PC No.: 201908000494
MAICSA 0818580
Company Secretary

Penang

28 June 2024

NOTES:

i) A member of the Company entitled to attend, speak and vote at this meeting is entitled to appoint a proxy to attend and vote in his place.

ii) Where a member appoints more than one (1) proxy [but not more than two (2)], the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.

iv) Where a member of the Company is an exempt authorized 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 authorized nominee may appoint in respect of each omnibus account it holds.

v) All forms of proxy must be deposited at the Company's registered office at Suite 12A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown Penang, not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjournment thereof.

Explanatory Note On Special Business

Ordinary Resolution 7
The proposed resolution is in relation to authority to allot shares pursuant to Section 76 of the Act, and if passed, will give a renewed mandate to the Directors of the Company, from the date of above AGM, authority to issue and allot shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being, for such purposes as the Directors consider would be in the interest of the Company. The Mandate, unless revoked or varied at a general meeting of the Company, will expire at the conclusion of the next AGM of the Company or the period within which the next AGM of the Company is required by law to be held whichever is the earlier.

As at the date of this Notice, no new shares in the Company were issued pursuant to the Mandate granted to the Directors of the Company at the 33rd AGM held on 28 July 2023 and which will lapse at the conclusion of the 34th AGM.

At this juncture, there is no decision to issue new shares. However, should the need arise to issue new shares the Mandate would avoid any delay and costs in convening a general meeting of the Company to specifically approve such issue of share. If there should be a decision to issue new shares after the Mandate is obtained, the Company would make an announcement in respect of the purpose and utilization of the proceeds arising from such issue.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements

1) Save for re-election of the retiring Directors, there were no directors standing for election at the 34th AGM.

   The retiring Directors have confirmed that they do not have any conflict of interest or potential conflict of interest that arise, or might arise, where they have interest, whether direct or indirect financial interest as well as non-financial interest or competing loyalties or interests which are in conflict with the Company or its subsidiaries.

2) The proposed Ordinary Resolution 7 for the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors of the Company at last AGM held on 28 July 2023.

PROXY FORM

CDS ACCOUNT NO.	NO. OF SHARES HELD

I/We, ____
Full name of a member in BLOCK LETTERS as per Identity Card("MYKAD")/Passport/Certificate of Incorporation)

MYKAD/Passport No./Company No. ______________________________ of ____________________

____
(Address in full)

telephone no. ______________________________ , being a member of PGF CAPTIAL BERHAD.

("Company") hereby appoint ____
(Full name of proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD/Passport No. ______________________________ of ____________________

____
(Address in full)

And/or failing him ____
(Full name of proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD/Passport No. ______________________________ of ____________________

____
(Address in full)

or failing the abovenamed proxies, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the 34th Annual General Meeting of the Company, to be held at **Kelawai Room, Lobby Level, Evergreen Laurel Hotel Penang, No. 53, Persiaran Gurney, 10250 Penang on 26 July 2024 at 10.00 a.m.** and any adjournment thereof. My/our proxy/proxies is to be vote as indicated below:

	Resolution	**For**	**Against**
1.	Approval of Final Dividend of 1.5 sen for the financial year ended 29 February 2024		
2.	Re-election of Mr. Fong Wah Kai as Director		
3.	Re-election of Mr. Tan Ming Chong as Director		
4.	Approval of Directors' Fees for the financial year ended 29 February 2024		
5.	Approval of Directors Other Benefits Payable up to RM21,000		
6.	Re-appointment of Auditors		
7.	Approval for Directors to issue shares pursuant to Section 76 of the Companies Act 2016		

(Please indicate with "X" in the spaces on how you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain from voting at his discretion.)

Dated this ______ day of __________ 2024

The proportions of my/or holding to be represented by my/our proxies are as follows: -		
	No. of Shares	Percentage
First Proxy		
Second Proxy		
Total		**100%**

____
Signature(s)/Common Seal of Member(s)

NOTES:

1. *A member entitled to attend and vote at this meeting may appoint more than one (1) proxy, who need not be a member, to attend and vote in his stead. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
2. *If the appointer is a corporation, the form of proxy must be executed under its Common Seal or under the hand of its officer or attorney duly authorised.*
3. *Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.*
4. *To be valid, the duly completed form of proxy must be deposited at the Company's registered office at Suite 12A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang, not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjournment thereof.*
5. *For the purpose of determining a member who shall be entitled to attend this 34th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, to issue a General Meeting Record of Depositors as at 19 July 2024. Only a depositor whose name appears on the Record of Depositors as at 19 July 2024 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.*

Personal Data Privacy:
By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM of the Company and any adjournment thereof.

2nd fold here

Stamp

The Company Secretary
PGF Capital Berhad
197801005142 (42138-X)
Suite 12-A, Level 12
Menara Northam
No. 55 Jalan Sultan Ahmad Shah
10050 Georgetown, Penang

1st fold here

This page is intentionally left blank.

This page is intentionally left blank.

PGF Capital Berhad
(197801005142 (42138-X))

No.2449, Lorong Perusahaan Sepuluh,
Kawasan Perusahaan Perai,
13600 Perai, Penang, Malaysia

: +604-390 8460
: mail@pgfcapital.com.my

www.pgfcapital.com.my