

EMBRACING CHANGE, UNLOCKING POTENTIAL

ANNUAL REPORT 2024





C O V E R R A T I O N A L E

EMBRACING CHANGE, UNLOCKING POTENTIAL

Embracing Change;
Through culture of resilience, agility, and innovation;
Turning challenges into opportunities for growth;
Unlocking Potential.



48TH

A N N U A L G E N E R A L M E E T I N G

VENUE

Tricor Business Centre,
Gemilang Room,
Unit 29-02,
Level 29, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Malaysia

DATE

Wednesday, 10 July 2024

TIME

11.00 a.m.

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O U R
S H A R E D
V A L U E S

Our Core Values define
who we are and form the
basis of a performance
driven culture:

- HONOURABLE
- PROFESSIONAL
- RESOURCEFUL
- RESILIENT
- AGILE





NOTICE IS HEREBY GIVEN THAT the 48th Annual General Meeting of the Company will be conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-02, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (“Broadcast Venue”) on Wednesday, 10 July 2024 at 11.00 a.m. to transact the following businesses:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements together with the Directors’ and Auditors’ reports for the financial year ended 31 January 2024. Please refer to Note 2

To consider and if thought fit, to pass the following Ordinary Resolutions:

2. To approve payment of a final single tier dividend of 5 sen per ordinary share in respect of the financial year ended 31 January 2024. Ordinary Resolution 1
3. (i) To re-elect Tan Sri Dato’ Seri Ir. Shamsuddin bin Abdul Kadir who retires by rotation pursuant to Article 110 of the Company’s Constitution and being eligible, offers himself for re-election. Ordinary Resolution 2
- (ii) To re-elect Encik Ir. Md. Shah bin Hussin who retires by rotation pursuant to Article 110 of the Company’s Constitution and being eligible, offers himself for re-election. Ordinary Resolution 3
- (iii) To re-elect Datin Noor Lily Zuriati binti Abdullah who retires pursuant to Article 114 of the Company’s Constitution and being eligible, offers herself for re-election. Ordinary Resolution 4
4. To reappoint Messrs. Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. Ordinary Resolution 5
5. Directors’ Fees
- (i) To approve the payment of Directors’ fees amounting to RM468,876 for the Non-Executive Directors in respect of the financial year ended 31 January 2024. Ordinary Resolution 6
Please refer to Note 5
- (ii) To approve the payment of Directors’ remuneration (excluding Directors’ fees) to the Non-Executive Directors up to an amount of RM142,000 from the date of this Annual General Meeting until the next Annual General Meeting of the Company in year 2025. Ordinary Resolution 7
Please refer to Note 5

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:

6. Authority for Directors to issue shares under Sections 75 & 76 of the Companies Act, 2016 Ordinary Resolution 8
Please refer to Note 6

“THAT subject to the Companies Act, 2016 (“the Act”), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to allot and issue shares in the Company from time to time and at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

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

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

7. To approve the retention of Encik Ir. Md. Shah bin Hussin as an Independent Non-Executive Director who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance 2021 until the conclusion of the next Annual General Meeting.

Ordinary Resolution 9
Please refer to Note 7

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a final single tier dividend of 5 sen per ordinary share in respect of the financial year ended 31 January 2024, if approved by the shareholders at the 48th Annual General Meeting, will be payable on 15 August 2024 to Depositors registered in the Record of Depositors at the close of business on 31 July 2024.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 31 July 2024 in respect of ordinary transfers; and
- b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

LIYANA LEE BINTI ABDULLAH

(SSM Practising Certificate No. 202008001402)

(MIA 10293)

Company Secretary

Bandar Baru Bangi, Selangor Darul Ehsan

31 May 2024

NOTES:**1. IMPORTANT NOTICE**

The 48th AGM will be conducted virtually through live streaming from the Broadcast Venue. Shareholders are to participate and vote remotely at the 48th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at <https://tiih.online>. Please follow the procedures in the Administrative Guide on 48th Annual General Meeting and take note of Notes (3) and (4) below in order to participate remotely via RPV. The Administrative Guide can also be found at the Company's website at www.sapuraindustrial.com.my.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend the 48th AGM in person at the Broadcast Venue on the day of the meeting.

2. Audited Financial Statements

This Agenda is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act, 2016 and the Company's Constitution, the Audited Financial Statements need not be approved by the shareholders and hence, the matter will not be put forward for voting.

3. Proxy Forms

Only a member whose name appears in the Record of Depositors of the Company as at 1 July 2024 shall be entitled to participate and vote at this Meeting via RPV.

A member of the Company who is entitled to participate and vote at this Meeting is entitled to appoint not more than two (2) proxies to participate and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation as to the qualification of the proxy.

Where a member is an authorised nominee (as defined under the Securities Industry (Central Depositories) Act 1991), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Where a member appoints two (2) proxies to participate at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

The instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporate member, shall be either under its Common Seal or signed by its attorney or an officer of the corporation duly authorised.

The instrument appointing a proxy must be deposited with the Shares Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, deposit the proxy form electronically via TIIH Online at <https://tiih.online>, not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof.

4. Corporate Representative

As an alternative to the appointment of a proxy, a corporate member may appoint its corporate representative to participate and vote at this Meeting pursuant to Section 333(1) of the Companies Act, 2016. For this purpose and pursuant to Section 333(5) of the Companies Act, 2016, the corporate member shall provide a certificate as prima facie evidence of appointment of the corporate representative. The corporate member may submit the certificate to the Registrar's Office of the Company prior to the commencement of this Meeting.

5. Directors' Fees and Remuneration

Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 48th Annual General Meeting on the directors' remuneration in two (2) separate resolutions as below:

- Ordinary Resolution 6 on payment of Directors' fees for the financial year ended 31 January 2024 amounting RM468,876.
- Ordinary Resolution 7 on payment of Directors' remuneration (excluding Directors' fees) in respect of the period from the date of this Annual General Meeting until the next Annual General Meeting in year 2025 up to an amount of RM142,000, comprising meeting allowances, directors' and officers' liability insurance premium, medical coverage and other claimable benefits.

The Company pays Directors' fees and benefits to the Non-Executive Directors. The Executive Directors do not receive any fees and benefits as Directors but they are remunerated with salary, benefits and other emoluments by virtue of their Employment Contract.

6. Ordinary Resolution pursuant to Sections 75 & 76 of the Companies Act, 2016

The proposed Ordinary Resolution 8 is intended to renew the authority granted to the Directors of the Company at the last 47th AGM of the Company held on 20 June 2023, to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being ("renewed mandate"). Should the renewed mandate be exercised, it will enable the Directors to take swift action in case of a need for corporate exercises or fund-raising activities or in the event business opportunities arise which involve the issuance of new shares and to avoid delay and cost in convening general meetings to approve such issuance of shares. The proceeds

raised from the corporate exercises or fund-raising activities will be utilised for funding future investment projects, working capital and/or acquisitions.

After having considered all aspects of the renewed mandate, the Board is of the opinion that the adoption of the renewed mandate would be in the best interest of the Company and its shareholders, on the basis that it is the most optimum and cost efficient method of fund raising for the Company.

As at the date of this Notice, no new shares in the Company had been issued pursuant to the mandate granted to the Directors at the last AGM held on 20 June 2023 which will lapse at the conclusion of the forthcoming 48th AGM.

7. Proposed Retention of Independent Director

Practice 5.3 of the Malaysian Code on Corporate Governance 2021 provides that shareholders' approval be sought in the event the Company intends for an Independent Director who has served in the capacity for more than nine

(9) years, to continue to act as Independent Director of the Company, through a two-tier voting process.

Encik Ir. Md. Shah bin Hussin has been the Company's Independent Director for more than 9 years on a cumulative basis respectively. The proposed Ordinary Resolution 9, if passed, will allow Encik Ir. Md. Shah bin Hussin to continue acting as Independent Director of the Company until the conclusion of the next Annual General Meeting.

Details of the Board's justification and recommendation for the retention of Encik Ir. Md. Shah bin Hussin as Independent Director are set out in the Corporate Governance Overview Statement on page 53 of the Annual Report.

Statement Accompanying Notice of the 48th Annual General Meeting

Pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The details of the Directors who are standing for re-election and retention as per Agenda 3 & 7 of the Notice of 48th Annual General Meeting are provided in the "Directors' Profile" on pages 16 to 21 of this Annual Report. Details of their interests in the securities of the Company are set out in the "Analysis of Shareholdings" on page 144 of this Annual Report.



H I G H
P R E C I S I O N
M A C H I N I N G

We manufacture high value precision and critical parts for the automotive industry that meet the strictest quality standards.





INSULATOR INTAKE
MONIFOLD D63D





Sapura Industrial Berhad started its business in automotive components manufacturing in the early 1980s through an acquisition of a coil spring business from Henderson's Ltd., Australia. Taking off from just the coil spring - Sapura Industrial has since expanded its business to include high precision machining of engine, transmission and brake components, manufacture of stabiliser bars and assembly of chassis modular components for the automotive industry as well as producing cold drawn high-grade structured steel bars used in the automotive, electrical & electronics industries.



As the business expanded in tandem with Malaysia's automotive industry, a holding company was established in 1994 under the name of Sapura Motors Berhad. The Company was subsequently listed on the Second Board of Bursa Securities Malaysia Berhad on 9 May 1997, before it was transferred to the Main Board on 14 January 2004. In August that same year, the Company assumed its present name of Sapura Industrial Berhad, to reflect its diverse business activities.

As the Company continues to evolve with the times, the one thing that has remained constant is our corporate core values. In every phase of Sapura Industrial Berhad's transformation journey, these core values have been the driving force behind our success and form the basis of a performance-based culture. Today, Sapura Industrial has become a name synonymous with quality, reliability and service excellence and this has been borne out by the awards and accolades we have received from industry peers and giants in the automotive industry at home and abroad.

Sapura Industrial has earned its standing in the industry through sheer determination, far-sightedness and plain hard work. Backed by a solid track record and with all the prerequisites in place, Sapura Industrial is preparing for the next thrust forward. The Company is now set to take on the entrepreneurial challenge of carving out a larger presence in the international marketplace. The way to success is through our people and because of their dedication, professionalism and teamwork, we are confident we will grow our businesses and achieve further value for the benefit of all our stakeholders.



Board of Directors

- 1 **Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir**
Executive Chairman
- 2 **Tan Sri Dr. Azmil Khalili bin Dato' Khalid**
*Deputy Chairman,
Senior Independent Non-Executive Director*
- 3 **Puan Sri Datin Seri Mariam Parineh**
Executive Director
- 4 **Datuk Syed Izuan bin Syed Kamarulbahrin**
Independent Non-Executive Director
- 5 **Datin Noor Lily Zuriati binti Abdullah**
Independent Non-Executive Director
- 6 **Ir. Md. Shah bin Hussin**
Independent Non-Executive Director

Board Audit Committee

Datuk Syed Izuan bin Syed Kamarulbahrin
(Chairman)
Ir. Md. Shah bin Hussin
Datin Noor Lily Zuriati binti Abdullah

Board Nomination and Remuneration Committee

Tan Sri Dr. Azmil Khalili bin Dato' Khalid
(Chairman)
Puan Sri Datin Seri Mariam Parineh
Ir. Md. Shah bin Hussin

Director in Charge of Shareholders' Communications

Tan Sri Dr. Azmil Khalili bin Dato' Khalid
Senior Independent Non-Executive Director

Email:
director-sib@sapuraindustrial.com.my
or
Mail to:
Lot 2 & 4, Jalan P/11, Seksyen 10
Kawasan Perindustrian Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan

Company Secretary

Liyana Lee binti Abdullah
*(SSM Practising Certificate
No. 202008001402)
(MIA No: 10293)*

Nor Azhani binti Amran
*(SSM Practising Certificate
No. 202008001351)
(LS0009127)*

Registered Office

Lot 2 & 4, Jalan P/11, Seksyen 10
Kawasan Perindustrian Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan
Tel : +603-8925 6011
Fax : +603-8925 8292

Auditors

Ernst & Young PLT
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : +603-7495 8000
Fax : +603-2095 9076/78

Share Registrar

Tricor Investor & Issuing House Services Sdn. Bhd.

Office:
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603-2783 9299
Fax : +603-2783 9222

Customer Service Centre:
Unit G-3, Ground Floor
Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

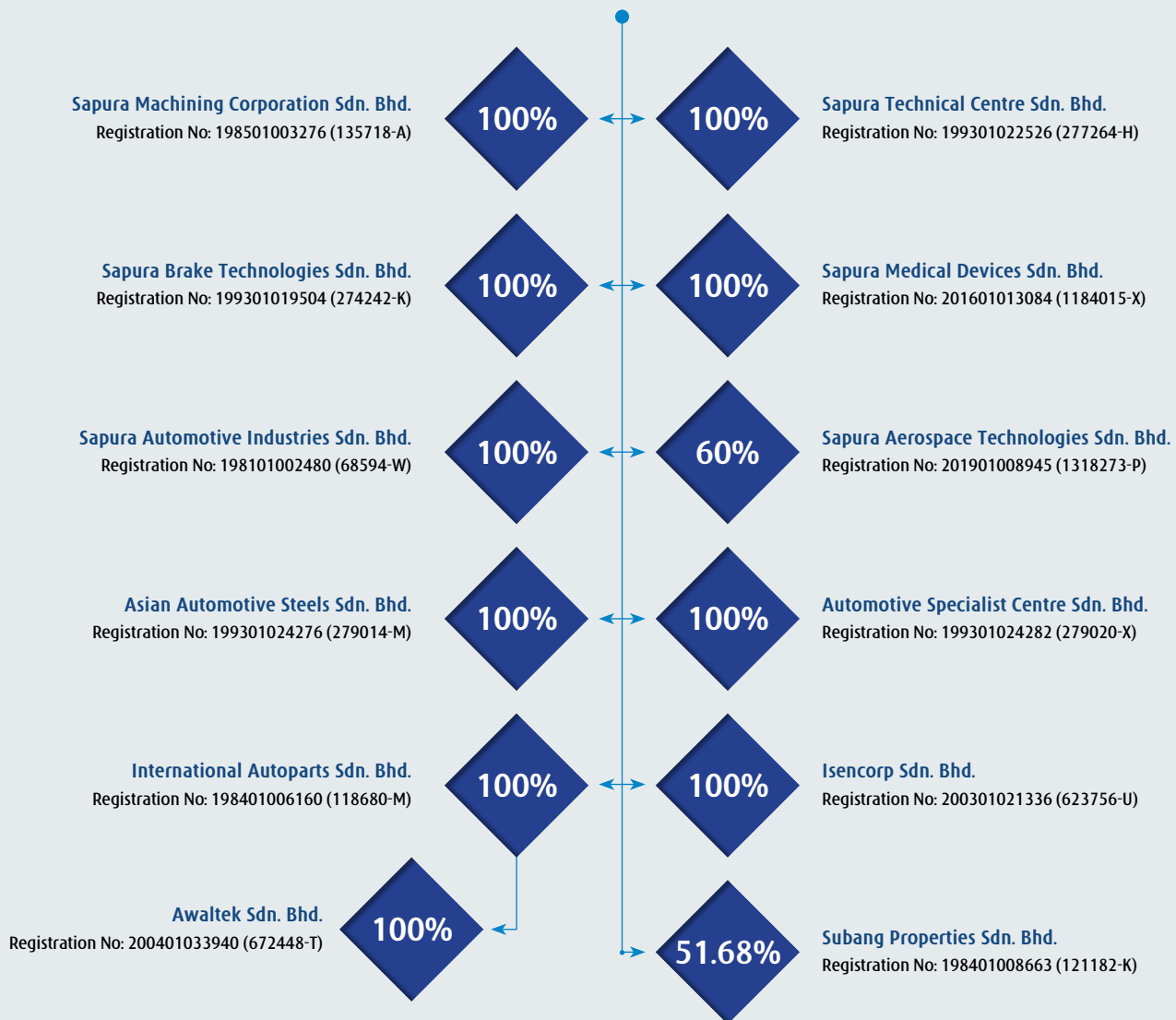
Stock Exchange Listing

Main Market
Bursa Malaysia Securities Berhad
Stock Name : SAPIND
Stock Code : 7811



Sapura Industrial Berhad

Registration No: 197401000510 (17547-W)



**DATUK SYED IZUAN BIN SYED
KAMARULBAHRIN**

Independent
Non-Executive Director

**TAN SRI DATO' SERI IR.
SHAMSUDDIN BIN ABDUL
KADIR**

Executive Chairman

**TAN SRI DR. AZMIL KHALILI
BIN DATO' KHALID**

Deputy Chairman,
Senior Independent
Non-Executive Director



**PUAN SRI DATIN SERI
MARIAM PARINEH**

Executive Director

IR. MD. SHAH BIN HUSSIN

Independent
Non-Executive Director

**DATIN NOOR LILY ZURIATI
BINTI ABDULLAH**

Independent
Non-Executive Director





TAN SRI DATO' SERI IR. SHAMSUDDIN BIN ABDUL KADIR

Position	Gender	Age	Nationality
Executive Chairman		92	

Date of Appointment
12 March 1974

Number of Board Meetings Attended

Membership of Board Committee
Nil

TAN SRI DATO' SERI IR. SHAMSUDDIN BIN ABDUL KADIR WAS APPOINTED TO THE BOARD OF SAPURA INDUSTRIAL BERHAD AS A NON-EXECUTIVE DIRECTOR AND CHAIRMAN ON 12 MARCH 1974. HE WAS APPOINTED AS EXECUTIVE CHAIRMAN ON 26 JUNE 2013.

Tan Sri Shamsuddin is the Founder of Sapura Holdings and Sapura Group of Companies. Well into its 49th year, the Sapura Group has since diversified and currently participates in key industries through three public listed companies. Sapura Industrial Berhad started its business in automotive components manufacturing in the early 1980s when Tan Sri Shamsuddin first acquired the coil spring business from Henderson's Ltd., Australia. Sapura Industrial Berhad has since evolved into a leading player in the automotive industry.

Tan Sri Shamsuddin graduated from Brighton Technical College in the United Kingdom and began his career at Telekom Malaysia where he held several key positions. In 1975, he formed the Sapura Group which has since grown into a leading knowledge and technology company in Malaysia. In 2007, University of Brighton, United Kingdom conferred the Honorary Degree of Doctor of Science to Tan Sri Shamsuddin in recognition of his outstanding contribution to engineering development in Malaysia and the development of the Brighton Alumni Association of Malaysia.

Tan Sri Shamsuddin is a senior fellow of the Institute of Engineers Malaysia and Academy of Science Malaysia. In 2011, he received the "Jewels of Muslim World" award from OIC Today Magazine in collaboration with OIC International Business Centre, for his contributions in the development of the Malaysian and Muslim world economy.



TAN SRI DR. AZMIL KHALILI BIN DATO' KHALID

Position
Deputy Chairman,
Senior Independent Non-Executive Director

Gender



Age

63

Nationality



Date of Appointment
20 March 2023

**Number of Board
Meetings Attended**

Membership of Board Committee

- Board Nomination and Remuneration Committee - Chairman

5/5

TAN SRI DR. AZMIL KHALILI BIN DATO' KHALID WAS FIRST APPOINTED TO THE BOARD OF SAPURA INDUSTRIAL BERHAD ON 20 MARCH 2023 AND SUBSEQUENTLY APPOINTED AS DEPUTY CHAIRMAN ON 14 JUNE 2023. TAN SRI DR. AZMIL IS THE CHAIRMAN OF THE BOARD NOMINATION AND REMUNERATION COMMITTEE OF SAPURA INDUSTRIAL BERHAD.

Tan Sri Dr. Azmil began his career with a United Kingdom company, Tarmac National Construction. Upon his return to Malaysia, he worked for Trust International Insurance and Citibank NA. He was the President and Chief Executive Officer of both The Alloy Mtd Group and ANIH Berhad from April 2011 to August 2017. He joined MTD Capital Bhd in 1993 as General Manager of Corporate Planning and held the position of Group Managing Director and Chief Executive Director in March 1996 before assuming the position as Group President and Chief Executive Officer of The MTD Group from April 2005 to April 2011. He was also the President and Chief Executive Officer of MTD Capital Bhd's listed subsidiary namely, MTD ACPI Engineering Berhad and was also the Chairman of MTD Walkers PLC, a foreign subsidiary of MTD Capital Bhd listed on the Colombo Stock Exchange in the Republic of Sri Lanka.

Currently, Tan Sri Dr. Azmil is the Chairman of the Board of Reach Energy Berhad, UEM Edgenta Berhad, Elridge Energy Holdings Berhad and Cenviro Sdn. Bhd. He is also a Director of ANIHH Berhad, a public company.

Tan Sri Dr. Azmil holds a Doctorate of Science (Honorary) from University of Hertfordshire, England, Master of Business Administration from California State University, Dominguez Hills, United States of America and Bachelor of Science in Civil Engineering, University of Hertfordshire, England, and Northrop University, Los Angeles, United States of America.



DATUK SYED IZUAN BIN SYED KAMARULBAHRIN

Position
Independent Non-Executive Director

Gender



Age

54

Nationality



Date of Appointment
21 January 2022

Number of Board
Meetings Attended

Membership of Board Committee

- Board Audit Committee - Chairman

6/6

DATUK SYED IZUAN BIN SYED KAMARULBAHRIN WAS FIRST APPOINTED TO THE BOARD OF SAPURA INDUSTRIAL BERHAD ON 21 JANUARY 2022 AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR. DATUK SYED IZUAN IS THE CHAIRMAN OF THE BOARD AUDIT COMMITTEE OF SAPURA INDUSTRIAL BERHAD.

Datuk Syed Izuan started his career with Price Waterhouse in 1993, carrying out statutory audit on private and public limited companies. After spending several years with Price Waterhouse, Datuk Syed Izuan joined the Business Development & Corporate Affairs Department of Malaysian Resources Corporation Berhad. He later moved and held several positions within The Sapura Group, initially as an Investment Manager and later was appointed as the Chief Financial Officer. Subsequently, he left to join Tradewinds Plantation Berhad as its Chief Financial Officer. Later in 2012, Datuk Syed Izuan joined The Weststar Group, which is primarily involved in the automotive, aviation, construction & property, defense and engineering, as the Group Financial Adviser. He has more than 30 years of experience in corporate financing, mergers and acquisition, accounting and advisory.

Datuk Syed Izuan currently sits on the Board of Kumpulan Perangsang Selangor Berhad as an Independent Non-Executive Director. He also sits on the Board of Wasiyyah Shoppe Berhad, a public company.

A graduate from Emile Woolf College of Accountancy, London, Datuk Syed Izuan is a Fellow Member of the Association of Chartered Certified Accountants UK, a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.



PUAN SRI DATIN SERI MARIAM PARINEH

Position
Executive Director

Gender



Age

47

Nationality



/Malaysian PR

Date of Appointment
7 September 2020

Number of Board
Meetings Attended

6/6

Membership of Board Committee

- Board Nomination and Remuneration Committee - Member

PUAN SRI DATIN SERI MARIAM PARINEH WAS FIRST APPOINTED TO THE BOARD OF SAPURA INDUSTRIAL BERHAD ON 7 SEPTEMBER 2020 AS A NON-INDEPENDENT NON-EXECUTIVE DIRECTOR AND WAS REDESIGNATED AS EXECUTIVE DIRECTOR ON 1 JANUARY 2024. PUAN SRI MARIAM IS A MEMBER OF THE BOARD NOMINATION AND REMUNERATION COMMITTEE OF SAPURA INDUSTRIAL BERHAD.

Puan Sri Mariam is a business development and marketing strategist, passionate about doing business differently with keen interest in business growth strategy through alignment.

She started her entrepreneurial career in Malaysia with her first company in stone care and restoration which she later sold to start a business consultancy. She has guided many companies through expansion and is experienced in business strategy pivoting. She has a keen interest in the entrepreneurial journey of new organisations as well as innovations within established organisations. She has invested and grown companies involved in a wide range of industries from retail fashion, Consumer products, digital healthcare, and agtech marketplace solutions.

She founded a company as a way to invest in and create opportunities to empower women in business and catapult businesses that focus on customer empowerment. Recently, she founded VivaValet.com an agtech start-up she founded to transform and autonomize the way we age in place, leading the market in UI/UX design for older adults.

Outside her professional life, she supports the empowerment and advancement of disadvantaged or marginalised women around the world. She is a co-founder and impact investor of the Malaysia Baby Box Project.

Puan Sri Mariam studied a Bachelor of Science in Managerial Economics at University of California, Davis. She later continued her studies in the Executive Management Programme at Columbia University, New York and Harvard Business School, Massachusetts.



ENCIK IR. MD. SHAH BIN HUSSIN

Position
Independent Non-Executive Director

Gender



Age

73

Nationality



Date of Appointment
1 September 1997

Number of Board
Meetings Attended

Membership of Board Committee

- Board Audit Committee - Member
- Board Nomination and Remuneration Committee - Member

6/6

ENCIK IR. MD. SHAH BIN HUSSIN WAS FIRST APPOINTED TO THE BOARD OF SAPURA INDUSTRIAL BERHAD ON 1 SEPTEMBER 1997. HE BECAME A NON-INDEPENDENT NON-EXECUTIVE DIRECTOR ON 1 AUGUST 2009 AND WAS SUBSEQUENTLY REDESIGNATED AS INDEPENDENT NON-EXECUTIVE DIRECTOR ON 25 SEPTEMBER 2013. ENCIK IR. MD. SHAH IS A MEMBER OF THE BOARD AUDIT COMMITTEE AND BOARD NOMINATION AND REMUNERATION COMMITTEE OF SAPURA INDUSTRIAL BERHAD.

Encik Ir. Md. Shah was the Managing Director of Sapura Industrial Berhad from 1997 to 2009. Prior to his appointment as Managing Director, he was from 1994, the Group General Manager of Sapura Industrial Berhad and instrumental in assisting the company to be listed on the Main Market, Bursa Malaysia. He started his career as a Project Executive with Guthrie Engineering Sdn. Bhd. and was formerly an Assistant Manager, Project Implementation at Heavy Industries Corporation of Malaysia, Assistant General Manager of HICOM-Yamaha Manufacturing (M) Sdn. Bhd., General Manager of Body Fashion (M) Sdn. Bhd. and General Manager of H & R Johnson (M) Berhad. He is currently the Executive Chairman of ZDA Corporation Sdn. Bhd.

Encik Ir. Md. Shah holds a Bachelor of Science in Mechanical Engineering from West Virginia University, United States of America, a Master of Business Administration from Ohio University, United States of America and is a Member of the Institute of Engineers, Malaysia since 1990.



DATIN NOOR LILY ZURIATI BINTI ABDULLAH

Position
Independent Non-Executive Director

Gender



Age

65

Nationality



Date of Appointment
10 August 2023

Number of Board Meetings Attended

2/2

Membership of Board Committee

- Board Audit Committee - Member

DATIN NOOR LILY ZURIATI BINTI ABDULLAH WAS FIRST APPOINTED TO THE BOARD OF SAPURA INDUSTRIAL BERHAD ON 10 AUGUST 2023 AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR. DATIN NOOR LILY ZURIATI IS A MEMBER OF THE BOARD AUDIT COMMITTEE OF SAPURA INDUSTRIAL BERHAD.

Datin Noor Lily Zuriati has more than 27 years' experience in providing legal services, company secretary services and governance management. She also has a total of 10 years' experience in managing corporate communications and stakeholders' engagement having worked in the Oil and Gas industry since 1991.

Datin Noor Lily Zuriati began her career in 1985 as a Legal Officer, responsible for loan and security documentations with Bank Pertanian Malaysia Kuala Lumpur (now known as Agro Bank). From 1991 to 1992, she was a Legal Manager, Procurement, Tender & Contract at PETRONAS Holdings. She spent the next 9 years with Malaysia LNG Group of Companies as Senior Legal Manager & Company Secretary for the Group.

Datin Noor Lily Zuriati joined PETRONAS Dagangan Berhad in 2002 as Senior Manager, Legal & Company Secretary. In 2008 to 2010, she was a Senior Manager of Legal & Corporate Affairs, Stakeholder Management and Communication in PETRONAS Int. Corp. Ltd., Egypt. She then returned to PETRONAS Holdings as its General Counsel/Head of Legal, Engineering, Technology & Intellectual Property in 2011 to 2014. She was appointed as General Counsel/Head of Legal for the Group, Company Secretary for PETRONAS Chemical Group Bhd, and Non-Independent Non-Executive Director for the Group of subsidiaries from 2014 to May 2018.

Datin Noor Lily Zuriati currently sits on the Board of KLCC Property Holding Berhad as an Independent Non-Executive Director.

Datin Noor Lily Zuriati holds a Bachelor of Laws Degree (LLB Hons) from the University of London, United Kingdom and a legal practitioner certified by Qualifying Board for Legal Profession, Malaysia. She has also attended Senior Management Development Programme at INSEAD and Leadership Excellence PETRONAS (LEAP) Programme.

ADDITIONAL INFORMATION ON BOARD OF DIRECTORS

FAMILY RELATIONSHIP WITH DIRECTOR AND/OR SUBSTANTIAL SHAREHOLDER

None of the directors and/or the substantial shareholders of the Company have any family relationships with other directors and/or substantial shareholders of the Company except for Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir who is the spouse of Puan Sri Datin Seri Mariam Parineh.

CONFLICT OF INTEREST

None of the directors of the Company have any conflict of interest with the Company, other than direct or indirect interest in shares of the Company as disclosed in the Directors' Report on page 72 of this Annual Report.

CONVICTIONS FOR OFFENCES

None of the directors of the Company have any conviction for offences within the past 5 years.

Key Management's Profile

1	Encik Mohd Fahmi bin Md Isa Head of Manufacturing Business	Age:	Gender:	Nationality:
		46	Male	Malaysian

Encik Mohd Fahmi bin Md Isa was appointed as the Head of Manufacturing Business of Sapura Industrial Berhad (SIB) on 14 July 2023.

Encik Mohd Fahmi holds a Bachelor of Science in Mechanical Engineering from Universiti Tenaga Nasional, Malaysia.

Encik Mohd Fahmi began his career as an Engineer at Perodua Manufacturing Sdn. Bhd. in 2002. He has 22 years of experience in the manufacturing industry, producing automotive components and complete vehicles at PERODUA with expertise in the areas of Quality Control in Engineering and Inspection, Casting, Machining and Assembly Shops.

He has held several key positions in Perodua Manufacturing Sdn. Bhd. (Deputy General Manager, Quality Control) and Perodua Engine Manufacturing Sdn. Bhd. (Deputy General Manager, Production), within roles responsible for enhancing capability and creating optimal productivity across various production including components of the new KR Engine and KR Turbo Engine Assembly lines.

Currently Encik Mohd Fahmi does not hold any directorship in other public companies. He does not have any family relationship with any of the Directors and/or major shareholders of the Company nor has he any conflict of interests with the Company. He also has no conviction for offences within the past 5 years.

2	Encik Fazal Othman bin Mohd Ghazali President Industrial Business	Age:	Gender:	Nationality:
		52	Male	Malaysian

Encik Fazal Othman bin Mohd Ghazali was appointed as the President Industrial Business of Sapura Industrial Berhad (SIB) on 16 January 2023.

Encik Fazal holds a Master of Science in Advanced Mechanical Engineering from Imperial College of Science, Technology and Medicine, London, Diploma of Imperial College in Advanced Mechanical Engineering, and a Bachelor of Science (Honors) in Mechanical Engineering, from Columbia University, New York City. He also has a certificate in Advance Management Programme from INSEAD.

Encik Fazal has held senior management positions in several organisations in the energy and power industries with day-to-day business responsibilities including performance, stakeholder management, corporate services and growth. He has also sat in the Board of Directors of international asset companies in Egypt, Abu Dhabi and Bangladesh. He has worked in various industries, from banking to automotive, petrochemicals and utilities. He has had personal experience in manufacturing system, planning and development, business strategy, regulatory and corporate finance. Prior to SIB, he was the Group Chief Operating Officer of NUR Power Sdn. Bhd, the power utility provider for Kulim Hitech Park, Kedah.

Encik Fazal does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any of the Directors and/or major shareholders of the Company nor has he any conflict of interest with the Company. He also has no conviction for offences within the past 5 years.

3	Puan Liyana Lee binti Abdullah Head of Corporate Services	Age:	Gender:	Nationality:
		57	Female	Malaysian

Puan Liyana Lee binti Abdullah was appointed as the Head of Corporate Services of Sapura Industrial Berhad on 1 July 2023. Prior to the appointment, she was the Group Financial Controller for Sapura Industrial Berhad Group since 1 February 2009.

Puan Liyana obtained a professional qualification with Chartered Institute of Management Accountants (UK).

Puan Liyana has over 27 years of financial experience in a listed conglomerate involved in automotive manufacturing, property investment, education and car dealership. She has held various senior management positions within the Sapura Group with experience in corporate restructuring and fund-raising projects. She is a licensed Company Secretary with more than 20 years of experience in corporate secretarial matters. She started her career with Arthur Andersen as an auditor and is an Associate Member of the Chartered Institute of Management Accountants (UK) and a qualified Chartered Accountant registered with the Malaysian Institute of Accountants.

Puan Liyana does not hold any directorship in public companies and listed issuers. She does not have any family relationship with any of the Directors and/or major shareholders of the Company nor has she any conflict of interest with the Company. She also has no conviction for offences within the past 5 years.

4	Encik Mohd Salleh bin Jani Senior General Manager, Group Business Development & Operations	Age:	Gender:	Nationality:
		58	Male	Malaysian

Encik Mohd Salleh bin Jani was appointed as a Senior General Manager, Group Business Development & Operations of Sapura Industrial Berhad (SIB) on 1 July 2023. Prior to the appointment, he was the General Manager of Group Business and Development of SIB since 1 February 2015.

Encik Salleh holds a Bachelor of Science in Mechanical Engineering (Design) from University of Hiroshima, Japan.

Encik Salleh began his career as an Engineer in Sapura Machining Corporation Sdn. Bhd., a subsidiary of SIB in March 1993. He has held various positions in SIB Group since 1993, which includes General Manager of Sapura Brake Technologies Sdn. Bhd. and International Autoparts Sdn. Bhd. before assuming his present position.

Prior to joining SIB, Encik Salleh was attached to Sony Kisarazu, Japan from 1990 until 1991 and Sony Video, Malaysia from 1991 until 1993 as the Production Engineering Engineer.

Encik Salleh does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any of the Directors and/or major shareholders of the Company nor has he any conflict of interest with the Company. He also has no conviction for offences within the past 5 years.

5

Encik Kamaluddin bin Abdul Aziz

General Manager, Group Supply Chain Management

Age:
53Gender:
MaleNationality:
Malaysian

Encik Kamaluddin bin Abdul Aziz was appointed as a General Manager, Group Supply Chain Management of Sapura Industrial Berhad (SIB) on 1 July 2015.

Encik Kamaluddin holds a Master of Business Administration (MBA) and a Bachelor of Mechanical Engineering from Universiti Kebangsaan Malaysia.

Encik Kamaluddin began his career as a Plant Manager in Sapura Brake Technologies Sdn. Bhd., a subsidiary of SIB from 2003 until 2011 before assuming his present position.

Prior to joining SIB, Encik Kamaluddin was working as a Supplier Development Engineer at Perusahaan Otomobil Nasional Sdn. Bhd. (Proton) from 1995 until 2003.

Encik Kamaluddin does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any of the Directors and/ or major shareholders of the Company nor has he any conflict of interest with the Company. He also has no conviction for offences within the past 5 years.

6

Encik Shariman bin Abdul Sofi

General Manager, Business Planning & Development

Age:
53Gender:
MaleNationality:
Malaysian

Encik Shariman bin Abdul Sofi was appointed as a General Manager, Business Planning & Development of Sapura Industrial Berhad (SIB) on 1 December 2021.

Encik Shariman holds a Master in Accountancy from Universiti Teknologi MARA, Malaysia and a Bachelor in Accounting & Financial Management from University of Sheffield, United Kingdom.

Encik Shariman began his career as an Assistant Manager, Finance & Accounts in Sapura Automotive Industries Sdn. Bhd., a subsidiary of SIB in 2004. He has held several positions in SIB since 2004, which includes Senior Manager and General Manager, Group Finance & Accounts of SIB before assuming his current position.

Prior to joining SIB, Encik Shariman held various accounting related positions in construction and property development companies and higher education institutions. Encik Shariman has more than 27 years of experience in finance & accounting.

Encik Shariman does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any of the Directors and/or major shareholders of the Company nor has he any conflict of interest with the Company. He also has no conviction for offences within the past 5 years.





H O T &
C O L D
F O R M I N G

Our advance hot and cold forming technology produces high strength steel components that have become the staple of the modern automotive industry.





Sapura Industrial Berhad (“SIB” or “the Group”) achieved a record high revenue at RM295.6 million for FY2024 in line with the highest Total Industry Volume (TIV) attained in Malaysia for 2023. The favourable financial performance achieved underscores our strategic readiness to capitalise on market demand, demonstrating the resilience and adaptability of our operations.

MALAYSIAN ECONOMY

Amidst the slowdown in global economic growth, the Malaysian economy continued to expand in 2023, mainly supported by resilient domestic demand, improvement in labour market conditions and recovery in tourism activities. Despite headwinds stemming from weak external demand, disruptions in commodity production and higher cost of living; all sectors continued to expand in 2023, generating a GDP growth rate of 3.7% (2022: 8.7%).

Headline inflation moderated in 2023 to an average of 2.5% (2022: 3.3%), largely on account of lower food, non-alcoholic beverages and fuel inflation. Core inflation averaged at 3% (2022: 3%), partly due to persistent demand pressure in the first half of the year which steadily converged to its long-term average in the latter half.

Moving forward, the economy is expected to improve further with continued expansion of household spending, improvement in investment expenditures, continued favourable labour market conditions, recovery in global trade and improvement in tourist spending. (Source: Bank Negara Malaysia Annual Report 2023).

MALAYSIAN AUTOMOTIVE INDUSTRY

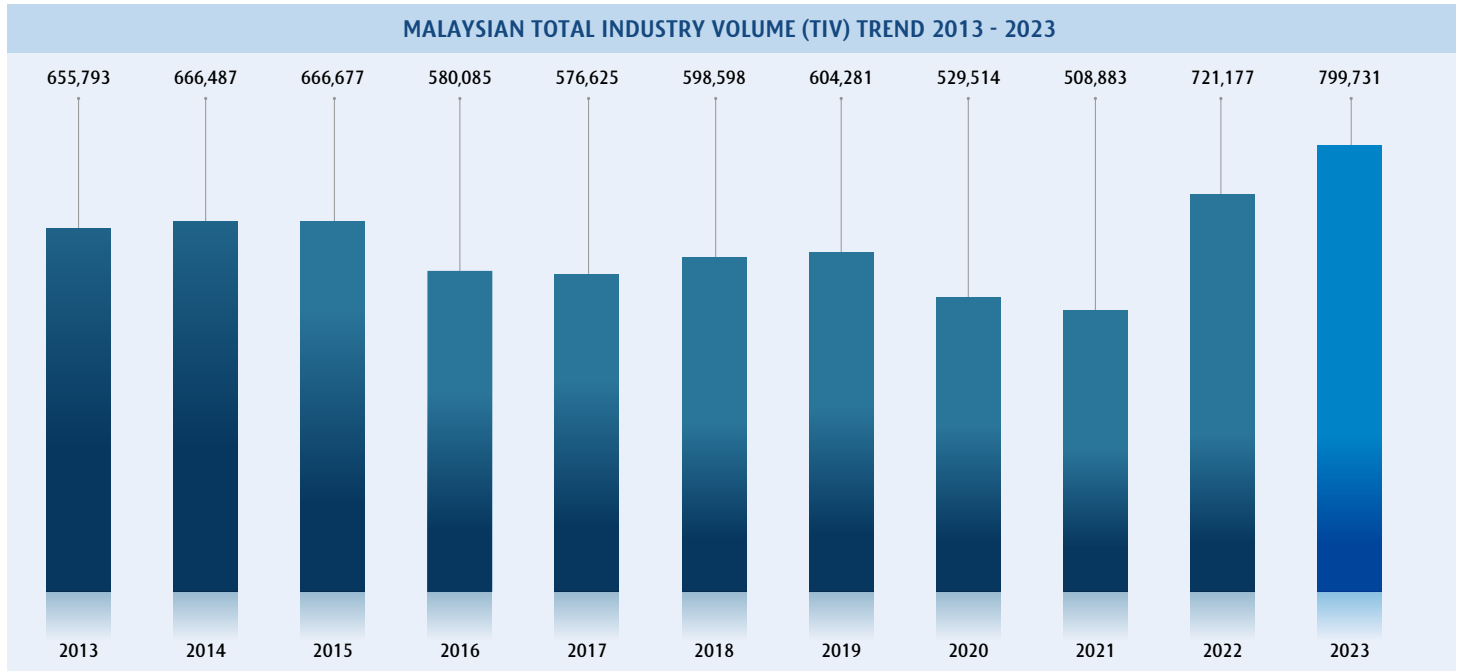
In 2023, Malaysian TIV reached yet another all-time high of 799,731 units, 11% more than the previous year’s record of 721,177 units. The industry’s sales growth marked the second annual gain since the downturn in 2020-2021 caused by the COVID-19 pandemic crisis. It was also the second consecutive year the TIV exceeded the 700,000 units mark.

The performance in 2023 was mainly driven by Passenger Vehicles at 12% increase from 2022; largely made up of both national makes Perodua and Proton. Encouraging development is also observed with electrified vehicles (xEV) sales, making up 5% of the total TIV at 38,214 units, representing a 69% increase from 2022.

At the commercial vehicle segment, a moderate growth of 2% was seen, attributed to increasing demand as companies resumed investments in anticipation of a much more stable environment after the formation of the Unity Government post GE-15 in November 2022.

Like the previous year, the strong demand for new vehicles pressured most OEMs and the supply chain ecosystem of vendors and suppliers to operate at near-full capacity, demonstrating resilience and strength to deliver. (Source: Malaysian Automotive Association (MAA) Market Review 2023).

MALAYSIAN TOTAL INDUSTRY VOLUME (TIV) TREND 2013 - 2023

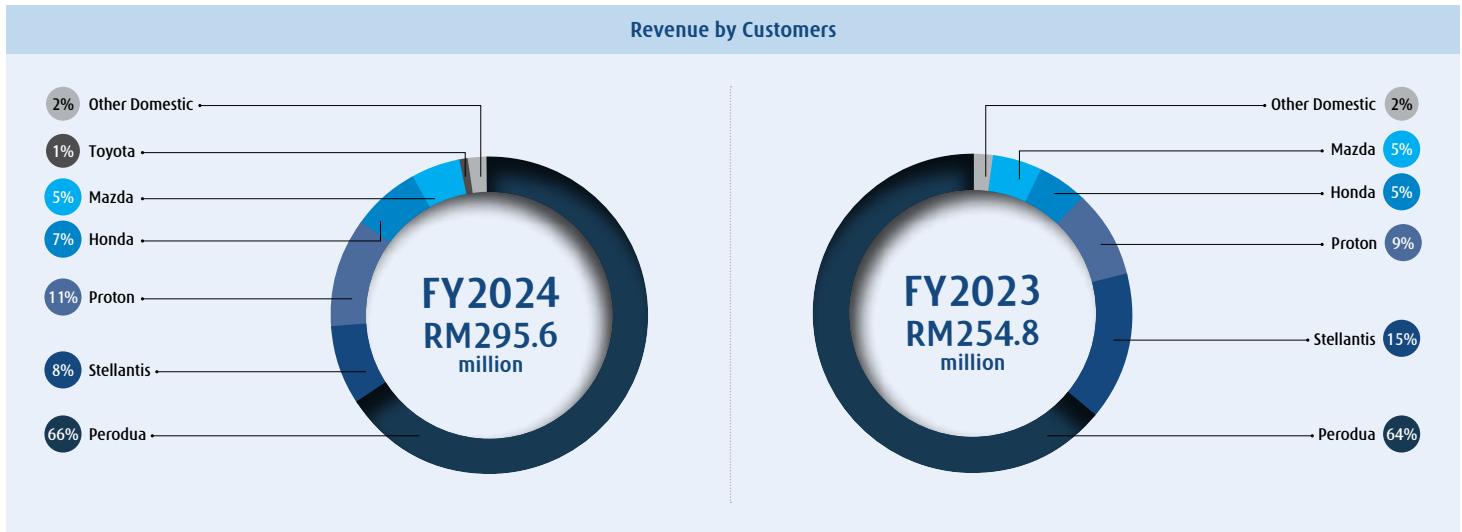


(Source: MAA Market Review 2023, 2022 & 2018)

GROUP FINANCIAL PERFORMANCE AND DIVIDENDS

In FY2024, the Group’s revenue rose to RM295.6 million, up from RM254.8 million, in line with Malaysia’s highest TIV above.

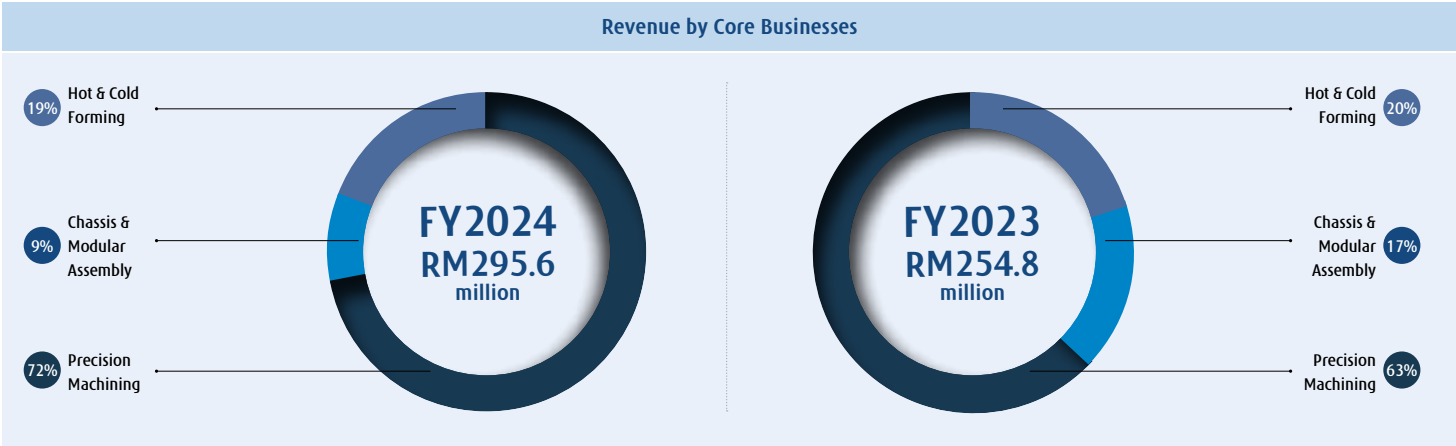
The Group achieved net profit of RM7.4 million for FY2024, lower than RM9.0 million in FY2023. This decline was primarily attributed to the increase in electricity cost due to Tenaga Nasional’s Imbalance Cost Pass-Through (ICPT) tariff increase effective January 2023, as well as transition expenses related to the relocation of coil spring plant from Port Klang to Bangi. In addition, results for FY2023 included non-recurring income not present in FY2024 i.e. gain on sale of Cold Drawn Bar line (RM0.8 million) and write back of inventories and debts (RM1.2 million).



In FY2024, the Group’s revenue composition continued to be anchored by Perodua, constituting 66% (RM193.9 million) of the Group’s revenue. Other recurring customers include Proton, Honda, Mazda and Stellantis; contributing 31% or RM92.3 million of total revenue. In the same year, the Group successfully commenced supply to a new customer, Toyota, with an initial revenue of RM3.4 million, in addition to parts delivered for new/replacement models for its existing customer, Honda (RM6.5 million).

The Group’s diversified customer base signifies our growing influence in the industry and fortifies our market position to create avenues for further expansion and revenue growth.





Notable shifts in revenue composition of the Group’s core businesses are evident when comparing FY2024 against FY2023. Precision Machining, historically the dominant revenue generator, continued to contribute a larger share of revenue at 72% or RM212.1 million (FY2023: 63%; RM158.7 million). The Hot & Cold Forming division saw a slight percentage contribution drop from 20% (FY2023) to 19% (FY2024). However, in terms of value, the division generated a higher contribution of RM54.7 million in the year (FY2023: RM52.3 million). There was also a decline in revenue contribution by the Chassis & Modular Assembly division from 17% or RM42.2 million in FY2023 to 9% or RM27.9 million in FY2024.

These shifts in revenue share suggest strategic realignments within the Group’s core businesses, driven by evolving customer demands and market opportunities. The declining revenue contribution from the Chassis & Modular Assembly division highlight the Group’s responsiveness to changing market dynamics, converging more on high value-add business. The growth witnessed in Precision Machining also reflects this; with focus on innovation and diversification, capitalising on technology to drive revenue growth.



DIVIDENDS

Having assessed the Group’s financial performance, liquidity, and requirements for future expansion; the Board of Directors is recommending a final single-tier dividend of 5.0 sen per ordinary share for FY2024. This proposed dividend, totalling RM3,638,787, will be presented for approval at the upcoming Annual General Meeting.

OPERATIONS REVIEW

During the year, the Group completed the Modernisation, Automation, and Consolidation (MAC) plan. This strategic investment was directed towards enhancing our technical capabilities through advanced manufacturing, robotics and Industrial Revolution 4.0 processes. The MAC initiative has significantly increased our operational efficiency and productivity; optimising our production processes and lay a solid foundation for future growth and development across our operations.



Stress Peening Machine



NEW PROJECTS

Among the notable achievements this year was the successful delivery of new projects for both new and existing customers. We expanded our market presence by securing a contract with Toyota, a new customer, for the production of brake discs. This addition not only represents a new revenue stream but also underscores our capability to meet the rigorous quality standards demanded by a leading global automotive manufacturer.

Furthermore, we continued to strengthen our relationship with Honda, a longstanding valued customer, by delivering several brake components for their new/replacement models.

For FY2024, the Group received a major award from Toyota, the "2023 Outstanding Quality Performance Award", in recognition of the high-quality standards of our products.

RELOCATION OF COIL SPRING PLANT

This year also marked a significant operational milestone with the successful completion of the relocation of our Coil Spring plant in Port Klang to consolidate with the Stabiliser Bar plant in Bangi. The relocation is also in tandem with the MAC initiative, where the new Coil Spring plant will feature a partial automation production line, promising higher efficiency and productivity with reduced reliance on manual processes. At the same time, with a modernised production line, we are able to produce a broader range of Coil Spring specifications to cater to customer demand.

The new Coil Spring plant has commenced operations in Bangi in April 2024.

STREAMLINING OF COIL SPRING AND STABILISER BAR OPERATIONS

As both Coil Spring and Stabiliser Bar are similar in their manufacturing processes, the strategic move of combining the two plants has enabled a more streamlined and cost-effective operations; through optimised logistics, enhanced technical capabilities, and leveraged shared resources and expertise. These benefits, particularly in terms of reduced overheads, are expected to be fully realised by 2025.

Benefits from the streamlining of both operations include:

1

Production and Efficiency

leading to reduced waste, efficient production time, and optimised resource utilisation, thereby increasing overall productivity.

2

Capacity

for both production lines have been optimised in the streamlining & relocation exercise, optimising installed capacity with reduced production costs.

As part of our modernisation effort for the Stabiliser Bar division, we continue to aggressively look for a Technical Assistance (TA) partnership to develop our capabilities in manufacturing of hollow stabiliser bars. Hollow stabiliser bars will not only enhance the product's performance through lightweight materials, but also optimise the manufacturing process through improved trifold handling techniques.

The successful implementation of this effort would add on to our current light-weight Coil Spring capabilities, resulting in a manufacturing facility capable to cater for future market demand.

INDUSTRY OUTLOOK

The Malaysian economy is projected to grow between 4% and 5% in 2024, underpinned by continued expansion in domestic expenditure, supported by expected recovery in exports. Headline inflation is expected to remain moderate between 2% and 3.5% amid contained cost pressures from easing global supply conditions, whilst core inflation is expected to moderate, but remain above its long-term average.

Key drivers sustaining growth into 2024 are services (tourism, logistics, construction), manufacturing (E&E, supply chain improvements), and agriculture (palm oil). Additionally, global developments and favourable domestic growth outlook are expected to support the gradual recovery of the ringgit in 2024. (Source: Bank Negara Malaysia Annual Report 2023).

In the automotive industry, MAA anticipates a 7.5% reduction in TIV to 740,000 units in 2024, influenced by slowing down in consumer spending due to concerns over targeted subsidy rationalisation and high cost of living, as well as global economic uncertainties and geo-political tensions.

Despite the expected reduction, MAA anticipates growth opportunities in the industry. The projected 4%-5% economy growth, low borrowing costs, improved supply chain, continuation of new model launches and competitively priced electrified vehicles (xEVs) are all expected to entice and sustain buying interest among consumers offering additional support to the automotive sector to adapt to the evolving market conditions. (Source: MAA Market Review 2023).

FUTURE PROSPECTS

With the positive yet challenging outlook in the coming years, the Group is mindful in its continuous pursuit of growth and innovation. Our Research & Development strength has enabled us to offer value and differentiation in our products and services. The ongoing development of lightweight components for our suspension parts puts the Group at the forefront of the competitive landscape, particularly for the growing xEV market.

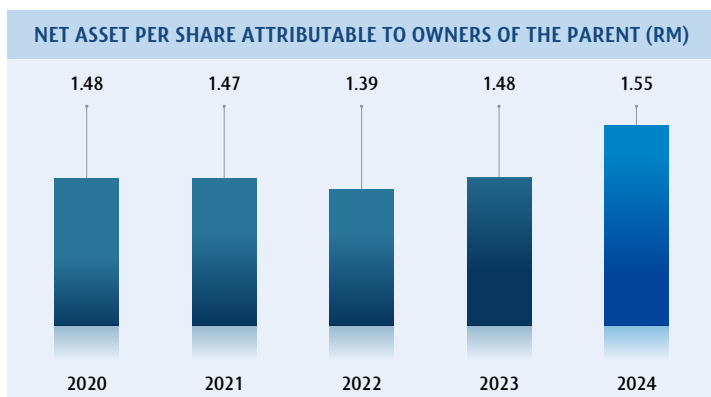
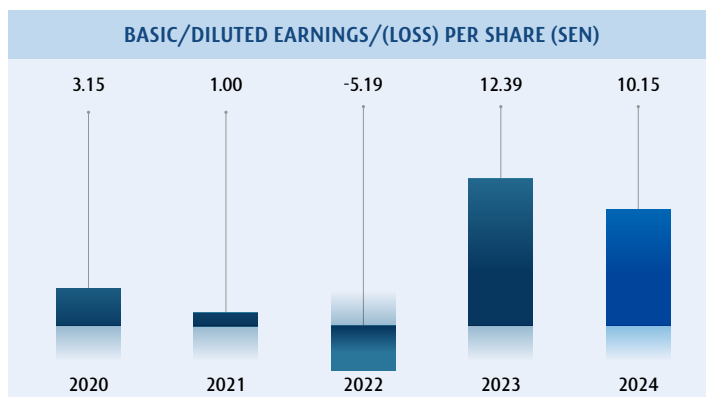
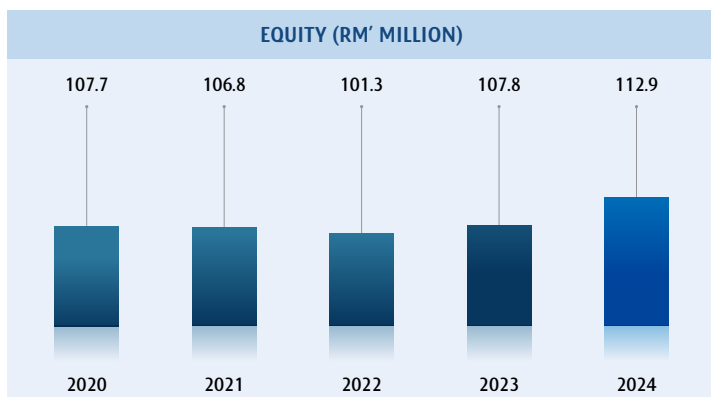
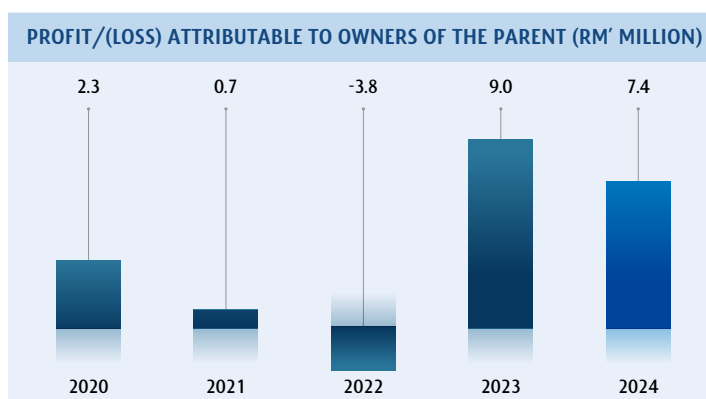
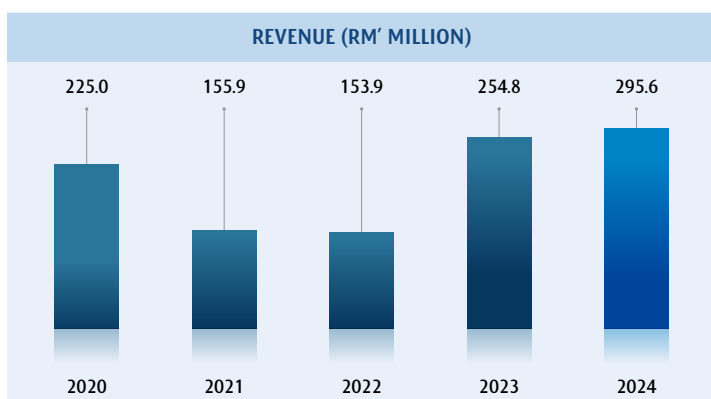
The Group's vision of digital-driven growth is reflected in our inhouse-built Overall Equipment Effectiveness (OEE) platform, which serves to differentiate our operations and hence products from competition. Apart from reaping the benefits from our MAC initiative, this step towards technology-driven systems forms the core of the Group's future growth.

Our focus will also include expanding our Environmental, Social and Governance (ESG) framework, ensuring regulatory compliance, and exploring new market segments. These strategic initiatives will enable SIB to navigate future challenges and capitalise on emerging opportunities, reinforcing our competitive position in the industry.

The Group is continuing with its aggressive and focused approach to developing businesses, pursuing opportunities in synergy with our expertise and experience. We are confident that our efforts position us for future growth both within and beyond the automotive industry, locally as well as globally.



		← 31 January →				
		2020	2021	2022	2023	2024
Revenue	(RM' million)	225.0	155.9	153.9	254.8	295.6
Profit/(loss) attributable to owners of the parent	(RM' million)	2.3	0.7	(3.8)	9.0	7.4
Equity	(RM' million)	107.7	106.8	101.3	107.8	112.9
Basic/diluted earnings/(loss) per share	(sen)	3.15	1.00	(5.19)	12.39	10.15
Net asset per share attributable to owners of the parent	(RM)	1.48	1.47	1.39	1.48	1.55

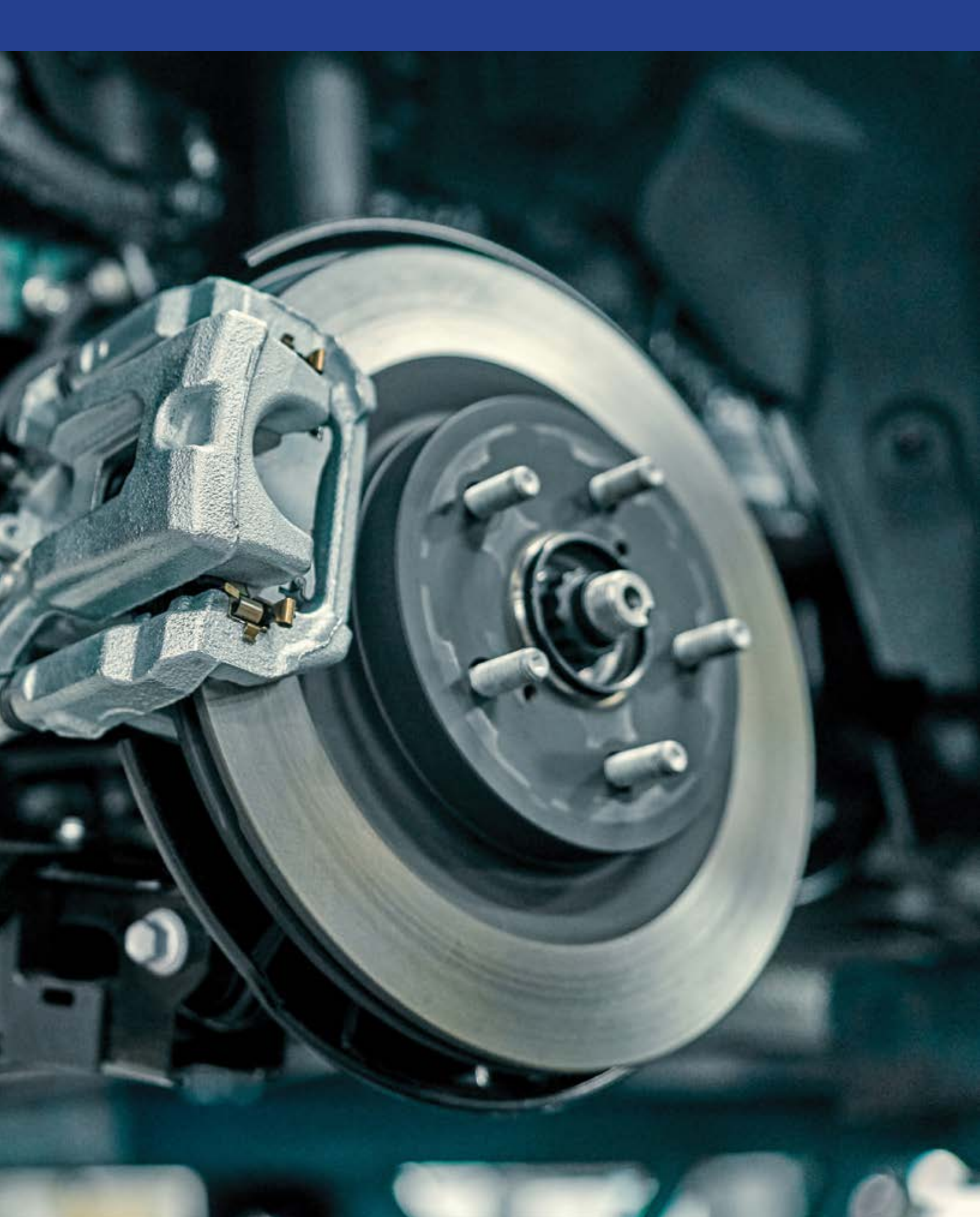


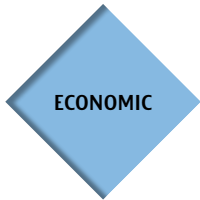


C H A S S I S &
M O D U L A R
A S S E M B L Y

Besides being one of the major brake systems and modular suppliers, we also produce high-end and high-value assembly components for the manufacture of finished modules.







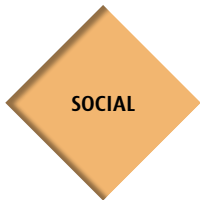
This Sustainability Statement has been prepared in accordance with Bursa Malaysia’s Sustainability Reporting Guide (SRG) that served as the guidance to comply with Bursa Malaysia’s Main Market Listing Requirements (MMLR) paragraph 9.45(2) and paragraph 29 that requires listed companies to include in its annual report, a narrative statement of the company’s management of material economic, environmental and social risks and opportunities. This Sustainability Statement has not been subjected to an assurance process.



At Sapura Industrial Berhad (“SIB” or “the Group”), we acknowledge the 4 pillars that are the focus of the Group to drive positive changes, which are: within the workplace, within the industry, within the communities in which we operate and the impact on the environment. With successful automotive manufacturing business experience for over 40 years and recognised as a reputable manufacturing company in Malaysia with strong foundation on corporate governance, we are committed as a Group to always adopt sustainability principles and practices across all pillars and promote sustainability as an integral part of our businesses as well.

Our Sustainability Approach

Sustainability aspects of SIB are managed based on the key sustainability matters as required by Bursa Malaysia’s SRG and we include sustainability matters as part of our Risk Management Framework and annual risk assessment. The inclusion of sustainability related risks in our Risk Management Framework is in line with Taskforce for Climate-related Financial Disclosures (TCFD) and Committee of Sponsoring Organizations of the Treadway Commission (COSO) recommendations. This approach will ensure more comprehensive assessment of risks and control procedures that will ensure the achievement of SIB strategic business objectives, mission, vision and safeguarding the Group’s reputation, resources, people and finance.



SIB’s sustainability framework focused on the evaluation of economic, environmental and social (EES) risks and opportunities accompanied with the Group’s corporate governance framework and social responsibilities. The 2 terms, environmental, social and governance (ESG) and EES are often used interchangeably hence, to ensure completeness, SIB used the term as EESG (economic, environmental, social and governance) in its revised Sustainability Statement for FY2024.

We continuously focus in improving our internal capabilities to manage, communicate and report on our progress on sustainability-related activities. By applying good corporate governance framework, environmentally responsible practices and sound social policies, SIB can achieve sustainable growth and enhance long-term value for our shareholders.

Scope of Reporting

SIB’s Sustainability Statement 2024 covers the progress of EESG aspects in our core businesses and daily operations for the financial year ended 31 January 2024 (FY2024). The report also highlights the systems and measures that we have developed and implemented in ensuring our products, operational processes and supply chains are consistently robust, balanced and resilient; our working environment are safe and healthy; and international standards and local regulations are complied with. This report was also reviewed by the Group’s Sustainability Committee.

This Sustainability Statement 2024 will focus on 9 common sustainability matters as recommended by Bursa Malaysia.



Sustainability Governance

Good governance is critical to drive successful adoption of the Group’s collective sustainability principles and practices. Our Sustainability Governance Structure ensures shared responsibility and commitment across all levels of leadership, operations and support functions to continuously improve and achieve the desired sustainability goals.



Board of Directors (BOD)

- Oversee the Group's sustainability framework and strategy, and provides direction to the Board Audit Committee and Sustainability Committee.

Board Audit Committee

- Oversees the implementation of sustainability strategies and plans approved by the BOD.
- Review sustainability related issues and reports.

Sustainability Committee (SC)

- The SC is led by Management Committee which comprises SIB Group Senior Management Team.
- The SC is also supported by Head of Business Units and Corporate Functions that have direct involvement in managing sustainability matters.
- The latest trends and emerging EESG issues that could become relevant to the Group will be brought up and discussed at the SC level.
- Where necessary, experts and representatives from other areas in the organisation are invited to the Committee.
- The SC prepares and submits the Sustainability Statement to the Board of Directors for approval.

Operations and Support Functions

- Ensure compliance to SIB Sustainability Framework and Risk Management Framework.
- Manage EESG-related risks reports to SC.

The SC develops sustainability plans and initiatives for the Group, while the Board Audit Committee ensures the adequacy and effectiveness of the Group's governance, risk management and internal control systems as well as monitors compliance with policies and procedures.

The role of the SC, as delegated by the BOD, consists of the following:

- To identify and recommend sustainability strategies for approval and adoption by the BOD;
- To ensure that sustainability strategies incorporate Economic, Environmental Social and Governance areas;
- To monitor and report on a timely basis to the BOD on the execution, progress and results of sustainability strategies and action plans;
- To conduct sustainability assessment and stakeholder engagement for prioritisation; and
- To oversee the preparation of Sustainability Statement in accordance with the Sustainability Reporting Guide of Bursa Malaysia.

The approach of sustainability is based on SIB's vision, mission and core values:

Our Vision

To be a leader in advanced manufacturing solutions

Our Mission

Delivering solutions and value to our customers, employees, shareholders and community by harnessing technologies and resources

Our Core Values

Define who we are and form the basis of a performance driven culture – Honourable, Professional, Resourceful, Resilient and Agile.

Underlying all efforts is an overriding commitment towards the principles of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness. These principles are outlined in our Code of Ethics and Business Conduct - principles by which business should be executed and the conduct that is expected of our employees at the workplace. In addition, our Code of Ethics and Business Conduct is supported by a robust Whistle-Blowing Policy.

Key Stakeholders Engagement

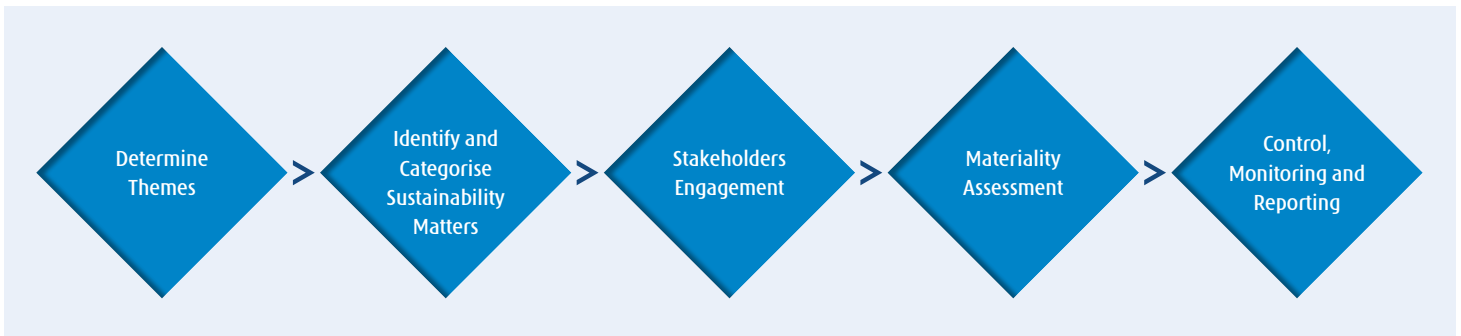
A consistent and effective stakeholder engagement and communications framework is essential to create a shared understanding of the Group's desired sustainability goals; considering the expectations, limitations and overall concerns of our stakeholders. Transforming the Group to embrace future growth possibilities would require a common understanding of the challenges and risks involved, as well as commitment to collectively adhere to the control procedures.

STAKEHOLDERS	DESCRIPTION	ENGAGEMENT APPROACH
Shareholders	Owners of the Company	Annual general meeting, annual report, quarterly report, board of directors
Investors	An entity which commits capital in expectation of financial returns	Annual report, quarterly report, corporate website, press release
Employees	People engaged by the Company to provide services to facilitate operations	Meetings, briefings, social activities, intranet, employee training, survey
Customers	Original Equipment Manufacturers (OEM), Replacement Equipment (RE) distributors, end users	Meetings, customer satisfaction surveys, customer audits, annual report, corporate website
Suppliers	Business partners providing goods or services	Meetings, supplier audits, site visits
Government	Government bodies and ministries, regulators	Forums, summits, support government initiatives, site visits
Communities	Local communities surrounding our business, as well as remote communities affected by our business	Corporate social responsibility events

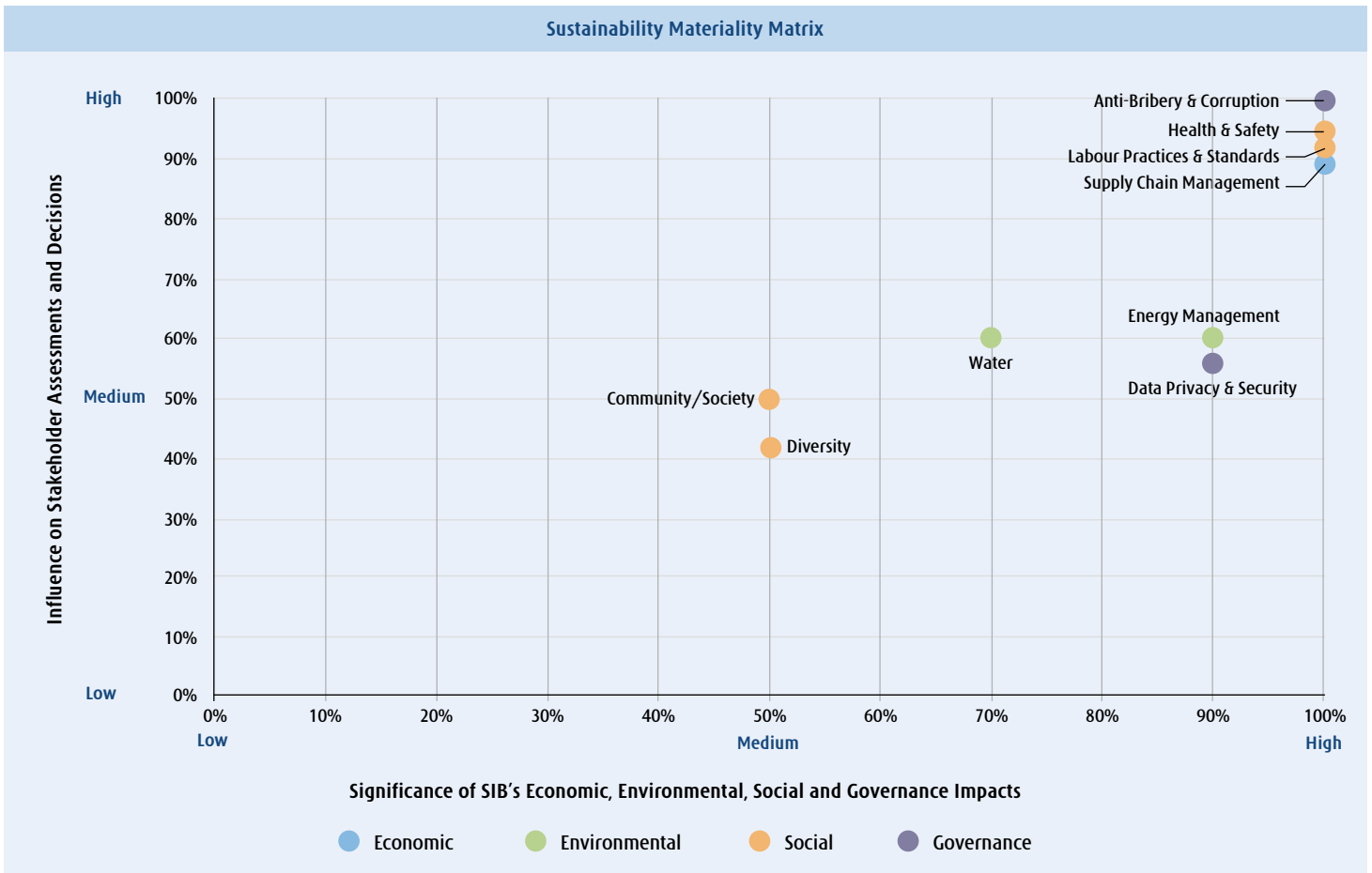
MATERIALITY ASSESSMENT

The assessment of sustainability matters focuses on the economic, environmental and social matters that are most significant to the Group and our stakeholders. This assessment enables SIB to identify potential key sustainability risks and opportunities that may impact the Group’s business and its stakeholders, by conducting a thorough screening process of our business activities and any changes within the internal and external environments. The assessment conforms to Bursa Malaysia’s SRG which requires all listed companies to disclose 9 common sustainability matters that are Anti-Bribery & Corruption, community, diversity, energy management, health and safety, labour practices and standards, supply chain management, data privacy and security and water management.

The materiality assessment process in SIB is as follows:



Assessment of sustainability matters was conducted during the reporting period to update the Group’s Sustainability Materiality Matrix and aligned with Bursa Malaysia’s SRG. SIB’s updated Sustainability Materiality Matrix is shown below:



The materiality assessment produced the following list of topics, which was presented to and approved by the Board of Directors.

PILLARS	INDICATORS	OBJECTIVES
Economic		
(A) Supply Chain Management	<ul style="list-style-type: none"> Proportion of spending on local suppliers 	<ul style="list-style-type: none"> Promote local and sustainable procurement Enhance vendor capability Gain accreditation to international quality certifications
Environmental		
(B) Energy Management	<ul style="list-style-type: none"> Usage of energy such as electricity and gas 	<ul style="list-style-type: none"> Efficient energy usage Energy conservation from efficient modern equipment and improved processes
(C) Water	<ul style="list-style-type: none"> Usage of water 	<ul style="list-style-type: none"> Efficient water usage
Social		
(D) Labour Practices & Standards	<ul style="list-style-type: none"> Total hours of training by employee category Percentage of employees who are contract staff Total number of employee turnover by employee category Number of substantiated complaints concerning human rights violations 	<ul style="list-style-type: none"> Regular engagement with employees to attract, retain and re-skill good employees Fair treatment of employees on terms and conditions of employment
(E) Health & Safety	<ul style="list-style-type: none"> Number of work-related fatalities Loss time incident rate Number of employees trained on health and safety standards 	<ul style="list-style-type: none"> Maintain a safe work environment with injury prevention procedures in place
(F) Community/Society	<ul style="list-style-type: none"> Total amount invested in community where target beneficiaries are external to listed issuer Total number of beneficiaries of investment in communities 	<ul style="list-style-type: none"> Strengthen relationships with surrounding communities Corporate Social Responsibility (CSR) Community health and wellbeing
(G) Diversity	<ul style="list-style-type: none"> Percentage of employees by gender and age group Percentage of Board of Directors by gender and age group 	<ul style="list-style-type: none"> Culture of tolerance and creating a sharing and learning community to gain benefit from diversity
Governance		
(H) Anti-Bribery & Corruption	<ul style="list-style-type: none"> Percentage of employees who have received training on anti-corruption by employee category Percentage of operations assessed for corruption-related risks Confirmed incidence of corruption and action taken 	<ul style="list-style-type: none"> Comply with regulatory requirements
(I) Data Privacy & Security	<ul style="list-style-type: none"> Number of substantiated complaints on breaches of customer privacy and losses of customer data 	<ul style="list-style-type: none"> Protect from unauthorised access and breach of confidential data



Cold coiling - stabiliser bar

MATERIAL SUSTAINABILITY MATTERS

ECONOMIC

Supply Chain Management

Product quality, timely delivery and process efficiency are significant considerations within our supply chain. Our Vendor Development Programme (VDP) creates a platform for our vendors to continuously improve and strengthen their capabilities with the goal of growing with SIB as we continue to address more business opportunities. The vendors are also encouraged to elevate their positions by pursuing accreditation to international quality certifications.

Supplier Performance Audits are done periodically as a means to identify preferred vendors with high performance rating and Supplier Delivery Performance Review was also carried out to ascertain timely delivery.

We continue to provide support and advice to all our vendors and suppliers in striving for excellence in key areas of quality, safety, cost and delivery. As an active member of the OEMs Vendor Associations, SIB serves as an intermediary between the car makers and vendors, to increase overall productivity, efficiency and robustness of the automotive supply chain, putting particular emphasis in developing the domestic supply chain.

For FY2024, the Group received 1 major recognition from our customer, the "2023 Outstanding Quality Performance" award from Toyota. The award demonstrates the positive outcome of our diligence and persistence to product quality, cost and timely delivery within the supply chain.

The Group's Research and Development Team continued to focus on the development of innovative products consistent with customer requirements.

All SIB operating plants are certified with IATF 16949 quality management standards. The certification affirms our culture of continuous improvement hinged on our focus on customer satisfaction which drives our ability to deliver high-value and differentiated products and solutions.

We also believe that exceeding customers' expectations is a direct outcome of the knowledge, experience, ingenuity and commitment of our people. We recognise the importance of recruiting the right people, developing and providing them with the right opportunities to realise their true potential.

Realtime Overall Equipment Effectiveness (OEE) was implemented, which allows for real-time data collection and continuous OEE monitoring, enabling immediate feedback and action to be taken to improve production efficiency and effectiveness. Continuous improvement through standardisation, measurement and strengthening operational processes to result in optimised financial outcomes remain the key focus in this programme.

Performance Data – Supply Chain Management

Indicator (#)	Measurement unit	FY2022	FY2023	FY2024
Bursa C7(a): Proportion of spending on local suppliers	Percentage	46	49	47

(#) Indicator as per disclosure template under Bursa link (ESG Platform)



Cold coiling - spring

ENVIRONMENTAL

Energy Management

Being in the manufacturing sector where energy consumption can be substantial, we recognise the need for energy conservation and efficient energy usage. Various measures have and will be implemented within the Group to meet these objectives. These efforts include the installation and commissioning of roof mounted solar photovoltaic systems for our plants in Bangi.

Our Coil Spring manufacturing plant in Port Klang was successfully relocated and combined with our Stabiliser Bar plant in Bangi in April 2024. The combined operations has enabled the Group to operate with more efficient processes and facilities.

Performance Data – Energy Management

Indicator (#)	Measurement unit	FY2022	FY2023	FY2024
Bursa C4(a): Total energy consumption – Electricity	Kilowatt-hours	6,202,105	7,968,076	8,805,228
Bursa C4(a): Total energy consumption – Gas	Gigajoules	24,636	36,055	40,251

(#) Indicator as per disclosure template under Bursa link (ESG Platform)

Water

Water is an essential but increasingly scarce resource, making sustainable water management imperative for environmental and operational sustainability. Effective water management helps in conserving water, reducing dependency on municipal supplies, and minimising the environmental impact of industrial processes. This approach not only supports global water conservation efforts but also aligns with regulatory requirements and enhances corporate responsibility.

Performance Data – Water

Indicator (#)	Measurement unit	FY2022	FY2023	FY2024
Bursa C9(a): Total volume of water used	Megalitres	19.131	34.160	43.946

(#) Indicator as per disclosure template under Bursa link (ESG Platform)

SOCIAL

Labour Practices and Standards

The Group believes that developing our workforce with the right skills and knowledge is crucial as our business grows and the environment in which we operate becomes more complex and challenging. We have a range of staff development programmes that are targeted for employees at different levels, from factory operators and entry-level to mid-career up to senior leadership. These programmes include formal trainings, job rotations, workshops, seminars and mentoring that will equip our employees with the right knowledge and skills required for their career progression.

In addition, SIB also established Career Development Programme (CDP) that aims to develop individual professionalism and skill competency with intention to prepare them for career advancement and succession planning by sponsoring selected and qualified candidates to further their studies at local universities in courses relevant to the Group's business.

The Group is mindful in hiring new employees with the right skills, knowledge and talent for the right job, who would be able to contribute in enhancing our business competitiveness.

The Group also realises that young graduates play a significant role as next generation of employees. Therefore, SIB encourages university and college students to apply to our internship programmes that will provide them opportunities to understand SIB business operations, learn how businesses function and gain exposure in the areas of technical and commercial trades, thereby accelerating their career experience.

To promote a sustainable and engaging experience at the workplace, we connect and communicate with our employees regularly through various far-reaching initiatives. These initiatives include townhalls and periodic meetings with in-house and trade union representatives. Additionally, the Group also introduced Engagement Programmes that organises engagement activities according to different staff categories with the intention to have effective 2-way communications for them to share feedback.

Employee motivation and satisfaction are also enhanced with other organisational benefits such as “early bird” allowance and rewards for staff with no medical leave and medical expense. In recognition of employees’ overall performance and work contribution, Monthly Best Worker recognitions are awarded in every operating company with monetary and non-monetary benefits given.

Performance Data – Labour Practices and Standard

Indicator (#)	Measurement unit	FY2022	FY2023	FY2024
Bursa C6(a): Total hours of training by employee category	Hours			
- Executive		273	1,197	1,407
- Non-Executive		623	5,824	4,949
Bursa C6(b): Percentage of employees who are contract staffs	Percentage	18	17	17
Bursa C6(c): Total number of employee turnover by employee category	Number			
- Executive		11	8	9
- Non-Executive		93	173	102
Bursa C6(d): Number of substantiated complaints concerning human rights violations	Number	Nil	Nil	Nil

(#) Indicator as per disclosure template under Bursa link (ESG Platform)

Health and Safety

The Group is committed in upholding an incident-free and a safe and healthy working environment for our employees. Health and Safety remain of highest priority across the Group, as it underscores our work culture and is central to our operations. The Group is also certified and complies with ISO 45001:2018 Occupational Health and Safety Management Systems that shows our commitment to provide safe and healthy workplaces by preventing work-related injury and ill-health.

Our Group’s Occupational Safety & Health Policy requires production facilities to adhere to the OHSAS 18001:2007 Occupational Health and Safety Management Certification Standards and Occupational Safety and Health Act 1994. Internal and external audits are conducted to ensure compliance.

The following principles are outlined in the Group’s Occupational Safety & Health Policy:

- Compliance with applicable safety, health and environmental laws and regulations;
- Establish Health, Safety and Environment (HSE) Committees at all operating units;
- Develop and implement HSE management systems in all operating units with a dedicated Safety Officer to ensure that the system is enforced;
- Provide information and training on HSE and conduct safety campaigns to create awareness on a regular basis;
- Inspect and supervise that HSE is maintained in all workplaces and work systems; and
- Report immediately, investigate and implement corrective actions on all incidents.

One of the key focus in occupational safety, health and wellbeing is noise management. Long-term hearing loss can be linked to occupational noise, especially when employees are exposed to continuous and intermittent noise from processes and machinery. This makes noise a significant material issue for the Group’s manufacturing plant where specific policies are in place to protect workers from damaging noise levels. We have also implemented a system to mitigate noise pollution much possible at our factories.

A KPI based on the total area exposed to noise level above 82dB (International Standard) has been established at our factories and we continuously work towards reducing these exposed areas. We also engaged external environmental consultants to conduct annual noise monitoring and provide recommendations to reduce noise levels. Several Audiometric Tests were conducted during the year involving our manufacturing plant employees as part of noise monitoring initiative. In addition to engineering change, employees are provided with personal protective equipment (PPE) and hearing protection, with appropriate signage placed in high noise level areas. Regular awareness and briefings such as during daily morning assembly are conducted to ensure work and occupational health standards are followed within the workplace.



Audiometric test for manufacturing plant staff

Performance Data – Health and Safety

Indicator (#)	Measurement unit	FY2022	FY2023	FY2024
Bursa C5(a): Number of work-related fatalities (death within 1 year of accident)	Number	Nil	Nil	Nil
Bursa C5(b): Lost time incident rate	Rate	4.37	6.80	0.00
Bursa C5(c): Number of employees trained on health and safety standards	Number	80	161	23

(#) Indicator as per disclosure template under Bursa link (ESG Platform)

Effective implementation of the Group’s Occupational Safety & Health Policy across the organisation allows a safe, secure and healthy working environment in SIB at all times.

Community/Society

SIB sees itself as being part of the greater community which means that our responsibilities also extend beyond the confines of the Group. In affirming our position as a responsible corporate citizen, we are dedicated in establishing a strong relationship with the surrounding communities in which we operate, contributing to their overall health and wellbeing through community projects and supply of local goods and services.

Employee and community engagement, teamwork and camaraderie outside the workplace are essential in building a dynamic and committed workforce. In turn, employees feel a sense of belonging to the Group, motivating them to take ownership of their roles and responsibilities, respecting the need for work-life integration and overall wellbeing.

Raya 2024



Old folks home, Kajang



Orphanage, Taman Sg Jelok, Kajang



Orphanage, Sg Merab, Kajang



Ihya Ramadhan



Sports for fun (Hiking)



Sports for fun (Futsal)



Performance Data – Community/Society

Indicator (#)	Measurement unit	FY2022	FY2023	FY2024
Bursa C2(a): Total amount (in RM) invested in community where target beneficiaries are external to listed issuer (NGOs, public, etc)	MYR	59,004	73,840	76,534
Bursa C2(b): Total number of beneficiaries of the investment in communities (No. of organisation/recipient)	Number	47	50	83

(#) Indicator as per disclosure template under Bursa link (ESG Platform)

Diversity

SIB strongly values diversity and acknowledges that a diverse workforce will bring many benefits to the organisation including diverse perspectives, skills and experiences that will enhance the working environment. The Group is fully committed to ensure that diversity remains a top priority. Through targeted initiatives, ongoing training and inclusive policies, the Group strive to cultivate an environment where every employee feels valued, respected and supported.

Performance Data – Diversity

Indicator (#)	Measurement unit	FY2022		FY2023		FY2024	
		Non-Executive	Executive	Non-Executive	Executive	Non-Executive	Executive
Bursa C3(a): Percentage of employees by gender and age group, for each employee category	Percentage						
Age Group							
- Below 30 years old		45	7	46	7	50	10
- Between 30 to 40 years old		22	23	21	25	21	24
- Between 40 to 50 years old		26	28	25	26	21	26
- Above 50 years old		7	42	8	43	8	40
Gender							
- Male		87	77	87	76	90	75
- Female		13	23	13	24	10	25

(#) Indicator as per disclosure template under Bursa link (ESG Platform)

Performance Data – Diversity

Indicator (#)	Measurement unit	FY2022	FY2023	FY2024
Bursa C3(b): Percentage of directors by gender and age group	Percentage			
Gender				
- Male		75	71	57
- Female		25	29	43
Age Group				
- Below 40 years old				
- Between 40 to 50 years old		12	14	14
- Above 50 years old		88	86	86

(#) Indicator as per disclosure template under Bursa link (ESG Platform)

GOVERNANCE

Anti-Bribery and Corruption

Complying with regulatory requirements is crucial in ensuring that all necessary standards, processes and systems are in place in running our operations without risking either the Group's commerciality or competitiveness.

The Group has implemented SIB Anti-Bribery and Corruption Policy and revised its Whistle-Blowing Policy effective 29 May 2020, complying with the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009). Periodical review of the policies were conducted for improvement and alignment with the recommendations from Institute of Internal Auditors Malaysia (IIAM). SIB understands that proactive actions should be taken to ascertain adequate controls and procedures are in place across the organisation to prevent associated persons from undertaking conduct that would be in breach of the provision. A breach of the Corporate Liability provision is a criminal offence that comes with hefty penalties.

Integrity and Governance function led by an Integrity Officer is responsible to oversee and manage these policies and undertakes the following functions:

- Complaints Management
- Detection and Verification
- Integrity Compliance and Enhancement
- Governance

As a result, we are pleased to report that the Group has not been fined or penalised for any major environmental or statutory violation by the relevant authorities during this reporting period.

Performance Data – Anti-corruption

Indicator (#)	Measurement unit	FY2022	FY2023	FY2024
Bursa C1(a): Percentage of employees who have received training on anti-corruption by employee category	Percentage			
- Executive		100%	100%	100%
- Non-Executive		100%	100%	100%
Bursa C1(b): Percentage of operations assessed for corruption-related risks		100%	100%	100%
Bursa C1(c): Confirmed incidents of corruption and action taken	Number	Nil	Nil	Nil

(#) Indicator as per disclosure template under Bursa link (ESG Platform)

Data Privacy and Security

The Group has an IT Policy in place to manage all IT and data related activities and security. We are committed to protecting data privacy of our stakeholders, and to date, have received zero complaints from third parties or regulatory bodies regarding data privacy breach. Our IT Security Policy ensures that we are compliant with relevant regulations, including the Personal Data Protection Act (PDPA) 2010. We remain vigilant against the risk of unlawful access and use of our customers' data.

Performance Data – Data Privacy and security

Common Indicator (#)	Measurement unit	FY2022	FY2023	FY2024
Bursa C8(a): Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	Nil	Nil	Nil

(#) Indicator as per disclosure template under Bursa link (ESG Platform)

OUR COMMITMENT

Sustainability is an ongoing process, and to integrate sustainable practices in all that we do require inclusive and strong partnerships built upon principles and values, a shared vision and shared goals. To strive for a purposeful and responsible growth, we endeavour to collaborate with our stakeholders in responding swiftly to changes in demands of the business, environment and communities. We are also clear about the important role we play in driving positive change and will continuously work towards enhancing our shareholder value, strengthening our risk management framework, adopting and applying good corporate governance framework, environmentally responsible practices and sound social policies, as well as empowering our employees and communities that we engage with.

Affirming our aspirations and efforts in the sustainability journey, we were recently awarded with the Sustainability Shared Prosperity Organisation Assessment (SSPOA) Award by Malaysia Productivity Corporation (MPC); recognising SIB as an organisation practising productivity-linked wage system and adopting ESG processes in our operations towards achieving sustainability.

Our core values of being honourable, professional, resourceful, resilient and agile underpin the way we do business and our conduct with the communities where we operate and serve. We shall maintain our commitment to further integrate SIB's core values in our journey towards achieving sustainability across all aspects of our business.

This Sustainability Statement was made in accordance with a resolution of the Board of Directors dated 15 May 2024.



Recognition received from Malaysia Productivity Corporation for Sustainability Shared Prosperity Organisation Assessment

Summary of Performance Data as per Bursa Securities ESG Reporting platform disclosed in this Sustainability Statement (pages 41 to 47).

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a): Percentage of employees who have received training on anti-corruption by employee category				
Executive	Percentage	100	100	100
Non-Executive	Percentage	100	100	100
Bursa C1(b): Percentage of operations assessed for corruption-related risks	Percentage	100	100	100
Bursa C1(c): Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a): Total amount (in RM) invested in community where target beneficiaries are external to listed issuer	MYR	59,004.00	73,840.00	76,534.00
Bursa C2(b): Total number of beneficiaries of investment in communities	Number	47	50	83
Bursa (Diversity)				
Bursa C3(a): Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Executive Below 30 years old	Percentage	7	7	10
Executive Between 30 to 40 years old	Percentage	23	25	24
Executive Between 40 to 50 years old	Percentage	28	26	26
Executive Above 50 years old	Percentage	42	43	40
Non-Executive Below 30 years old	Percentage	45	46	50
Non-Executive Between 30 to 40 years old	Percentage	22	21	21
Non-Executive Between 40 to 50 years old	Percentage	26	25	21
Non-Executive Above 50 years old	Percentage	7	8	8
Gender Group by Employee Category				
Executive Male	Percentage	77	76	75
Executive Female	Percentage	23	24	25
Non-Executive Male	Percentage	87	87	90
Non-Executive Female	Percentage	13	13	10
Bursa C3(b): Percentage of directors by gender and age group				
Male	Percentage	75	71	57
Female	Percentage	25	29	43
Below 40 years old	Percentage			
Between 40 to 50 years old	Percentage	12	14	14
Above 50 years old	Percentage	88	86	86
Bursa (Energy Management)				
Bursa C4(a): Total energy consumption – Electricity	Kilowatt-hours	6,202,105.00	7,968,076.00	8,805,228.00
Bursa C4(a): Total energy consumption – Gas	Gigajoules	24,636.19	36,055.00	40,251.00

Indicator	Measurement Unit	2022	2023	2024
Bursa (Health and Safety)				
Bursa C5(a): Number of work-related fatalities (death within 1 year of accident)	Number	0	0	0
Bursa C5(b): Lost time incident rate	Rate	4.37	6.80	0.00
Bursa C5(c): Number of employees trained on health and safety standards	Number	80	161	23
Bursa (Labour Practices and Standard)				
Bursa C6(a): Total hours of training by employee category				
Executive	Hours	273	1,197	1,407
Non-Executive	Hours	623	5,824	4,949
Bursa C6(b): Percentage of employees who are contract staffs	Percentage	18	17	17
Bursa C6(c): Total number of employee turnover by employee category				
Executive	Number	11	8	9
Non-Executive	Number	93	173	102
Bursa C6(d): Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply Chain Management)				
Bursa C7(a): Proportion of spending on local suppliers	Percentage	46	49	47
Bursa (Data Privacy and security)				
Bursa C8(a): Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a): Total volume of water used	Megalitres	19.131	34.160	43.946



R E S E A R C H & D E V E L O P M E N T

Our strength in R&D ensures the Company is kept abreast with the latest technical and technological advancements and know-how.





Sapura Industrial Berhad's ("SIB" or "the Company") Board of Directors ("the Board") regards sound Corporate Governance as vital to the success of the Company's business. It is about commitment to values and ethical conduct. Thus, the Board is fully committed to ensuring that the interests of all stakeholders are not just safeguarded, but continually enhanced to ensure the sustainability and the long-term growth of the Group's businesses. Accordingly, the stakeholders' expectations must be assessed and managed, and not assumed.

This Corporate Governance Overview Statement is augmented with Corporate Governance Report, based on prescribed format as enumerated in Paragraph 15.25(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR) so as to provide a detailed articulation on the application of the Group's corporate governance practices vis-à-vis the Malaysian Code on Corporate Governance 2021 ("the Code"). The Corporate Governance Report is available on the Company's corporate website at www.sapuraindustrial.com.my. This Corporate Governance Overview Statement should also be read together with the Statement on Risk Management & Internal Control, the Audit Committee's Report and Sustainability Statement stated in this Annual Report. The Board is pleased to report to shareholders the manner in which the Company has applied the Code.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is entrusted with the responsibility to promote the success of the Group by directing and supervising the Group's affairs. To discharge the Board's stewardship responsibilities, the Board has assumed the following principal roles and responsibilities:-

- i) Review and approve annual corporate plan, which includes overall corporate strategy, marketing plan, human resources plan, financial plan and budget and risk management plan;
- ii) Oversee and review the performance of the business and to evaluate whether the business is being properly managed;
- iii) Identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- iv) Ensure that there is an appropriate succession plan for members of the Board and Senior Management;
- v) Develop and implement an investor relations programme or shareholders' communications policy;
- vi) Review the adequacy and integrity of internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines; and
- vii) Review and approve financial statements.

To assist in the discharge of its stewardship role, the Board has established board committees, namely the Board Audit Committee (BAC) and Board Nomination and Remuneration Committee (BNRC) to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making however, lies with the Board.

Board Charter

The Board has established and adopted the Board Charter with the objective of ensuring good Corporate Governance is applied in all of the Company's business dealings. The Board Charter serves as reference and guidance, providing Board members and Management insight into the functions of the Board. The Board shall update the Charter as and when need arises to reflect changes to the Company's policies, procedures as well as to comply with the latest regulations and legislations.

Code of Ethics & Business Conduct

The Board recognises the importance of having in place a Code of Ethics, setting out the standards of conduct expected from directors and employees, to cultivate and promote good corporate behaviour. Through its "Code of Ethics and Business Conduct", the Board strives to adhere to the highest ethical standards in discharging its responsibilities and continues to promote integrity and ethical conduct among its members, employees and third parties in all aspects of the Company's business operations, including confidentiality of information, conflicts of interest, health, safety and health, insider trading as well as establishing whistle-blowing policy among others.

Whistle-Blowing Policy

The Company is committed to promote a highly ethical culture of integrity and accountability. The Board has adopted a Whistle-Blowing policy to provide and facilitate the handling of wrongdoings and protection to whistle-blowers. The Policy outlines how and to whom a genuine concern may be raised, in good faith about fraud, illegal, unethical or improper business conduct within the Group.

Anti-Bribery and Corruption Policy

Acknowledging the need to raise awareness and inculcate a zero-corruption culture throughout the Group, an Anti-Bribery and Corruption Task Force has been set up to formalise the Anti-Bribery and Corruption Policy as well as to implement the anti-corruption and bribery programmes ("ABC Programmes"). The ABC Programmes involve continuous education for our employees, suppliers, subcontractors and business partners. In addition, monitoring potential corruption risk is included in the annual risk assessment of the Group.

The Board Charter, Code of Ethics and Business Conduct, Whistle-Blowing Policy and Anti-Bribery and Corruption Policy are available on the Company's corporate website at www.sapuraindustrial.com.my.

Role of Chairman

The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for managing the business of the Board to ensure that all directors are properly briefed on issues arising at board meetings, leading the Board in setting the values and standards of the Company, maintaining a relationship of trust with and between the Executive and Non-Executive Directors and ensuring the provision of accurate, timely and clear information to directors.

The Chairman, in consultation with the Management and the Company Secretary, sets the agenda for board meetings and ensures that all relevant issues are on the agenda and that sufficient time is allowed for the discussion of complex or contentious issues. Where appropriate, informal meetings are arranged beforehand to enable thorough preparation for the Board discussion. The Chairman also ensures that every board resolution is put to vote to ensure the will of the majority prevails.

Role of Executive Director

The Executive Director's role is to assist the Executive Chairman in overseeing the manufacturing business, provide leadership and oversees the formulation of business directive and strategy with the objective of achieving growth for SIB Group through diversification into new core businesses. The Executive Director also provides advice and direction on business development, corporate strategy and communication with stakeholders.

Role of Management Committee

Management Committee comprises the Group's Key Management Personnel. Management Committee's roles are to review, discuss and approve matters on business development, financial, human resource, budget and other matters as and when required.

Profiles of the Key Management Personnel are stated at pages 22 to 24 of this Annual Report.

II. BOARD COMPOSITION

The Board is mindful that the Code recommends that at least half of the Board comprises independent directors. Currently, the Board has two (2) executive directors, and four (4) independent non-executive directors. In line with the Code on gender diversity, presently, the Board has two (2) female directors namely YBhg Puan Sri Datin Seri Mariam Parineh and YBhg Datin Noor Lily Zuriati binti Abdullah. The diverse professional backgrounds of the directors provide the Board with an effective mix of members with industry-specific knowledge and broad business and commercial experience. A brief profile of the directors is presented on pages 16 to 21 of this Annual Report.

The Board continually assesses the composition and the tenure of its independent directors to ensure they have the appropriate balance of skills, expertise and experience to bring an independent view in the consideration of board issues and provide appropriate advice to maintain the highest level of corporate ethics. SIB measures the independence of its directors based on the criteria prescribed under the MMLR in which a director should be independent

and free from any business or other relationship that could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. Our independent directors, who are professionals of credibility and repute, demonstrate independent judgement and objectivity in the Board's deliberations.

Practice 5.3 of the Code recommended that the tenure of an Independent Director does not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond a cumulative term limit of nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process.

Encik Ir. Md. Shah bin Hussin has been the Company's Independent Director for more than nine (9) years cumulatively. Following an assessment by the BNRC and the Board, the Company will be seeking shareholders' approval at the forthcoming AGM for the retention of Encik Ir. Md. Shah bin Hussin as Independent Director through a two-tier voting process. The justifications for his reappointment are as follows:-

- i. His appointment is made in accordance with the requirements of the MMLR and therefore are able to bring independent and objective judgement to the Board;
- ii. He is able to provide proper check and balance in the proceedings of the Board and the Committees;
- iii. His vast experience, knowledge and skills in a diverse range of businesses allows him to participate actively and contribute during the deliberations or discussions at the Board and Committee meetings; and
- iv. He exercises due care as Independent Non-Executive Director of the Company and carries out his professional and fiduciary duties in the interest of the Company and shareholders.

The non-executive directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. They also ensure that the strategies proposed by the management are fully discussed and examined, and take into account the long-term interest not only of the shareholders, but also of employees, customers and suppliers. Together with the Management who has an in-depth knowledge of the business, the Board constitutes individuals who are committed to steer the business with vision, integrity and professionalism.

The Board recognises and embraces the benefits of having a diverse board and sees increasing diversity at board level as an essential element in maintaining a competitive advantage. A truly diverse board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All board appointments are made on merit, taking into account the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

We believe a more diversified board would promote multiple perspective analysis of issues and deliberations, and therefore result in higher quality decision making. Leveraging on input from a broader and diverse experience and knowledge base, the Board would also benefit from a more comprehensive oversight into a wider range of possible risks and sensitivities including reputation and compliance risks.

The value of a more strengthened board composition is critical to provide necessary oversight and leadership as the Company navigates a challenging post-pandemic business landscape and charts a more sustainable growth on the global platform.

Each board member is expected to commit sufficient time to carry out his/her role as director and/or member of the Board Committee in which he is a member. In accordance with the requirements of the MMLR, none of the directors of the Company holds more than five (5) directorships in public listed companies. This ensures the directors' commitment, resources and time are focused for an effective input to the Board.

Board Meetings

Meetings and Procedure

All Board and Board Committee meetings for the ensuing financial year are scheduled in advance so as to enable the directors to plan and organise their respective schedules for the year.

The Board ordinarily meets at least four (4) times a year at quarterly intervals, with additional/special meetings convened as and when deemed necessary. At each regularly scheduled meeting, there is a full financial and business review and discussions, including evaluating the performance to date against the annual budget and business plan previously approved by the Board for that year. Whenever necessary, Senior Management and/or external advisors may be invited to attend the Board and/or the Board Committee meetings to provide their professional views, advice and explanation on specific items so as to enable the Board and/or the Committees to arrive at a considered and informed decision.

During the current financial year under review, the Board held six (6) meetings. Details of attendance at Board meetings are as follows:-

NO.	NAME OF DIRECTORS	POSITION	MEETING ATTENDANCE
1.	Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir	Executive Chairman	6/6
2.	Tan Sri Dr. Azmil Khalili bin Dato' Khalid (appointed on 20 March 2023) (appointed as Deputy Chairman on 14 June 2023)	Deputy Chairman, Senior Independent Non-Executive	5/5
3.	Puan Sri Datin Seri Mariam Parineh (redesignated as Executive Director on 1 January 2024)	Executive Director	6/6
4.	Datuk Syed Izuan bin Syed Kamarulbahrin	Independent Non-Executive	6/6
5.	Encik Ir. Md. Shah bin Hussin	Independent Non-Executive	6/6
6.	Datin Noor Lily Zuriati binti Abdullah (appointed on 10 August 2023)	Independent Non-Executive	2/2
7.	Datuk Wira Jalilah binti Baba (resigned on 19 April 2024)	Independent Non-Executive	5/6
8.	Datuk Kisai bin Rahmat (resigned on 10 May 2023)	Independent Non-Executive	3/3
9.	Encik Wan Ahamad Sabri bin Wan Daud (resigned on 10 May 2023)	Independent Non-Executive	3/3

To facilitate an effective discharge of responsibilities, dedicated Board Committees have been established guided by clear terms of reference. The Board Committees are chaired by non-executive directors who exercise skilful leadership with in-depth knowledge of the relevant industry.

- **Board Audit Committee**

The primary objective of the Board Audit Committee is to assist the Board of Directors in discharging its responsibilities relating to financial accounting and reporting matters. In compliance with the MMLR and the Code, the Board Audit Committee comprises three (3) directors, who are all independent non-executive directors:

Chairman : Datuk Syed Izuan bin Syed Kamarulbahrin
Independent Non-Executive Director
(appointed as Chairman on 10 May 2023)

Datuk Kisai bin Rahmat
Senior Independent Non-Executive Director
(resigned on 10 May 2023)

Members : Encik Ir. Md. Shah bin Hussin
Independent Non-Executive Director
(appointed on 10 May 2023)

Datin Noor Lily Zuriati binti Abdullah
Independent Non-Executive Director
(appointed on 10 August 2023)

Encik Wan Ahamad Sabri bin Wan Daud
Independent Non-Executive Director
(resigned on 10 May 2023)

The terms of reference of Board Audit Committee are available on the Company's corporate website at www.sapuraindustrial.com.my. The Board Audit Committee held five (5) meetings during the financial year.

- **Board Nomination and Remuneration Committee**

The BNRC was set up with the primary responsibility of proposing and recommending to the Board, candidates for directorships to be filled in the Board and Board Committees. The BNRC, in recommending candidates for appointment to the Board and Board Committees, assesses the candidates' experience, background, capabilities and skills required by the Board. The Board believes that individuals with diverse backgrounds, independence, competencies and diversity represented on the Board could improve its effectiveness and bring differing perspectives in its deliberations and decision-making processes.

The BNRC, in determining candidates for appointment to the Board Committees, considers various factors which include time commitment of the Board Committee members in discharging their roles and responsibilities through attendance at their respective meetings.

The BNRC is also responsible to propose, consider and recommend to the Board the remuneration packages for the Executive Chairman, Executive

Directors, Head of Manufacturing Business, President Industrial Business and Head of Corporate Services. Their remuneration are competitive and attractive as it has been benchmarked against the industry and commensurate with the performance of the Group's business.

Currently, the composition of the BNRC complies with the MMLR. The BNRC comprises majority of whom are Independent Non-Executive Directors .

Chairman : Tan Sri Dr. Azmil Khalili bin Dato' Khalid
Senior Independent Non-Executive Director
(Appointed on 10 May 2023)

Datuk Kisai bin Rahmat
Senior Independent Non-Executive Director
(resigned on 10 May 2023)

Members : Puan Sri Datin Seri Mariam Parineh
Executive Director

Encik Ir. Md. Shah bin Hussin
Independent Non-Executive Director

Encik Wan Ahamad Sabri bin Wan Daud
Independent Non-Executive Director
(resigned on 10 May 2023)

The above composition ensures that any decisions made are impartial and in the best interest of the Company without any element of fear or favour.

The BNRC meets as and when required and at least once every financial year. During the financial year under review, BNRC held seven (7) meetings.

The BNRC's Terms of Reference cover the following areas:

- Objectives;
- Composition and appointment of its members;
- Meetings and procedures;
- Functions and duties;
- Selection and Assessment of Directors;
- Remuneration and terms of employment of the Executive Directors and CEO.

The BNRC's Terms of Reference is available on the Company's corporate website at www.sapuraindustrial.com.my.

Minutes of Meetings

The proceedings and resolutions passed at each Board and Board Committee meeting are minuted and kept in the statutory register at the registered office of the Company. In the event of any potential conflict of interests, the directors in such a position will make a declaration to that effect as soon as is practicable. The directors concerned will then abstain from any decision-making process in which they are involved.

Supply of Information

The Board has unrestricted access to timely and accurate information necessary in the furtherance of their duties. The Company Secretary ensures that all Board meetings are furnished with proper agendas. Board papers, which include reports on Group performance and major operational, financial, strategic and regulatory matters, are circulated to all the directors not less than seven (7) days prior to the meeting, to allow the directors sufficient time for review. In most instances, senior management of the Company as well as external advisors are invited to be in attendance at Board meetings to provide fresh insights and to furnish clarification on issues that may be raised by the Board.

Company Secretary

The Directors have full and unrestricted access to the advice and services of the Company Secretary who supports and plays an advisory role to the Board in relation to the Board's policies and procedures and ensures compliance with the relevant regulatory requirements, codes, guidance, legislations and best practices on governance. The Company Secretary is also responsible for management of the Company's registers. The Company Secretary provides support to the Chairman of the Company to ensure the effective functioning of the Board and also organises and attends all Board meetings and Board Committees meetings, ensuring that an accurate and proper record of deliberation of issues discussed, decisions and conclusions are taken.

The Company Secretary records, prepares and circulates the minutes of the meetings of the Board and Board Committees and ensures that the minutes are properly kept at the registered office of the Company and produced for inspection, if required. In addition, the Company Secretary also updates the Board regularly on amendments to the Listing Requirements, practice and guidance notes, circular from Bursa Malaysia Securities Berhad, legal and regulatory developments and impact, if any, to the Company and its business. The appointment and removal of the Company Secretary is also a matter for the Board to decide to ensure qualified and suitable individual is selected.

Independent Professional Advice

There is a formal procedure sanctioned by the Board, whether as a full board or in their individual capacity to seek independent professional advice, where necessary, at the Group's expense from time to time. This is to enable the Board to discharge its duties in relation to matters being deliberated. The procedure will involve informing the Company Secretary who will propose a list of advisors for consideration. The advice given could also be shared with the other board members. Similar access is also extended to the Board Committees on the same basis.

Appointment to the Board

The proposed appointment of new Board members is reviewed and assessed by the BNRC. Thereafter the BNRC submits its recommendation on the proposed appointment to the Board for approval. The BNRC's primary role is to review the required mix of skills and experience of the directors on the Board, and determine the appropriate board balance and size of non-executive directors. It will establish procedures and processes towards an annual assessment of the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual director including time commitment. The Board is satisfied that the current composition of the Board brings the required mix of skills and experience required for the Board to function effectively.

Directors' Training

The Board acknowledges that its directors must keep abreast of developments in the Group's operating environment and business and will need to enhance their knowledge and business acumen to meet challenging commercial risks. All directors including the newly appointed director have completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia. The Board endeavours to provide continual training and development of its current and new directors, by ensuring that the Directors participate in a specifically tailored training and induction programme.

During the financial year and up to issuance of Annual Report 2024, the following training sessions were attended by some of the Board members:

- i. Mandatory Accreditation Programme Part II - Leading for Impact
- ii. Net Zero Target Briefing
- iii. Environmental, Social & Governance (ESG) Training
- iv. Building a Sustainable Legacy - Empowering Leaders for a lasting Impact
- v. Navigating the Rising Tide of Financial Crime & Technology
- vi. Navigating Cyber - Threats in the Age Of AI & Thriving in a High-Risk Landscape
- vii. Corporate Innovation through Venture Building; A Capital Efficient & Risk Mitigated Approach
- viii. Building the Boards For Innovation
- ix. Conflict of Interest - Relevant provisions under the Companies Act 2016 and recent updates to the MMLR

Re-election and Reappointment of Directors

The Company's Constitution provides that all directors appointed by the Board are subject to election by the shareholders at their first Annual General Meeting and thereafter shall retire from office by rotation at least once in each three (3) years, but shall be eligible for re-election at each Annual General Meeting. The Board makes recommendations concerning the re-election, reappointment and the continuation in office of any director for shareholders' approval at the Annual General Meeting.

III. REMUNERATION

Level and Make-up of Remuneration

The BNRC is responsible for evaluating and recommending to the Board the level and make-up of the remuneration of the Executive Chairman, Executive Director, Head of Manufacturing Business, President Industrial Business and Head of Corporate Services, ensuring that they commensurate with the scope of responsibilities held in order to attract and retain the persons of necessary calibre, experience and quality needed to successfully lead the Company.

The BNRC is also responsible for reviewing and making recommendations to the Board the framework and remuneration packages of the Non-Executive Directors to ensure that the levels of remuneration are sufficient to attract and retain the directors needed to run the Company successfully. In its review, the BNRC considers various factors including the Directors' fiduciary duties, time commitments expected of them and the Company's performance.

For the financial year ended 31 January 2024, the total Directors' fees payable to the Non-Executive Directors amounting to RM468,876 have been recommended to the shareholders for approval at the Company's forthcoming Annual General Meeting.

Remuneration Committee

The Board is satisfied that the BNRC has effectively and efficiently discharged its roles and responsibilities with respect to its nomination and remuneration functions. As such, it is not necessary to separate the Nomination and Remuneration functions into distinct nomination and remuneration committees.

The details of the directors' remuneration for the financial year ended 31 January 2024 are as follows:

	Executive RM	Non-Executive RM	Total RM
Fees	-	468,876	468,876
Salaries and other emoluments	1,628,000	-	1,628,000
Bonus	360,000	-	360,000
Other emoluments	-	161,000	161,000
Benefits-in-kind	32,200	-	32,200
Contributions to defined contribution plan	8,257	-	8,257
Total	2,028,457	629,876	2,658,333

The number of directors whose remuneration fall into the following bands are as follows:

Bands	Executive	Non-Executive	Total
Below RM50,000	-	3	3
RM50,001 – RM100,000	-	2	2
RM100,001 – RM150,000	-	2	2
RM150,001 – RM200,000	*1	-	1
RM1,950,001 – RM2,000,000	1	-	1
Total	2	7	9

* Included within the remuneration band is the remuneration of a director in capacity as a Non-Executive Director amounting to RM100,986 for the period 1 February 2023 to 31 December 2023.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Financial Reporting

The Board is committed to provide a balanced and meaningful assessment of the Group's financial performance and prospects. The usual channel for release of this information is through the audited financial statement, quarterly announcements and the Annual Report. In discharging its fiduciary responsibility, the Board is assisted by the Board Audit Committee whose primary responsibility is to oversee the Group's financial reporting processes and ensure the quality of its financial reporting.

Risk Management and Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal control and a risk management framework to safeguard shareholders' investment and Group assets and for reviewing the effectiveness of these systems. The Statement on Risk Management and Internal Control is presented on pages 62 to 65 of the Annual Report providing an overview of the risk management and status of internal control system within the Group.

Relationship with Auditors

The Board, through the Board Audit Committee, maintains a formal and transparent professional relationship with both the Group internal and external auditors.

The function of the Board Audit Committee in relation to the external auditors and the number of meetings held since the previous financial year end as well as the attendance record of each member is shown in the Audit Committee's Report on pages 59 to 61 of the Annual Report.

The membership of the Board Audit Committee, the terms of reference and a summary of the activities of the Committee are presented in the Audit Committee's Report on pages 59 to 61 of the Annual Report.

Directors' Responsibility Statement

The Directors are required by the Companies Act, 2016 to ensure that financial statements prepared for each financial year give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the results and cash flow of the Group for the financial year.

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

General Meetings

The Company has been using the general meetings as a platform for communicating with its shareholders. All shareholders are welcome to attend the Company's general meetings and to actively participate in the proceedings. They are encouraged to give their views and suggestions for the benefit of the Company. Every opportunity is given to shareholders to ask questions and seek clarification on the business and performance of the Company. The Board, Senior Management of the Group as well as the Company's auditors are present to respond to issues raised during the meeting.

Notice of general meetings and annual reports/circulars are sent out with sufficient notice so as to enable shareholders to have the required information to make informed decisions. In line with MMLR, voting by poll shall be conducted for any resolutions set out in the notice of any general meetings in the presence of independent scrutineer.

The Company's Forty Seventh Annual General Meeting ("47th AGM") in 2023 was held as a fully virtual meeting through live streaming and online remote voting using the Remote Participation and Voting Facilities ("RPV"). To ensure effective participation of and engagement with shareholders, the Company encouraged the shareholders and proxies to submit their questions electronically to the Company before and during the AGM. Members of the Board, Senior Management and external auditors were present virtually to respond to questions raised by the shareholders or proxies. The Company had conducted poll voting via RPV for all resolutions set out in the Notice of the 47th AGM. The shareholders were provided with the Administrative Guide which sets out the guidelines for shareholders and proxies on the conduct and voting procedures in a fully virtual meeting together with the Notice of the 47th AGM. The results of the poll were verified by the independent scrutineer. The Company continues to explore ways to leverage on technology to enhance the quality of engagement with its shareholders, and facilitate further participation by shareholders at all general meetings of the Company.

Communication with Stakeholders

The Board recognises the importance of being transparent and accountable to the Company's stakeholders and as such has various channels to maintain communication with them. The annual report, quarterly announcements on financial results, relevant announcements on the Group's business and activities, as well as the Company's website are the primary mode of communication to all its stakeholders.

The key objective of the Company's dialogue with its shareholders at the Annual General Meeting or Extraordinary General Meeting is to provide an opportunity for a two-way communication process between the Company and its private and institutional investors. In a process of engaging our stakeholders, the Company is able to answer any questions that may be raised while gaining insights into their views and perspectives. At the Annual General Meeting or Extraordinary General Meeting, shareholders are also encouraged to ask questions about the resolutions being proposed as well as the Group's operations in general.

Senior Independent Director

The Board has identified Tan Sri Dr. Azmil Khalili bin Dato' Khalid as the Senior Independent Non-Executive Director of the Board to whom any concerns on issues affecting the Company and the Group may be conveyed. He may be contacted at director-sib@sapuraindustrial.com.my.

Corporate Website

The Company has established a website at www.sapuraindustrial.com.my where shareholders and stakeholders can access information regarding Sapura Industrial Berhad Group. Information on the website includes the Group's corporate structure, main business activities and announcements to Bursa Malaysia.

The Corporate Governance Overview Statement and the Corporate Governance Report are made in accordance with a resolution of the Board of Directors dated 15 May 2024.

The Board Audit Committee of Sapura Industrial Berhad is pleased to present their report for the financial year ended 31 January 2024 in compliance with paragraph 15.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR).

COMPOSITION

The current composition is in compliance with paragraph 15.09(1)(a) and (b) and 15.10 of the MMLR where all three Board Audit Committee members are Independent and Non-Executive Directors who fulfill the criteria of independence as defined in the MMLR. None of the Independent Directors has appointed alternate directors.

As at the date of this Report, the members of the Board Audit Committee during the financial year comprised the following Directors:

Datuk Syed Izuan bin Syed Kamarulbahrin, Chairman
Independent Non-Executive Director
(appointed as Board Audit Committee Chairman on 10 May 2023)

Datuk Kisai bin Rahmat, Chairman
Senior Independent Non-Executive Director
(resigned on 10 May 2023)

Encik Ir. Md. Shah bin Hussin, Member
Independent Non-Executive Director
(appointed on 10 May 2023)

Datin Noor Lily Zuriati binti Abdullah, Member
Independent Non-Executive Director
(appointed on 10 August 2023)

Encik Wan Ahamad Sabri bin Wan Daud, Member
Independent Non-Executive Director
(resigned on 10 May 2023)

Datuk Syed Izuan bin Syed Kamarulbahrin is a qualified accountant, currently a Fellow Member of ACCA, UK and member of Malaysian Institute of Certified Public Accountants, which is in compliance with paragraph 15.09(1)(c) of MMLR which requires at least one member of the Board Audit Committee to be a qualified accountant.

The Chairman of the Committee is not the Chairman of the Board. This is in line with Practice 9.1 of the Malaysian Code on Corporate Governance 2021 (MCCG).

TERMS OF REFERENCE

The Terms of Reference of the Board Audit Committee sets out the authority, duties and responsibilities of the Board Audit Committee which are consistent with the requirements of the MMLR and the MCCG. This Terms of Reference is accessible on the Group official website at www.sapuraindustrial.com.my.

MEETINGS HELD FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

The Board Audit Committee held five (5) meetings during the financial year ended 31 January 2024 with the Head of Corporate Services cum Company Secretary in attendance. The Chief Executive Officer/Head of Manufacturing Business, External Auditors and Internal Auditors were also invited to brief the Board Audit Committee on issues tabled for discussion.

The meetings were structured through distribution of relevant papers to members with sufficient notification.

Board Audit Committee Meeting Attendance

There were five (5) meetings held during the financial year ended 31 January 2024 and the details of attendance are as follows:-

No	Name of Board Audit Committee Members	Position	Total Meetings Attended
1.	Datuk Syed Izuan bin Syed Kamarulbahrin	Independent Non-Executive	5/5
2.	Datuk Kisai bin Rahmat (resigned on 10 May 2023)	Independent Non-Executive	2/2
3.	Encik Ir. Md. Shah bin Hussin (appointed on 10 May 2023)	Independent Non-Executive	3/3
4.	Datin Noor Lily Zuriati binti Abdullah (appointed on 10 August 2023)	Independent Non-Executive	2/2
5.	Encik Wan Ahamad Sabri bin Wan Daud (resigned on 10 May 2023)	Independent Non-Executive	2/2

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The Committee carried out its duties in accordance with its terms of reference during the financial year.

The main activities undertaken by the Committee were as follows:

Financial Reporting

- Reviewed the quarterly and year-end financial statements before recommending to the Board for approval to announce to Bursa Malaysia Securities Berhad.
- Ensuring that financial statements comply with applicable financial reporting standards and considered the following on a regular basis:
 - > Changes in accounting policies and practices and implementation thereof.
 - > Significant adjustments arising from the external audit process.
 - > Going concern assumption.
 - > Adequacy and appropriateness of disclosure.

External Audit

- Reviewed the External Auditor's scope of work and audit plan for the financial year.
- Considered significant issues arising from the annual audit by the External Auditor.
- Held separate meetings with the External Auditors, excluding the attendance of the Management, to discuss any problems and reservations.
- Considered the suitability and independence of the External Auditor with the Management. Factors considered including the adequacy of experience and resources of the firm and professional staff assigned to the audit and level of non-audit services rendered for the financial year under review. The Board Audit Committee procures a confirmation from them that they are and have been independent throughout the conduct of the audit engagement.
- Considered together with Management the audit fees of External Auditors for recommendation to the Board for approval.

Internal Audit

- Reviewed the internal audit plan to confirm the annual audit of the Group.
- Reviewed and appraised the audit reports by the Internal Auditors.
- Reviewed and appraised the audit reports by the Internal Auditors and Management's response and follow-up actions to major findings.
- Monitored the implementation of the audit recommendations in subsequent meetings to obtain assurances that all key risks and control concerns have been fully addressed.
- Considered together with Management the audit fees of outsourced Internal Auditors for recommendation to the Board for approval.

Risk Management and Internal Control

- Reviewed and appraised the various corporate governance, risk management and internal control systems.
- Reviewed the adequacy and effectiveness of the governance and risk management processes as well as the internal control system through risk assessment reports from the Group Risk Management Committee and the Internal Auditor. Significant risk issues were summarised and communicated to the Board for consideration and resolution.
- Recommended to the Management any improvement on internal controls, procedures and systems of the Group to improve the robustness of its risk monitoring and control activities.

Related Party Transactions

- Reviewed the related party transactions entered into by the Group and any conflict of interest situation that may arise within the Group so as to ensure that transactions are fair and reasonable, and are not detrimental to the interest of the Group.

Others

- Reviewed the Audit Committee's Report, Statement on Risk Management and Internal Control and Sustainability Statement before submission to the Board for consideration and approval for inclusion in Company's Annual Report.

The Board Audit Committee Chairman also continuously engaged with the Senior Management, External Auditors and Internal Auditors in order to be kept informed of matters affecting the Group. Through such engagements, relevant issues were brought to the attention of the Board Audit Committee in a timely manner.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit function for financial year 31 January 2024 is carried out by Salihin Consulting Group Sdn. Bhd. (Salihin) to assist the Board Audit Committee in the discharge of its duties and responsibilities. The Internal Auditor reports directly to the Board Audit Committee and its principal responsibility is to provide independent and objective assurance on the adequacy and effectiveness of the risk management, internal control and governance processes. The purpose, authority and responsibility of Internal Auditors are articulated in the engagement agreement between the Group and Salihin. The Internal Auditors are free from any relationships or conflict of interest, which could impair their objectivity and independence.

The Internal Auditors reviewed and evaluated the adequacy and effectiveness of the Group's internal control system to anticipate any potential risks and recommended improvements, where necessary. The Internal Auditors also assessed:

- a. the Group's compliance to its established policies and procedures, guidelines and statutory requirements;
- b. reliability and integrity of financial and operational information;
- c. safeguarding of assets; and
- d. operational effectiveness and efficiency.

The Management was required to provide justification and rectification initiatives on audit findings raised by the Internal Auditor pursuant to the audit reports issued, at request of the Board Audit Committee. The audit reports, incorporating relevant action plans agreed with the Management, were circulated to the respective Senior Management and Business Units Head and were reviewed by the Board Audit Committee.

Validation of controls based on the key risk profile identified under the Group Risk Management framework were also conducted in major subsidiaries to ensure those controls are in place and adequate. The resulting report was forwarded to the Management and Board Audit Committee for recommendations.

A follow-up audit review was also conducted to monitor and ensure that all audit recommendations have been effectively implemented.

Internal Audit's function, including its activities are guided by the International Standards for the Professional Practice of Internal Auditing and the engagement agreement between the Group and Salihin.

The total cost incurred for the internal audit function of the Group for the financial year was RM217,461.

REPORTING TO THE EXCHANGE

In the financial year ended 31 January 2024, the Board Audit Committee was of the view that the Group was in compliance with MMLR and as such, the reporting to Exchange under paragraph 15.16 of the MMLR is not required.

The Audit Committee's Report was made in accordance with a resolution of the Board of Directors dated 15 May 2024.

DATUK SYED IZUAN BIN SYED KAMARULBAHRIN

Chairman

Board Audit Committee

The Board of Directors (“the Board”) of Sapura Industrial Berhad (“SIB” or “the Group”) clearly understands the importance of risk-conscious culture hence is highly committed to maintain a sound internal control system and risk management framework within the Group. With this, the Board is pleased to present the following Statement on Risk Management and Internal Control (“SORMIC” or “the Statement”) for the financial year ended 31 January 2024.

This Statement is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad that requires the Board of public listed companies to include a statement on the state of their internal controls in their annual reports. The Board is also guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. In addition, Part II of Principle B in the Malaysian Code on Corporate Governance (MCCG) issued in 2021 requires the board of directors of public listed companies to maintain an effective risk management framework and internal control systems to safeguard shareholders’ investment and the Group’s assets.

RESPONSIBILITY

The Board acknowledges that in order to safeguard shareholders’ investment, other stakeholders’ interest and the assets of the Group, it is important to maintain a well-constructed and effective system of risk management and internal control. Accordingly, the Board recognises its overall responsibility in maintaining the Group’s system of risk management and internal control, and for reviewing its effectiveness, adequacy and integrity of the system which is an integral part of good corporate governance. Such systems cover not only financial controls but also operational and compliance controls and risk management procedures.

In pursuing its responsibility, the Board has established an ongoing process for identifying, evaluating and managing significant risks faced by the Group and to regularly review this process. This SORMIC outlines the nature and scope of its risk management and internal control which has been in place during the financial year under review and up to the date of approval of this statement for inclusion in the annual report.

However, due to inherent limitations, the Board acknowledges that the system provides reasonable but not absolute assurance in eliminating the risks of failure in achieving the business objectives. Hence the system can only provide reasonable assurance against material misstatement, fraud or loss.

The Management is assigned by the Board with the responsibility to implement the policies and procedures on risk management, identify and assess the various risks faced by the Group and ensure appropriate controls are in place to mitigate, control and monitor these risks.

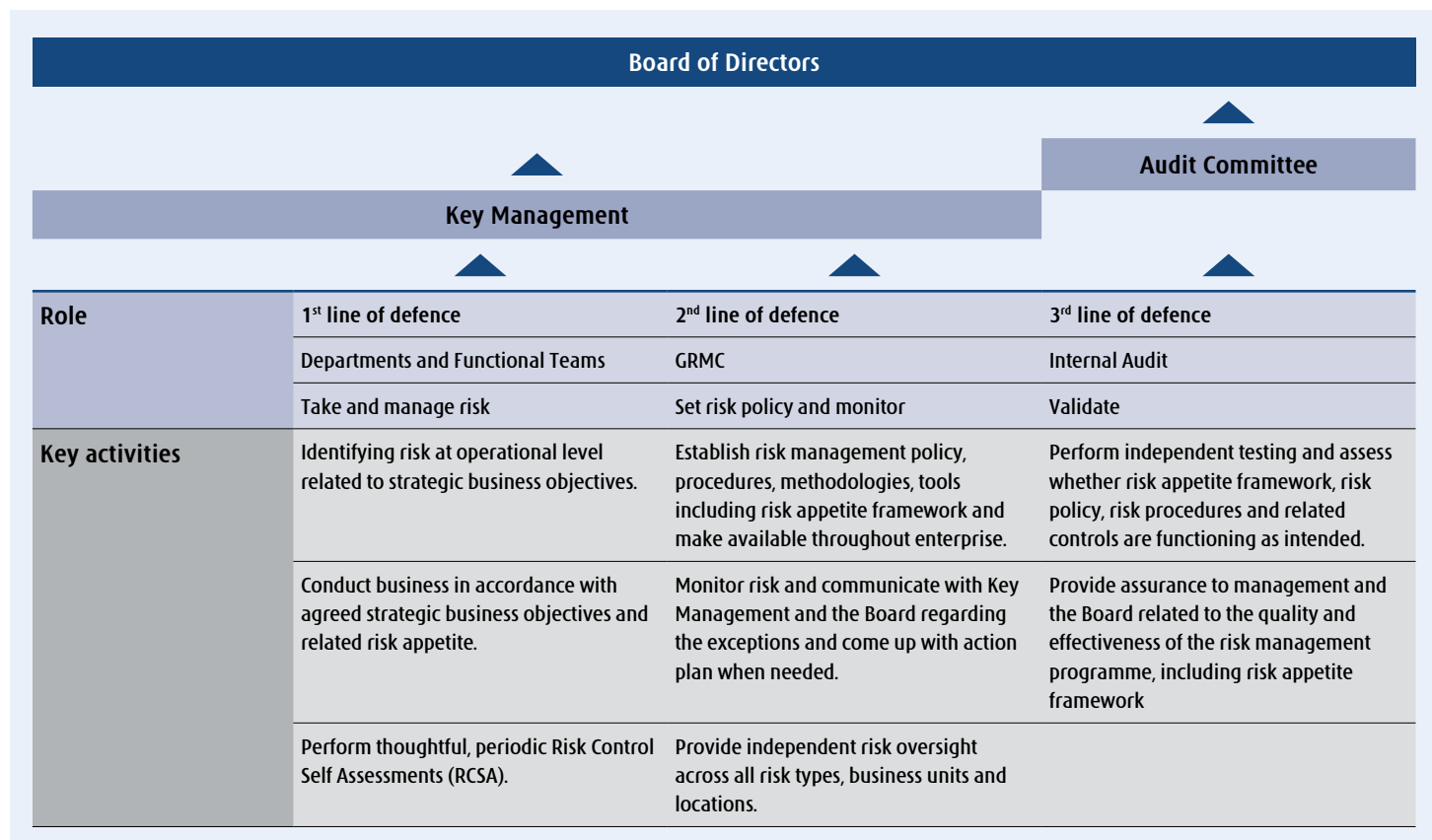
RISK MANAGEMENT

The Board firmly believes that system of risk management and internal controls is critical to the Group’s business sustainability and key to good corporate governance. The Board has oversight over this critical area through the Audit Committee, which delegated the role of overseeing the Group’s risk management to Group Risk Management Committee (GRMC), although the Board retains overall accountability of the Group’s risk profiles.

An overview of the Group’s overall risk management framework is illustrated in the following diagram:



The governance structure to manage risk allows the Group to have a “3 Lines Model” that defines the relationship between these functions and facilitate strong governance and risk management as per the following diagram:



The Group’s Risk Management Framework sets out the overarching principle and approach in risk management. The primary objective of the Group’s Risk Management Framework is to support the achievement of the Group’s mission, vision and strategic objectives by sufficiently managing all its risks and safeguard the Group’s reputation, resources, people and finances.

The Group’s Risk Management Framework has been reviewed during the year to provide adequate guidance in managing the risks of the Group. The updated Risk Management Framework is aligned with the ISO31000:2018 and includes Economic, Environmental, Social and Governance (EESG) related risks as recommended by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) version 2018.

The following are 7 steps involved in the Group’s Risk Management workflow:



The Group' Risk Management workflow starts with identifying the strategic objectives that will support the achievement of the Group's vision and mission as follows:

Vision

To be a leader in advanced manufacturing solutions

Mission

Delivering solutions and value to customers, employees, shareholders and community by harnessing technologies and resources.

In performing risk identification, the Group categorises the risks as strategic or operational risks. Strategic risks are those that are mission-critical that have a direct negative impact to achievement of the Group's strategic objectives whereas operational risks are risks that are at granular level, in conducting daily business activities and operations. The Group has identified 21 strategic risks that are closely monitored by GRMC while the operational risks are monitored by the respective Heads of Department.

The risks profiles of the Group are identified, assessed and evaluated during the risk workshops with input from Key Management. Risks identified are assessed by examining the potential impact on the Group based on the likelihood and impact of occurrence. A 5-point scale that contains 5 response options are used to determine the likelihood and impact of each risk profile. Members of GRMC and Heads of Department provide their responses to each strategic risk identified and the consolidated results are known as the inherent risk score.

At risk prioritisation stage, the GRMC together with the Key Management will determine risk response strategies by classifying the risks into 4 quadrants of avoid risk, transfer risk, mitigate risk and accept risk. This process provides the Group with clarity in understanding risk tolerance level and helps to establish the risk mitigation plan and the required internal control procedures. Controls identified are then classified and evaluated for appropriateness and effectiveness. Residual risks will then be identified and managed in a proper manner by assigning responsibility to relevant levels of management and operations.

The above process adopted in assessing risks provides a structured approach in identifying, prioritising and managing the Group's risks.

During the course of audit activities, Internal Auditors will conduct risk and internal control assessments for both strategic and operational risks to ascertain whether the internal controls are in place and working effectively.

Monitoring and Reporting

The GRMC continuously monitors and reviews the adequacy and effectiveness of risk management and control systems within the Group. This process will ascertain those controls that are effective and those that require further improvement to ensure that sufficient controls are always in place. A control self-assessment system is also available for Management to monitor critical and routine risk areas under their jurisdiction using the Risk Profiles and Risk Heatmap. Additionally, report on risks is given high priority and is discussed extensively during Monthly Management Meeting.

The Audit Committee reviews and monitors the adequacy and effectiveness of the Group's risk management, internal control and governance processes on a periodic basis, based on reports provided by internal auditors. Formal procedures are put in place for action to be taken to remedy any significant weakness identified in these reports.

The Audit Committee has unrestricted access to internal auditors, external auditors and the employees of the Group and are also entitled to obtain third party independent professional advice should the requirement exist in the course of performing their responsibility.

This process has been in place throughout the financial year under review and up to the date of this report.

The Group will continue its focus on institutionalising risk management as a business culture within the Group.

INTERNAL CONTROL

The Audit Committee assists the Board in reviewing the adequacy and integrity of the Group's system of risk management and internal control. The Audit Committee, assisted by the Internal Auditors perform structured and systematic audit review that complies with the guidelines by International Professional Practice Framework (IPPF) of the Institute of Internal Auditors.

The Internal Auditors carry out internal control reviews on the financial and operating activities of the Group based on an annual plan presented and approved by the Audit Committee. Internal Audit functions are carried out objectively and reports directly to the Audit Committee and are independent from the management of the company and the functions which it audits.

The audit performed by Internal Auditors assesses the effectiveness of risk management, internal controls, anti-corruption, whistle-blowing and governance processes of the Group and the extent of compliance with Group's operating policies and procedures. The findings on weaknesses or deficiencies in internal control processes from the audit activities performed are presented to Audit Committee. This function serves an important source of information for Audit Committee to identify possible remedial course of actions to improve the weaknesses found in risk management and control systems.

The key elements of the framework of the internal control system of the Group are as follows:

- All major decisions require the approval of the Board and are only made after appropriate in-depth analysis. The Board meets regularly on a quarterly basis, and reviews the financial and operational performance of the Group.
- Clear Group organisational structure that is aligned with the business and operational requirements, defined lines of responsibilities and appropriate levels of delegation.
- All Departments and Divisions of the Group have clearly documented policies and procedures incorporating control and scope of responsibilities. Periodic review is done to ensure their relevance and effectiveness. The policies reviewed during the year are:
 - > Code of Ethics and Business Conduct
 - > Limits of Authority
 - > Group Risk Management Framework

- Consolidated risk register of the Group and any report received on any significant problem that has occurred during the year will be reviewed. Any potential impact to the existing risk profile and risk appetite will be assessed.
- Limits of Authority (LoA) sets out the authority limits throughout the Group in the areas of corporate, operations, financial and human resource. The LoA prescribes limits of authority and prohibits unfettered power within the various levels of management and Group members. The LoA may be reviewed by the Board upon recommendation by management, to ensure its provisions are effective in managing risk and are practical for implementation.
- The Internal Auditors monitor compliance with the Group's policies and procedures and applicable laws, regulations and standards, and provide independent assurance on adequacy and effectiveness of the risk management and internal control system by conducting regular audit and continuous assessment. Major audit findings and recommendations for corrective actions and improvement are highlighted to Audit Committee and Key Management. Audit follow-up is carried out to ensure the implementation of corrective action plans in a timely manner.
- The Audit Committee, on behalf of the Board, regularly reviews and holds discussion with management on the action taken on internal control issues identified in various reports prepared by the Internal Auditors, External Auditors and the Management.
- An Annual Budget and Business Plan is prepared and adopted by the Board to facilitate the Group in its business and financial performance. The Board reviews and monitors the achievements of the Group's performance on a quarterly basis.
- Management Committee Meetings, attended by Key Management and chaired by the Head of Manufacturing Business, are held to deliberate on business, financial and operational issues which include reviewing and approving all key strategic business measures and policies. Progress reports of any internal control measures recommended to the business units are also reviewed.
- Monthly Operational Performance Meetings at the Group and business unit levels attended by respective Business Unit Heads and chaired by the Head of Manufacturing Business are held to review operational performance and issues including progress of ongoing initiatives.
- Quality Management Systems have been implemented in all of the Group's manufacturing subsidiaries where documented internal procedures and standard operating procedures have been put in place. Internal quality audits are carried out by qualified management representatives and periodic surveillance audits are conducted by an independent certification body to ensure compliance.
- Code of Ethics and Business Conduct is established and adopted for all directors, officers and staff that emphasises on the principle of discipline, good conduct, professionalism and integrity that are critical to the success and wellbeing of the Group.
- Whistle-Blowing Policy has been put in place to facilitate the disclosure of concerns regarding unethical, unlawful or any improper conduct via a reporting channel within the Group. This policy has been reviewed and updated during the year. Stakeholders of the Group may report any unethical, unlawful and improper conduct via email at whistleblower@sapuraindustrial.com.my. The Whistle-Blowing Policy is available on the Group's corporate website under the Investor Relations section.
- Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (MACC Act) which came into force on 1 June 2020 governs the offence of corruption committed by persons associated with a commercial organisation. "Associated persons" referred to in this MACC Act would include the director, partner, employee and those who perform services for or on behalf of the commercial organisation. Pursuant to this enforcement of MACC Act, the Board has put in place Anti-Bribery and Corruption Policy to establish adequate procedures to prevent the commission of corrupt acts by persons associated to the Group. In addition, the risk of non-compliance to Anti-Bribery and Corruption Policy is also included in the annual risk assessment in accordance with paragraph 15.29(1)(c) of the MMLR of Bursa Malaysia Securities Berhad. The Anti-Bribery and Corruption Policy is available on the Group's corporate website under the Investor Relations section.

ADEQUACY AND EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Head of Manufacturing Business and Head of Corporate Services have provided assurance to the Board and Audit Committee that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, to ensure the achievement of its business objectives. Based on the review on adequacy and effectiveness of the risk management and internal control framework of the Group and the assurance provided by the Management Team, the Board is of the view that the system of risk management and internal control is satisfactory and adequate to safeguard shareholders' investment and the Group's assets.

The Group will continue to identify, evaluate and monitor all major risks and take measures to strengthen the internal control and risk management environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of MMLR, the external auditors, Messrs. Ernst & Young PLT, have reviewed this Statement on Risk Management and Internal Control in accordance with the Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control (AAPG 3) issued by Malaysian Institute of Accountants for inclusion in this Annual Report and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of risk management and internal control within the Group.

AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Statement made in accordance with a resolution of the Board of Directors dated 15 May 2024.

Additional Compliance Information

Pursuant to Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiary companies involving the Company's directors and/or major shareholders' interests either still subsisting at the end of financial year, or which were entered into since the end of the previous financial year.

2. MATERIAL CONTRACTS RELATED TO LOAN

There were no material contracts related to loans entered into by the Company and/or its subsidiary companies involving the Company's directors and/or major shareholders' interests during the financial year under review.

3. RECURRENT RELATED PARTY TRANSACTIONS ENTERED INTO DURING FINANCIAL YEAR ENDED 31 JANUARY 2024 PURSUANT TO SHAREHOLDERS' MANDATE

Shareholders' mandate was not required to be procured for recurrent related party transactions entered into during financial year ended 31 January 2024.

4. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered by Messrs. Ernst & Young PLT by the Group and the Company for the financial year under review were as follows:

	GROUP (RM)	COMPANY (RM)
Statutory audit fees	232,800	58,700
Non-audit fees	7,500	7,500

The non-audit fees comprised of professional fees in relation to Statement of Risk Management and Internal Control review.

5. PROFIT ESTIMATION, FORECAST OR PROJECTION

There were no profit estimation, forecast of projection made or released by the Company during the financial year under review.

Statement of Directors' Responsibility in Respect of the Audited Financial Statements

Pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Directors are responsible for the preparation of the audited financial statements for each financial year in accordance with the applicable approved accounting standards in Malaysia and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and the cash flow of the Group and of the Company for the financial year.

In preparing the financial statements of the Group and of the Company, the Directors have adopted appropriate accounting policies and applied them consistently and prudently. The Directors have also ensured that those applicable accounting standards have been followed and confirmed that the financial statements have been prepared on a going concern basis.

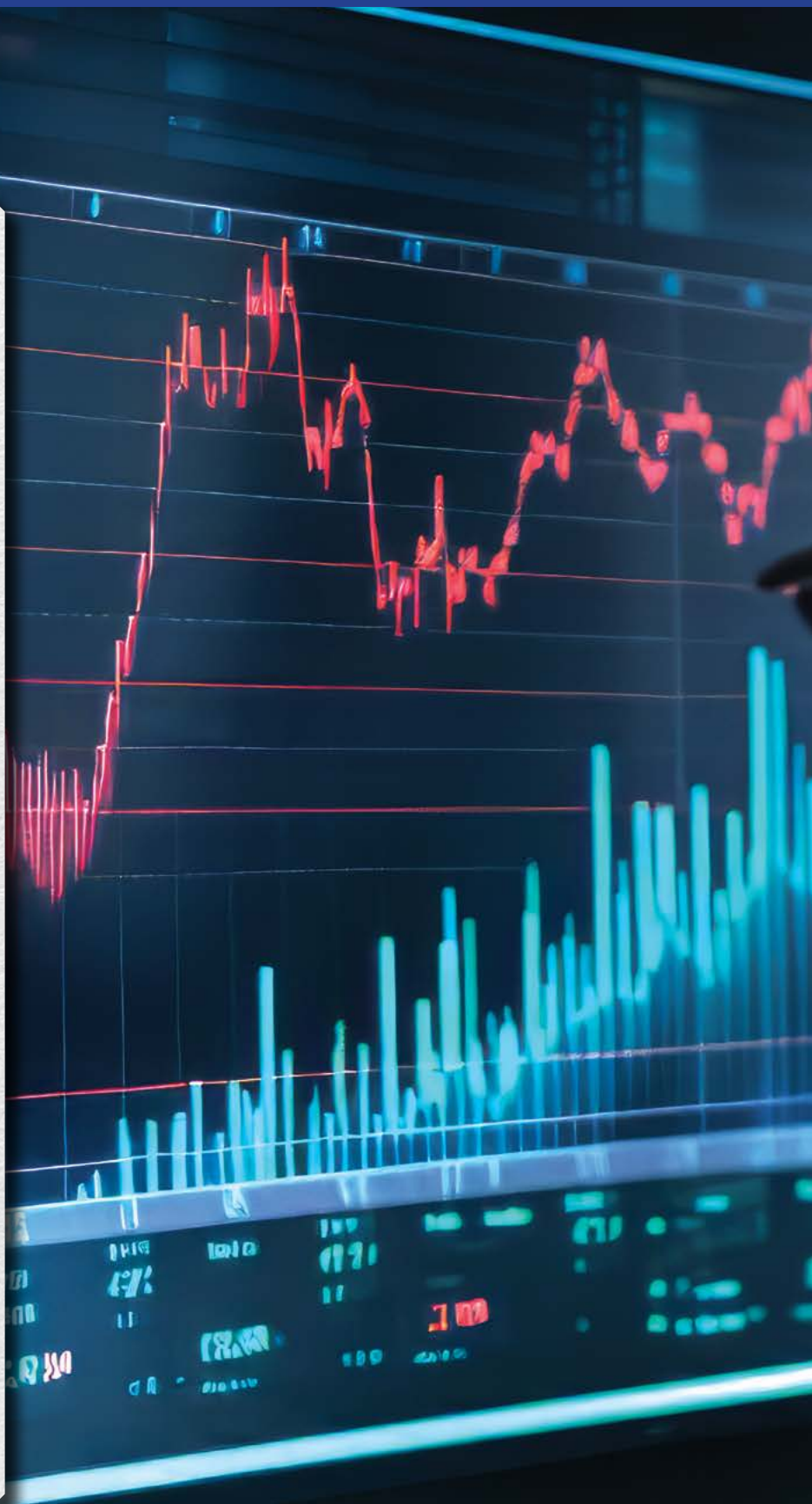
The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements are in compliance with the provisions of the Companies Act, 2016.

The Directors are also responsible 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.



FINANCIAL STATEMENTS

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The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries.

The principal activities of the subsidiaries are described in Note 16 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit net of tax	7,365,945	3,895,856
Attributable to:		
Owners of the parent	7,389,477	3,895,856
Non-controlling interests	(23,532)	-
	7,365,945	3,895,856

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

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

DIVIDENDS

During the financial year, a final single tier dividend in respect of the financial year ended 31 January 2023 of 2.5 sen per ordinary share amounting to RM1,819,393 was paid on 21 July 2023.

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial year ended 31 January 2024 of 5.0 sen per ordinary share, amounting to a dividend payable of RM3,638,787 will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders will be accounted for in equity as an appropriation of distributable reserves in the financial year ending 31 January 2025.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year and at the date of this report are:

Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir
 Puan Sri Datin Seri Mariam Parineh
 Datuk Syed Izuan bin Syed Kamarulbahrin
 Md. Shah bin Hussin
 Tan Sri Dr Azmil Khalili bin Dato' Khalid (appointed on 20 March 2023)
 Datin Noor Lily Zuriati binti Abdullah (appointed on 10 August 2023)
 Datuk Wira Jalilah binti Baba (resigned on 19 April 2024)
 Datuk Kisai bin Rahmat (resigned on 10 May 2023)
 Wan Ahamad Sabri bin Wan Daud (resigned on 10 May 2023)

The names of the directors of the subsidiaries in office since the beginning of the financial year and at the date of this report are:

Mohd Salleh bin Jani
 Liyana Lee binti Abdullah
 Noriyuki Wada
 Noriharu Noshimura
 Shariman bin Abdul Sofi
 Mohd Fahmi bin Md Isa (appointed on 14 July 2023)
 Fazal Othman bin Mohd Ghazali (appointed on 14 July 2023)
 Helmi bin Sheikh Mahmood (resigned on 14 July 2023)
 Kamaluddin bin Abdul Aziz (resigned on 14 July 2023)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, other than as disclosed in Note 30 to the financial statements.

The directors' benefits are as follows:

	Group and Company RM
Salaries and other emoluments	2,149,000
Fees	468,876
Contributions to defined contribution plan	8,257
Benefits-in-kind	32,200
	2,658,333

The Company maintains a liability insurance for the directors and officers of the Group. The total sum insured for the directors and officers of the Group for the financial year amounted to RM10,000,000.

The total insurance premium effected for any director and officer of the Company as at the financial year end is RM13,225.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			At 31.1.2024
	At 1.2.2023	Acquired	Transferred	
The Company				
Sapura Industrial Berhad				
Indirect interest:				
Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir ¹	20,377,300	-	-	20,377,300
Puan Sri Datin Seri Mariam Parineh ²	20,377,300	-	-	20,377,300

¹ Interest by virtue of shares held by spouse.

² Deemed interested by virtue of being a substantial shareholder of SAK Asset Ventures Sdn. Bhd. ("SAK Asset Ventures") pursuant to Section 8 of the Companies Act 2016. SAK Asset Ventures is a substantial shareholder of Sapura Industrial Berhad.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper 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; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person other than as disclosed in Note 22 to the financial statements; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

OTHER STATUTORY INFORMATION (CONT'D.)

- (f) In the opinion of the directors:
- (i) 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 will or may affect the abilities of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM	Company RM
Ernst & Young PLT		
- Statutory audit	232,800	58,700
- Other services	7,500	7,500
	240,300	66,200

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 January 2024.

Signed on behalf of the Board in accordance with a resolution of the directors dated on 15 May 2024.

Datuk Syed Izuan bin Syed Kamarulbahrin

Datin Noor Lily Zuriati binti Abdullah

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Datuk Syed Izuan bin Syed Kamarulbahrin and Datin Noor Lily Zuriati binti Abdullah, being two of the directors of Sapura Industrial Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 78 to 143 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2024 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 May 2024.

Datuk Syed Izuan bin Syed Kamarulbahrin

Datin Noor Lily Zuriati binti Abdullah

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Liyana Lee binti Abdullah, being the officer primarily responsible for the financial management of Sapura Industrial Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 78 to 143 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly
declared by the abovenamed
Liyana Lee binti Abdullah
at Bandar Baru Bangi, Selangor Darul Ehsan
on 15 May 2024

Liyana Lee binti Abdullah
(MIA Membership No: 10293)

Before me,

Independent Auditors' Report to the Members of Sapura Industrial Berhad

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sapura Industrial Berhad, which comprise the statements of financial position as at 31 January 2024 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 78 to 143.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matter for the financial statements of the Group are described below. The matter was addressed in the context of our audit of the financial statement of the Group as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Independent Auditors' Report
to the Members of Sapura Industrial Berhad
(Incorporated in Malaysia)

Revenue from sale of automotive parts
(Refer to Note 4 to the financial statements)

Revenue from sales of automotive parts recognised by the Group during the year amounted to approximately RM295.6 million. We identified revenue from sales of automotive parts to be an area of audit focus, as we consider the voluminous transactions for numerous types of products to be a possible cause of material misstatement in the timing and recognition of revenue.

Our audit procedures for revenue from sales of automotive parts included amongst others the following procedures:

- (a) We obtained an understanding of the Group's relevant internal controls and tested the controls over timing and amount of revenue recognised;
- (b) We inspected the terms of significant sales contracts to determine the point in time at which customers obtained control of the promised goods and the Group satisfied the performance obligation;
- (c) We focused on using analytics by obtaining general ledger data that enables us to focus on the process flow, between revenue, trade receivables and cash collection;
- (d) We reperformed testing over cash entries that settled trade receivables and inspected documents evidencing customers acceptance; and
- (e) We focused on testing the recording of sales transactions close to the year end, including credit notes and debit notes issued after year end, to establish whether the transactions were recorded in the correct accounting period.

We also considered the Group's description of the accounting policy related to revenue, and the adequacy of the disclosures in Note 4 to the financial statements.

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
15 May 2024

Abdul Hadi bin Gonawan
No. 03676/07/2024 J
Chartered Accountant

Statements of Comprehensive Income

For the year ended 31 January 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	4	295,569,189	254,833,648	20,772,793	21,286,197
Cost of sales		(259,083,591)	(218,220,815)	-	-
Gross profit		36,485,598	36,612,833	20,772,793	21,286,197
Other income	5	6,455,428	7,799,473	1,962,099	3,711,082
Administrative expenses		(28,323,130)	(28,244,918)	(18,237,041)	(20,462,690)
Selling and marketing expenses		(585,065)	(605,921)	(318,461)	(404,184)
Other expenses		(87,745)	(104,484)	(82,945)	(81,039)
Profit from operations		13,945,086	15,456,983	4,096,445	4,049,366
Finance costs	6	(2,352,934)	(2,051,975)	(182,596)	(262,436)
Profit before tax	7	11,592,152	13,405,008	3,913,849	3,786,930
Taxation	10	(4,226,207)	(4,407,796)	(17,993)	119,907
Profit net of tax		7,365,945	8,997,212	3,895,856	3,906,837
Other comprehensive income					
Actuarial (loss)/gain on retirement benefit net of tax		(396,602)	(45,813)	(87,899)	402,349
Total comprehensive income for the year		6,969,343	8,951,399	3,807,957	4,309,186
Profit/(loss) attributable to:					
Owners of the parent		7,389,477	9,019,707	3,895,856	3,906,837
Non-controlling interests		(23,532)	(22,495)	-	-
		7,365,945	8,997,212	3,895,856	3,906,837
Total comprehensive income/(loss) attributable to:					
Owners of the parent		6,992,875	8,973,894	3,807,957	4,309,186
Non-controlling interests		(23,532)	(22,495)	-	-
		6,969,343	8,951,399	3,807,957	4,309,186
Earnings per share attributable to owners of the parent (sen):					
Basic/diluted	11	10.15	12.39		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As at 31 January 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Assets					
Non-current assets					
Property, plant and equipment	13	75,432,971	66,621,943	1,767,309	2,652,077
Investment properties	14	31,915,893	32,149,231	13,600,159	13,795,480
Development expenditure	15	1,799,239	2,031,212	-	-
Investments in subsidiaries	16	-	-	30,457,880	30,457,880
Other receivables	18	-	-	10,800,000	22,330,207
Deferred tax assets	25	197,630	132,105	-	-
		109,345,733	100,934,491	56,625,348	69,235,644
Current assets					
Inventories	17	29,098,849	33,828,264	-	-
Tax recoverable		2,442,393	1,596,376	144,757	39,083
Trade and other receivables	18	37,351,117	39,712,724	28,450,260	15,615,170
Other current assets	19	3,855,761	5,624,162	221,860	186,084
Short term investments	20	29,965,073	16,629,182	-	-
Cash and cash equivalents		8,796,711	14,618,287	738,255	1,162,596
		111,509,904	112,008,995	29,555,132	17,002,933
Total assets		220,855,637	212,943,486	86,180,480	86,238,577
Equity and liabilities					
Current liabilities					
Retirement benefit obligations	21	134,632	639,682	9,197	490,189
Trade and other payables	26	46,040,545	54,350,370	2,993,494	3,636,621
Provisions	27	135,039	129,055	-	-
Tax payable		2,041,200	391,848	-	34,870
Loans and borrowings	22	8,012,737	9,635,863	992,554	1,217,515
		56,364,153	65,146,818	3,995,245	5,379,195
Net current assets		55,145,751	46,862,177	25,559,887	11,623,738

Statements of Financial Position

As at 31 January 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-current liabilities					
Retirement benefit obligations	21	9,011,542	8,191,918	2,614,450	2,338,606
Loans and borrowings	22	37,152,168	26,058,403	375,928	1,314,483
Deferred tax liabilities	25	5,200,262	5,614,633	-	-
Provisions	27	191,091	145,243	-	-
		51,555,063	40,010,197	2,990,378	3,653,089
Total liabilities		107,919,216	105,157,015	6,985,623	9,032,284
Net assets		112,936,421	107,786,471	79,194,857	77,206,293
Equity attributable to owners of the parent					
Share capital	28	74,975,863	74,975,863	74,975,863	74,975,863
Retained profits		36,551,322	31,377,840	4,218,994	2,230,430
		111,527,185	106,353,703	79,194,857	77,206,293
Non-controlling interests		1,409,236	1,432,768	-	-
Total equity		112,936,421	107,786,471	79,194,857	77,206,293
Total equity and liabilities		220,855,637	212,943,486	86,180,480	86,238,577

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 January 2024

	Note	← Attributable to owners of the parent →			Non-controlling interests ("NCI") RM	Total equity RM
		Non-distributable Share capital RM	Distributable Retained profits RM	Total RM		
As at 1 February 2023		74,975,863	31,377,840	106,353,703	1,432,768	107,786,471
Total comprehensive income/(loss) for the year		-	6,992,875	6,992,875	(23,532)	6,969,343
Dividends on ordinary shares	12	-	(1,819,393)	(1,819,393)	-	(1,819,393)
At 31 January 2024		74,975,863	36,551,322	111,527,185	1,409,236	112,936,421
As at 1 February 2022		74,975,863	24,878,321	99,854,184	1,455,263	101,309,447
Total comprehensive income/(loss) for the year		-	8,973,894	8,973,894	(22,495)	8,951,399
Dividends on ordinary shares	12	-	(2,474,375)	(2,474,375)	-	(2,474,375)
At 31 January 2023		74,975,863	31,377,840	106,353,703	1,432,768	107,786,471

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Company Statement of Changes in Equity

For the year ended 31 January 2024

	Note	Non-distributable Share capital RM	Distributable Retained profits RM	Total RM
As at 1 February 2023		74,975,863	2,230,430	77,206,293
Total comprehensive income for the year		-	3,807,957	3,807,957
Dividends on ordinary shares	12	-	(1,819,393)	(1,819,393)
At 31 January 2024		74,975,863	4,218,994	79,194,857
As at 1 February 2022		74,975,863	395,619	75,371,482
Total comprehensive income for the year		-	4,309,186	4,309,186
Dividends on ordinary shares	12	-	(2,474,375)	(2,474,375)
At 31 January 2023		74,975,863	2,230,430	77,206,293

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

For the year ended 31 January 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Operating activities				
Profit before tax	11,592,152	13,405,008	3,913,849	3,786,930
Adjustments for:				
Property, plant and equipment				
- depreciation	11,884,747	10,413,645	240,236	274,282
- written off	109,590	108,842	2,586	1,971
Investment properties				
- depreciation	233,338	237,947	195,321	199,451
Development expenditure				
- amortisation	484,260	491,733	-	-
- written off	-	61,383	-	-
Right-of-use assets				
- depreciation	1,232,251	1,131,307	867,635	1,085,041
- modification (gain)/loss	(12,701)	-	5,790	-
Provision for/(reversal of) short term accumulating compensated absences	61,154	(85,798)	71,955	(29,181)
Net allowance for impairment loss on trade and other receivables	-	-	40,574	666,792
Provision for warranty	155,284	135,037	-	-
Net unrealised loss/(gain) on foreign exchange	242,871	(530,567)	-	-
Increase in liability for defined benefit plan	802,131	811,359	235,272	290,917
Dividend income	-	-	(6,500,000)	(5,550,000)
Provision for/(reversal of) allowance for slow moving inventories	401,820	(79,819)	-	-
Inventories written off	692,051	466,096	-	-
Writeback of inventories written off	-	(536,015)	-	-
Gain on disposal of asset held for sale	-	(833,281)	-	-
Interest expense	2,352,934	2,051,975	182,596	262,436
Interest income	(96,028)	-	(5,526)	-
Interest income from advances to subsidiaries	-	-	(383,200)	(134,013)
Profit from short term investments	(399,508)	(226,704)	-	-
Operating profit/(loss) before working capital changes	29,736,346	27,022,148	(1,132,912)	854,626
Decrease/(increase) in inventories	3,635,544	(2,570,593)	-	-
Decrease/(increase) in trade and other receivables	2,361,607	(12,970,721)	(395,457)	2,576,344
Decrease/(increase) in other current assets	2,180,657	(3,755,170)	(35,776)	373,702
(Decrease)/increase in trade and other payables	(8,613,850)	28,245,654	(715,082)	923,144
Utilisation of provisions	(103,452)	(82,298)	-	-
Net cash generated from/(used in) operations	29,196,852	35,889,020	(2,279,227)	4,727,816
Interest paid	(2,250,431)	(1,972,144)	(112,275)	(122,913)
Taxes paid	(3,791,156)	(2,307,492)	(130,780)	(105,668)
Taxes refunded	13,000	-	-	-
Retirement benefits paid	(1,008,771)	(876,678)	(556,076)	(321,988)
Net cash generated from/(used in) operating activities	22,159,494	30,732,706	(3,078,358)	4,177,247

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Investing activities				
Purchase of property, plant and equipment	(19,819,723)	(19,217,746)	(371,781)	(62,140)
Proceeds from disposal of asset held for sale	-	1,300,000	-	-
Proceeds from disposal of property, plant and equipment	182,516	-	182,516	-
Placement in short term investments	(12,936,383)	(7,403,221)	-	-
Dividend received from subsidiaries	-	-	5,550,000	-
Interest received	96,028	-	388,726	134,013
Development expenditure incurred	(252,287)	(975,909)	-	-
Net cash (used in)/generated from investing activities	(32,729,849)	(26,296,876)	5,749,461	71,873
Financing activities				
Net drawdown of term loans	9,727,768	5,442,241	-	-
Net repayment of other short term borrowings	(1,519,761)	(2,541,764)	-	(1,000,000)
Repayment of hire purchase obligations	(330,875)	(205,511)	(330,875)	(205,511)
Repayment of lease liabilities	(1,308,960)	(1,207,818)	(945,176)	(1,170,898)
Dividends on ordinary shares	(1,819,393)	(2,474,375)	(1,819,393)	(2,474,375)
Net cash generated from/(used in) financing activities	4,748,779	(987,227)	(3,095,444)	(4,850,784)
Net (decrease)/increase in cash and cash equivalents	(5,821,576)	3,448,603	(424,341)	(601,664)
Cash and cash equivalents at beginning of year	14,618,287	11,169,684	1,162,596	1,764,260
Cash and cash equivalents at end of year	8,796,711	14,618,287	738,255	1,162,596

Cash and cash equivalents includes cash at bank and on hand 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. Cash and cash equivalents at 31 January comprise:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash at bank and on hand	7,669,424	5,418,287	738,255	462,596
Short term deposits	1,127,287	9,200,000	-	700,000
	8,796,711	14,618,287	738,255	1,162,596

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

Sapura Industrial Berhad (“the Company”) is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The registered office of the Company is located at Lot 2 & 4, Jalan P/11 Seksyen 10, Kawasan Perindustrian Bangi, 43650 Bandar Baru Bangi, Selangor.

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 16. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 15 May 2024.

2. MATERIAL ACCOUNTING POLICIES INFORMATION

2.1 Basis of preparation

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

The financial statements of the Group and of the Company have been prepared under the historical cost basis except where disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (“RM”) except when otherwise indicated.

As of 1 February 2023, the Group and the Company have adopted new, amendments and revised MFRS (collectively referred to as “pronouncements”) that have been issued by the Malaysian Accounting Standard Board (“MASB”) as described fully in Note 2.2.

2.2 Changes in accounting policies

On 1 February 2023, the Group and the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2023.

Effective for annual periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules
Amendments to MFRS 17	Initial application of MFRS 17 and MFRS 9 - Comparative Information

The adoption of the above new and amended standards did not have any significant effect on the financial performance or position of the Group and the Company.

2.3 New and revised pronouncements yet in effect

The Group has not adopted the following standards and interpretations that have been issued but are not yet effective.

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D.)

2.5 Subsidiaries

Subsidiaries are entities controlled by the Company.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control when such rights are substantive. The Company considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment charges. Dividends received from subsidiaries are recorded as a component of revenue in the Company's profit or loss.

2.6 Foreign currency

(a) Functional and presentation currency

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

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D.)

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

Building	2%
Plant, machinery, electrical installation, factory equipment and application tools	10% to 33%
Furniture, fittings, office equipment, renovation, computers and motor vehicles	10% to 25%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Investment properties

Investment properties are land or buildings held by the Group or held under finance leases, to earn rental income or for capital appreciation or both. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated. Depreciation of other investment properties is provided for on a straight-line basis to write off the cost to its residual value over its estimated useful life at the following periods:

Leasehold land	Over lease period of 50 - 99 years
Buildings	Over a period of 50 years or period of the lease whichever is the shorter

Upon the disposal of an item of investment property, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

When an indication of impairment exists, the carrying amount of the asset is written down immediately to its recoverable value. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.10.

2.9 Intangible asset - Development expenditure

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria for recognition are fulfilled:

- It is technically feasible to complete the intangible assets so that it will be available for use;
- Management's intention to complete the intangible asset for use;
- There is an ability to use the intangible asset;
- It can be demonstrated that the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

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

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D.)

2.9 Intangible asset - Development expenditure (cont'd.)

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

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

2.10 Financial assets

(a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15, are measured at the transaction price determined under MFRS 15.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Financial assets held with the objective to only collect contractual cash flows are classified and measured at amortised cost. Otherwise, the financial assets are classified as fair value through OCI and measured at fair value.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, that is the date that the Group or the Company commit to purchase or sell the asset.

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- (i) Financial assets at amortised cost (debt instruments)
- (ii) Financial assets at fair value through profit or loss

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D.)**2.10 Financial assets (cont'd.)****(b) Subsequent measurement (cont'd.)**Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade and other receivables, cash and bank balances.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

The Group designated its short-term investment in money market funds as financial assets at fair value through profit or loss.

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- (i) The rights to receive cash flows from the asset have expired; or
- (ii) The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) The Group and the Company have transferred substantially all the risks and rewards of the asset, or
 - (b) The Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D.)

2.10 Financial assets (cont'd.)

(c) Derecognition (cont'd.)

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company would be required to repay.

2.11 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when contractual payments are 30 to 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.12 Inventories

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

- Materials and component parts, spares and tools and consumables: purchase costs on a weighted average basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D.)

2.13 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Loans and borrowings

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D.)

2.13 Financial liabilities (cont'd.)

Subsequent measurement (cont'd.)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.14 Employee benefits

(a) Short term benefits

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

(b) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(c) Defined benefit plan

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees. The Group's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial computations by independent actuaries, through which the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted in order to determine its present value. Actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statements of financial position to reflect the full value of the plan deficit or surplus. Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the statements of financial position represents the present value of the defined benefit obligations adjusted for unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of any past service costs, and the present value of any economic benefits in the form of refunds or reductions in future contributions to the plan.

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D.)

2.15 Leases

As a lessee

(a) Right-of-use assets

Right-of-use assets represent land, building, plant, machinery and factory equipment leased by the Group from third parties under operating leases.

Leasehold lands are depreciated over the period of respective leases of 99 years. Depreciation of right-of-use assets is computed on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Building	20% to 25%
Plant, machinery and factory equipment	25%

The Group presents right-of-use assets in 'property, plant and equipment' in the statement of financial position and the accounting policy for leased assets are the same for property, plant and equipment in all respects.

(b) Lease liabilities

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

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

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date if the implicit interest rate to the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments associated with short-term leases of twelve months or less and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss over the lease term.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

As a lessor

When the Group and the Company act as a lessor, they determine at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group and the Company recognise lease payments received under operating leases as income on a straight-line basis over the lease term.

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D.)

2.16 Revenue

The Group is in the business of manufacturing and sale of automotive parts in the automotive industry. Revenue from contracts with customers is recognised when control of goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

(i) Revenue from contracts with customers

(a) Sale of automotive parts

Sales are recognised at a point in time upon control of the goods being transferred to the customers, generally on delivery of goods.

Advance payments received from customers are recognised as contract liabilities and are recognised as revenue when the Group satisfies its performance obligation under the contract.

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Management fees

The performance obligation is satisfied over time upon services being rendered to the customers.

(iv) Dividend income

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

(v) Sale of scrap

Income from sale of scrap is recognised at a point in time upon control of the goods being transferred to the customer.

2.17 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D.)

2.17 Income taxes (cont'd.)

(b) Deferred tax

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unabsorbed tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associate, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.18 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D.)

2.19 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Where the grant relates to an asset, the grant is deducted from the carrying amount of the asset and is amortised over the expected useful life of the relevant asset as a reduction of depreciation expenses. Government grants receivable as compensation for expenses already incurred are recognised by the Group and the Company during the period that it becomes receivable as a deduction to the related expense.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There were no critical judgements made by management in the process of applying accounting policies that have significant effect on the amount recognised in the financial statements in the current year.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed allowances to the extent that it is probable that taxable profit will be available against which the losses and allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details of recognised and unrecognised deferred tax assets is disclosed in Note 25.

(b) Provision for expected credit losses of trade and other receivables

The Group uses the simplified approach to calculate ECLs for trade and other receivables. The provision rates are based on various customer's historical observed default rates. The Group will consider and assess the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the automotive sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and other receivables is disclosed in Note 18.

4. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Type of goods or services				
Sales of automotive parts	295,569,189	254,833,648	-	-
Management fees from subsidiaries	-	-	14,272,793	15,736,197
Total revenue from contracts with customers	295,569,189	254,833,648	14,272,793	15,736,197
Dividends from subsidiaries, representing total revenue from other sources	-	-	6,500,000	5,550,000
	295,569,189	254,833,648	20,772,793	21,286,197
Geographical markets				
Malaysia	294,982,674	254,833,648	14,272,793	15,736,197
Outside Malaysia	586,515	-	-	-
Total revenue from contracts with customers	295,569,189	254,833,648	14,272,793	15,736,197
Total revenue from other sources - Malaysia	-	-	6,500,000	5,550,000
	295,569,189	254,833,648	20,772,793	21,286,197

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Timing of revenue recognition				
At a point of time	295,569,189	254,833,648	-	-
Over time	-	-	14,272,793	15,736,197
Total revenue from contract with customers	295,569,189	254,833,648	14,272,793	15,736,197
Total revenue from other sources	-	-	6,500,000	5,550,000
	295,569,189	254,833,648	20,772,793	21,286,197

4. REVENUE (CONT'D.)**Performance obligations**Sales of automotive parts

The performance obligation is satisfied upon delivery of the automotive parts. Payment is generally due within 30 to 90 days from the date of delivery.

Management fees from subsidiaries

The Company recognises management fees over time upon services being rendered to subsidiaries.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 January are, as follows:

	Group	
	2024 RM	2023 RM
Within 1 year (Note 26)	529,984	5,423,719

Set out below is the amount of revenue recognised from:

	Group	
	2024 RM	2023 RM
Amounts included in contract liabilities at the beginning of the year	5,423,719	1,358,694

5. OTHER INCOME

Included in other income are:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Rental income	852,207	938,187	1,572,668	1,959,948
Profit from short term investments (Note 20)	399,508	226,704	-	-
Interest income	96,028	-	5,526	-
Interest income from advances to subsidiaries	-	-	383,200	134,013
Income from sales of scrap	4,239,289	2,923,041	-	-
Gain on disposal of asset held for sale	-	833,281	-	-
Writeback of inventories	-	536,015	-	-
Unrealised foreign exchange gain	9,104	530,567	-	-
Waiver of debt by a subsidiary	-	-	-	986,685
Bad debts recovered	-	697,137	-	-
Other miscellaneous income	859,292	1,114,541	705	630,436
	6,455,428	7,799,473	1,962,099	3,711,082

6. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense on:				
- Term loans	1,710,697	1,429,733	-	-
- Revolving credits	47,999	111,985	3,912	17,131
- Hire purchase obligations	17,205	18,876	17,205	18,876
- Bankers' acceptances	275,446	177,585	-	-
- Lease liabilities (Note 24)	102,503	79,831	70,321	139,523
- Letter of credits	51,958	73,469	-	-
Letter of guarantee charges	16,170	7,237	-	-
Bank guarantee charges	-	10,117	-	-
Facility commitment fees	130,956	143,142	91,158	86,906
	2,352,934	2,051,975	182,596	262,436

7. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Employee benefits expense (Note 8)	49,228,639	45,353,215	14,931,523	16,237,826
Amortisation of development expenditure (Note 15)	484,260	491,733	-	-
Fees for statutory audits:				
- Ernst & Young PLT	232,800	222,000	58,700	57,000
Fees for non-audit services:				
- Ernst & Young PLT	7,500	6,900	7,500	6,900
- Ernst & Young Tax Consultants Sdn. Bhd.	-	129,300	-	15,900
Depreciation of property, plant and equipment (Note 13)	11,884,747	10,413,645	240,236	274,282
Depreciation of right-of-use assets (Note 13)	1,232,251	1,131,307	867,635	1,085,041
Depreciation of investment properties (Note 14)	233,338	237,947	195,321	199,451
Foreign exchange loss/(gain)				
- Unrealised	242,871	(530,567)	-	-
Development expenditure written off	-	61,383	-	-
Provision for/(reversal of) allowance for slow moving inventories and stock obsolescence	401,820	(79,819)	-	-
Inventories written off	692,051	466,096	-	-
Property, plant and equipment written off	109,590	108,842	2,586	1,971
(Gain)/loss on lease modification	(12,701)	-	5,790	-
Gain on disposal of asset held for sale	-	(833,281)	-	-

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Wages and salaries	36,651,116	33,730,401	10,568,171	11,469,799
Social security contribution	425,916	369,410	81,750	73,346
Contributions to defined contribution plan	2,914,489	2,982,282	1,042,765	1,128,056
Increase in liability for defined benefit plan (Note 21)	802,131	811,359	235,272	290,917
Short term accumulating compensated absences	61,154	(85,798)	71,955	(29,181)
Other benefits	8,373,833	7,545,561	2,931,610	3,304,889
	49,228,639	45,353,215	14,931,523	16,237,826

Included in employee benefits expense of the Group and of the Company are remuneration of executive directors of the Group and of the Company excluding benefit-in-kind amounting to RM1,996,257 (2023: RM4,445,235) as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

	Group and Company	
	2024 RM	2023 RM
Directors of the Company		
Executive:		
Salaries and other emoluments	1,988,000	4,216,500
Contributions to defined contribution plan	8,257	228,735
Benefits-in-kind	32,200	39,477
	2,028,457	4,484,712
Non-Executive:		
Fees	468,876	437,288
Other emoluments	161,000	88,000
	629,876	525,288
	2,658,333	5,010,000

9. DIRECTORS' REMUNERATION (CONT'D.)

	Group and Company	
	2024 RM	2023 RM
Analysis excluding benefits-in-kind:		
Total executive director's remuneration, excluding benefits-in-kind	1,996,257	4,445,235
Total non-executive directors' remuneration, excluding benefits-in-kind	629,876	525,288
Total directors' remuneration excluding benefits-in-kind	2,626,133	4,970,523

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2024	2023
Executive directors:		
RM2,500,001 - RM2,550,000	-	1
RM1,950,001 - RM2,000,000	1	1
RM150,001 - RM200,000	*1	-
Non-executive directors:		
RM100,001 - RM150,000	2	2
RM50,001 - RM100,000	2	4
Below RM50,000	3	-

* Included within the remuneration band is the remuneration of a director in capacity as a Non-Executive Director amounting to RM100,986 for the period 1 February 2023 to 31 December 2023.

10. TAXATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current income tax:				
Malaysia income tax	4,283,361	1,719,997	-	140,544
Under/(over) provision in prior years	298,130	(14,942)	(9,765)	(133,394)
	4,581,491	1,705,055	(9,765)	7,150
Deferred tax (Note 25):				
Relating to origination and reversal of temporary differences	(352,437)	2,330,986	27,758	(127,057)
(Over)/under provision in prior years	(2,847)	371,755	-	-
	(355,284)	2,702,741	27,758	(127,057)
	4,226,207	4,407,796	17,993	(119,907)

10. TAXATION (CONT'D.)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the year.

A reconciliation of income tax expenses/(credits) applicable to profit before tax at the statutory income tax rate to income tax expense/(credits) at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	11,592,152	13,405,008	3,913,849	3,786,930
Tax at Malaysian statutory tax rate of 24%	2,782,117	3,217,202	939,324	908,863
Income not subject to tax	-	(548,804)	(1,560,000)	(1,568,804)
Expenses not deductible for tax purposes	828,436	1,226,251	294,207	513,111
Deferred tax assets not recognised during the year	388,353	637,585	365,233	468,460
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and reinvestment allowances	(67,982)	(481,251)	(11,006)	(308,143)
Under/(over) provision of income tax expense in prior years	298,130	(14,942)	(9,765)	(133,394)
(Over)/under provision of deferred tax expense in prior years	(2,847)	371,755	-	-
	4,226,207	4,407,796	17,993	(119,907)

11. EARNINGS PER SHARE**(a) Basic/diluted**

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	2024	2023
Profit net of tax attributable to owners of the parent (RM)	7,389,477	9,019,707
Weighted average number of ordinary shares in issue (unit)	72,775,737	72,775,737
Basic/diluted earnings per share (sen)	10.15	12.39

(b) Diluted

The Group does not have any potential dilutive ordinary shares. Accordingly, the diluted earnings per share equals the basic earnings per share.

12. DIVIDENDS

	Group and Company	
	2024 RM	2023 RM
Recognised during the year:		
In respect of financial year ended 31 January 2023:		
Final single tier dividend of 2.5 sen per share	1,819,393	-
Interim single tier dividend of 3.4 sen per share	-	2,474,375
	1,819,393	2,474,375

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial year ended 31 January 2024 of 5.0 sen per ordinary share, amounting to a dividend payable of RM3,638,787 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders will be accounted for in equity as an appropriation of distributable reserves in the financial year ending 31 January 2025.

13. PROPERTY, PLANT AND EQUIPMENT

Group	Right-of-Use Assets		Owned Assets			Total RM
	Land and building RM	Plant, machinery, factory equipment and motor vehicle RM	Building RM	Plant, machinery, electrical installation, factory equipment and application tools RM	Furniture, fittings, office equipment, renovation, computers and motor vehicles RM	
At 31 January 2024						
Costs						
At 1 February 2023	11,136,976	455,458	19,184,114	180,180,042	10,651,346	221,607,936
Additions	1,907,665	-	251,525	18,588,405	1,058,537	21,806,132
Lease modification	414,000	-	-	-	-	414,000
Disposals	-	-	-	-	(1,249,675)	(1,249,675)
Write offs	-	-	(45,000)	(6,203,609)	(283,057)	(6,531,666)
Expiry of lease	(1,309,115)	-	-	-	-	(1,309,115)
At 31 January 2024	12,149,526	455,458	19,390,639	192,564,838	10,177,151	234,737,612

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

Group	Right-of-Use Assets		Owned Assets			Total RM
	Land and building RM	Plant, machinery, factory equipment and motor vehicle RM	Building RM	Plant, machinery, electrical installation, factory equipment and application tools RM	Furniture, fittings, office equipment, renovation, computers and motor vehicles RM	
At 31 January 2024 (cont'd.)						
Accumulated depreciation						
At 1 February 2023	8,850,011	283,623	11,610,267	124,671,644	9,570,448	154,985,993
Depreciation charge for the year (Note 7)	1,168,548	63,703	398,153	11,064,513	422,081	13,116,998
Disposals	-	-	-	-	(1,067,159)	(1,067,159)
Write offs	-	-	(45,000)	(6,096,790)	(280,286)	(6,422,076)
Expiry of lease	(1,309,115)	-	-	-	-	(1,309,115)
At 31 January 2024	8,709,444	347,326	11,963,420	129,639,367	8,645,084	159,304,641
Carrying amount	3,440,082	108,132	7,427,219	62,925,471	1,532,067	75,432,971
At 31 January 2023						
Costs						
At 1 February 2022	11,136,976	428,963	19,180,334	162,103,874	10,244,922	203,095,069
Additions	-	26,495	3,780	22,719,339	476,720	23,226,334
Write offs	-	-	-	(4,643,171)	(70,296)	(4,713,467)
At 31 January 2023	11,136,976	455,458	19,184,114	180,180,042	10,651,346	221,607,936
Accumulated depreciation						
At 1 February 2022	7,779,534	222,793	11,207,808	119,631,931	9,203,600	148,045,666
Depreciation charge for the year (Note 7)	1,070,477	60,830	402,459	9,576,013	435,173	11,544,952
Write offs	-	-	-	(4,536,300)	(68,325)	(4,604,625)
At 31 January 2023	8,850,011	283,623	11,610,267	124,671,644	9,570,448	154,985,993
Carrying amount	2,286,965	171,835	7,573,847	55,508,398	1,080,898	66,621,943

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

Company	Right-of-Use Asset	Owned Assets		Total RM
	Land and building RM	Plant, machinery, electrical installation, factory equipment and application tools RM	Furniture, fittings, office equipment, renovation, computers and motor vehicles RM	
At 31 January 2024				
Cost				
At 1 February 2023	6,510,250	10,423	4,199,040	10,719,713
Additions	-	-	850,047	850,047
Transfer from a related party	-	-	53,126	53,126
Lease modification	(454,576)	-	-	(454,576)
Disposal	-	-	(1,249,675)	(1,249,675)
Written off	-	-	(155,275)	(155,275)
At 31 January 2024	6,055,674	10,423	3,697,263	9,763,360
Accumulated depreciation				
At 1 February 2023	4,340,167	10,423	3,717,046	8,067,636
Charge for the year (Note 7)	867,635	-	240,236	1,107,871
Transfer from a related party	-	-	40,392	40,392
Disposal	-	-	(1,067,159)	(1,067,159)
Written off	-	-	(152,689)	(152,689)
At 31 January 2024	5,207,802	10,423	2,777,826	7,996,051
Carrying amount	847,872	-	919,437	1,767,309

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

Company	Right-of-Use Asset	Owned Assets		Total RM
	Land and building RM	Plant, machinery, electrical installation, factory equipment and application tools RM	Furniture, fittings, office equipment, renovation, computers and motor vehicles RM	
At 31 January 2023				
Cost				
At 1 February 2022	6,510,250	10,423	4,194,428	10,715,101
Additions	-	-	62,140	62,140
Write offs	-	-	(57,528)	(57,528)
At 31 January 2023	6,510,250	10,423	4,199,040	10,719,713
Accumulated depreciation				
At 1 February 2022	3,255,126	10,423	3,498,321	6,763,870
Charge for the year (Note 7)	1,085,041	-	274,282	1,359,323
Write offs	-	-	(55,557)	(55,557)
At 31 January 2023	4,340,167	10,423	3,717,046	8,067,636
Carrying amount	2,170,083	-	481,994	2,652,077

- (a) During the financial year, the Group and the Company acquired property, plant and equipment at an aggregate cost of RM19,898,467 (2023: RM23,199,839) and RM862,781 (2023: RM62,140) respectively, of which RM491,000 (2023: RM nil) was acquired by means of hire purchase.

The carrying amounts of property, plant and equipment held under hire purchase are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Motor vehicle	667,010	294,833	667,010	294,833

Details of the terms and conditions of the hire purchase obligations are disclosed in Note 23.

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

- (b) The carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 22) are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Plant and machinery	23,327,923	16,863,538	-	-

- (c) Included in the property, plant and equipment of the Group and the Company are fully depreciated assets which are still in use with their carrying costs as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Plant, machinery and equipment	87,599,706	85,436,051	10,423	10,423
Furniture, fittings, office equipment, renovation and computers	8,595,372	9,658,832	2,894,662	2,879,812

- (d) During the year, the Group and the Company has written off certain property, plant and equipment as they are no longer in use and machinery that relates to phased out models amounting to RM109,590 (2023: RM108,842) and RM2,586 (2023: RM 1,971) respectively.
- (e) During the year, the Group received grants amounting to RM1,011,060 in relation to the purchase of plant and machinery and accounted for it as a reduction to additions of property, plant and equipment.
- (f) **Right-of-use assets**

Group and Company as a lessee

The Group and the Company have lease contracts that include extension options for land and building. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio in alignment with the Group's and the Company's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.

Group and Company as a lessor

The Group and the Company have entered into operating lease agreements for the use of buildings. These leases have an average life of between 1 and 5 years with renewal but no purchase option included in the contracts.

The future aggregate minimum lease receivable under operating leases contracted for as at the reporting date are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Future minimum lease receivables:				
Not later than 1 year	653,637	820,521	393,488	971,986
Later than 1 year and not later than 5 years	551,344	586,372	551,344	347,823
	1,204,981	1,406,893	944,832	1,319,809

14. INVESTMENT PROPERTIES

	Freehold land RM	Leasehold land RM	Building RM	Total RM
Group				
At 31 January 2024				
Cost				
At 1 February 2023/31 January 2024	16,691,967	16,933,856	3,199,034	36,824,857
Accumulated depreciation				
At 1 February 2023	-	3,550,675	1,124,951	4,675,626
Charge for the year (Note 7)	-	212,312	21,026	233,338
At 31 January 2024	-	3,762,987	1,145,977	4,908,964
Carrying amount	16,691,967	13,170,869	2,053,057	31,915,893
At 31 January 2023				
Cost				
At 1 February 2022/31 January 2023	16,691,967	16,933,856	3,199,034	36,824,857
Accumulated depreciation				
At 1 February 2022	-	3,377,676	1,060,003	4,437,679
Charge for the year (Note 7)	-	172,999	64,948	237,947
At 31 January 2023	-	3,550,675	1,124,951	4,675,626
Carrying amount	16,691,967	13,383,181	2,074,083	32,149,231

Fair value of investment properties of the Group as at 31 January 2024 was estimated by an independent valuer to be approximately RM72,480,000 (2023: RM69,240,000).

The carrying amounts of investment property of the Group pledged as security for borrowings (Note 22) is RM16,691,967 (2023: RM16,691,967).

The fair values disclosed are categorised within the Level 3 fair value hierarchy which are described as inputs for assets or liabilities that are based on unobservable market data.

14. INVESTMENT PROPERTIES (CONT'D.)

	Leasehold land RM	Building RM	Total RM
Company			
At 31 January 2024			
Cost			
At 1 February 2023/31 January 2024	17,013,316	2,265,637	19,278,953
Accumulated depreciation			
At 1 February 2023	3,765,308	1,718,165	5,483,473
Charge for the year (Note 7)	174,678	20,643	195,321
At 31 January 2024	3,939,986	1,738,808	5,678,794
Carrying amount	13,073,330	526,829	13,600,159
At 31 January 2023			
Cost			
At 1 February 2022/31 January 2023	17,013,316	2,265,637	19,278,953
Accumulated depreciation			
At 1 February 2022	3,590,629	1,693,393	5,284,022
Charge for the year (Note 7)	174,679	24,772	199,451
At 31 January 2023	3,765,308	1,718,165	5,483,473
Carrying amount	13,248,008	547,472	13,795,480

Fair value of investment properties of the Company as at 31 January 2024 was estimated by an independent valuer to be approximately RM54,280,000 (2023: RM51,780,000).

Fair value disclosed in the financial statements are categorised within the Level 3 fair value hierarchy which is described as inputs for the assets or liabilities that are based on unobservable market data.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Rental income derived from investment properties	852,207	938,187	1,572,668	1,959,948
Direct operating expenses (including repairs and maintenance) from properties:				
- generating rental income	(170,769)	(232,335)	(269,984)	(256,973)
- not generating rental income	(181,796)	(118,696)	(69,824)	(40,324)
Profit arising from investment properties	499,642	587,156	1,232,860	1,662,651

14. INVESTMENT PROPERTIES (CONT'D.)

Investment property	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Lot 5 & 7, Persiaran Usahawan, Taman IKS, Seksyen 9, 43650 Bandar Baru Bangi, Selangor Darul Ehsan. - land	Comparison method	(a) A parcel of freehold industrial land located at PT 57460, Taman Industri Balakong Jaya, District of Ulu Langat with a land area of approximately 83,617 square feet was transacted on 30 May 2023 for RM10,786,000.	The estimated fair value would increase/ (decrease) if: - Transacted Price were higher/(lower)
		(b) A parcel of freehold industrial land located at Lot 11329, Bandar Tasik Kesuma, Mukim of Beranang with a land area of approximately 62,465 square feet was transacted on 30 January 2023 for RM5,933,982.	
		(c) A parcel of freehold industrial land located at Lot 5973, Taman Desa Karunmas, Mukim of Kajang with a land area of approximately 223,524 square feet was transacted on 30 March 2022 for RM25,704,418.	
		(d) A parcel of freehold industrial land located at Lot 39359, Kawasan Perindustrian Sungai Purun, Mukim of Semenyih with a land area of approximately 90,603 square feet was transacted on 5 October 2022 for RM8,512,682.	
		(e) A parcel of freehold industrial land located at Lot 11332, Bandar Tasik Kesuma, Mukim of Beranang with a land area of approximately 92,799 square feet was transacted on 27 September 2022 for RM8,097,499.	
Plot 98, Mukim of Bukit Katil, District of Melaka Tengah, Melaka Bandaraya Bersejarah. - land	Comparison method	(a) A vacant parcel of leasehold industrial land located at PT 26797, Mukim of Bukit Katil, District of Melaka Tengah, Melaka with a land area of approximately 901,133 square feet was transacted on 20 December 2022 for RM54,643,068.	The estimated fair value would increase/ (decrease) if: - Transacted Price were higher/(lower)
		(b) A vacant parcel of leasehold industrial land located at PT 19445, Mukim of Bukit Katil, District of Melaka Tengah, Melaka with a land area of approximately 549,734 square feet was transacted on 20 July 2022 for RM25,800,000.	

14. INVESTMENT PROPERTIES (CONT'D.)

Investment property	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Plot 98, Mukim of Bukit Katil, District of Melaka Tengah, Melaka Bandaraya Bersejarah. - land (cont'd)	Comparison method	(c) A vacant parcel of leasehold industrial land located at Lot 9105, Mukim of Bukit Baru, District of Melaka Tengah, Melaka with a land area of approximately 35,370 square feet was transacted on 10 January 2022 for RM1,998,417.	The estimated fair value would increase/ (decrease) if (cont'd): - Transacted Price were higher/(lower)
		(d) A vacant parcel of leasehold industrial land located at Lot 26690, Mukim of Bukit Baru, District of Melaka Tengah, Melaka with a land area of approximately 60,579 square feet was transacted on 8 October 2021 for RM2,700,000.	
No 58, Kawasan Perindustrian Gurun, Jalan Jeniang, 08300 Gurun Kedah Darul Aman. - land and building	Comparison method	(a) A leasehold industrial premise located at Lot 59, Kawasan Perindustrian Gurun, Jalan Jeniang, Gurun, Kedah Darul Aman with a land area of approximately 499,434 square feet was transacted on 7 June 2022 for RM8,100,000.	The estimated fair value would increase/ (decrease) if: - Transacted Price were higher/(lower)
		(b) A leasehold industrial premise located at No. 54, Kawasan Perindustrian Gurun, Jalan Jeniang, Gurun, Kedah Darul Aman with a land area of approximately 394,885 square feet was transacted on 4 March 2022 for RM10,388,000.	
		(c) A freehold industrial premise located at PT 631, Jalan Bukit Selambau, Bukit Selambau Industrial Park, Kedah Darul Aman with a land area of approximately 209,810 square feet was transacted on 26 May 2022 for RM10,000,000.	
HS(D) 207937, PT 6409, Bandar Seri Sendayan, Seremban, Negeri Sembilan Darul Khusus. - land	Comparison method	(a) A vacant parcel of freehold industrial land (within Sendayan Techvalley) located at Lot 42838, Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus with a land area of approximately 75,520 square feet was transacted on 17 April 2023 for RM4,757,735.	The estimated fair value would increase/ (decrease) if: - Transacted Price were higher/(lower)
		(b) A vacant parcel of freehold industrial land (within Sendayan Techvalley) located at Lot 45877, Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus with a land area of approximately 219,368 square feet was transacted on 2 March 2023 for RM12,050,000.	

14. INVESTMENT PROPERTIES (CONT'D.)

Investment property	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
HS(D) 207937, PT 6409, Bandar Seri Sendayan, Seremban, Negeri Sembilan Darul Khusus. - land (cont'd.)	Comparison method	(c) A vacant parcel of freehold industrial land (within Sendayan Techvalley) located at Lot 43840, Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus with a land area of approximately 217,754 square feet was transacted on 9 March 2022 for RM9,548,000.	The estimated fair value would increase/ (decrease) if (cont'd.): - Transacted Price were higher/(lower)
		(d) A vacant parcel of freehold industrial land (within Sendayan Techvalley) located at PT 6378, Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus with a land area of approximately 130,829 square feet was transacted on 22 February 2022 for RM5,814,400.	
		(e) A vacant parcel of freehold industrial land (within Sendayan Techvalley) located at Lot 43811, Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus with a land area of approximately 130,685 square feet was transacted on 13 January 2022 for RM6,300,000.	
Lot 1 & 3, Jalan P/11, Seksyen 10, Bandar Baru Bangi, Selangor. - land and building	Comparison method	a) A parcel of freehold industrial land located at Lot 39359, Kawasan Perindustrian Sungai Purun, Mukim of Semenyih with a land area of approximately 90,603 square feet was transacted on 5 October 2022 for RM8,512,682.	The estimated fair value would increase/ (decrease) if: - Transacted Price were higher/(lower)
		b) A parcel of leasehold industrial land located at PT 40847, Kawasan Perusahaan Bangi, Bandar Baru Bangi with a land area of approximately 854,682 square feet was transacted on 1 June 2022 for RM60,252,628.	
		(c) A parcel of leasehold industrial land located at PT 4125, Bandar Teknologi Kajang, Mukim of Semenyih with a land area of approximately 27,680 square feet was transacted on 15 July 2021 for RM3,044,690.	
		d) A freehold industrial premise located at No. 1, Jalan Hi-Tech 7/7, Semenyih Hi-Tech 7, Semenyih with a land area of approximately 44,252 square feet was transacted on 10 May 2023 for RM7,600,000.	

14. INVESTMENT PROPERTIES (CONT'D.)

Investment property	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Lot 1 & 3, Jalan P/11, Seksyen 10, Bandar Baru Bangi, Selangor. - land and building (cont'd.)	Comparison method	e) A leasehold industrial premise located at No. 36, Jalan P10/21, Seksyen 10, Kawasan Perusahaan Bangi, Bandar Baru Bangi with a land area of approximately 42,024 square feet was transacted on 21 April 2021 for RM12,500,000.	The estimated fair value would increase/ (decrease) if (cont'd.): - Transacted Price were higher/(lower)

Comparison method

Entails analysing recent transactions of similar properties in the vicinity or within similar localities for comparison purposes to derive the market value with adjustments made for differences in location, physical characteristics and time element to arrive at the market value.

The fair value of the investment property is at its highest and current best use.

15. DEVELOPMENT EXPENDITURE

	Group	
	2024 RM	2023 RM
Cost		
At beginning of year	3,431,936	11,001,884
Incurred during the year	252,287	975,909
Write offs	-	(8,545,857)
At end of year	3,684,223	3,431,936
Accumulated amortisation and impairment		
At beginning of year	1,400,724	9,393,465
Amortisation during the year (Note 7)	484,260	491,733
Write offs	-	(8,484,474)
At end of year	1,884,984	1,400,724
Carrying amount	1,799,239	2,031,212

Development expenditure relates to development costs incurred for production of goods on car model projects carried out by the Group. Development expenditure with finite useful lives are amortised over their useful lives.

During the year, the amount of development expenditure recognised as an expense in cost of sales of the Group was RM484,260 (2023: RM553,116).

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares, at cost	35,298,276	35,298,276
Less: Accumulated impairment losses	(4,840,396)	(4,840,396)
	30,457,880	30,457,880

Movement in accumulated impairment losses:

	2024 RM	2023 RM
At the beginning/end of the year	4,840,396	4,840,396

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

Name of subsidiaries	Principal activities	Equity interest held	
		2024 %	2023 %
Held by the Company			
Sapura Machining Corporation Sdn. Bhd.^	Manufacture, assemble and supply of high precision machining products for the automotive industry.	100	100
Asian Automotive Steels Sdn. Bhd.^	Manufacture and sale of stabiliser bar and cold drawn high grade structured steel bars used in the automotive, electronics and electrical industries.	100	100
Sapura Automotive Industries Sdn. Bhd.^	Manufacture and sale of coil springs, shock absorbers and strut assemblies, constant velocity joint, axle module and front corner module assemblies for the automotive industry.	100	100
International Autoparts Sdn. Bhd.^	Trading of auto parts in retail/after sales market.	100	100
Automotive Specialist Centre Sdn. Bhd.^	Dormant.	100	100
Sapura Brake Technologies Sdn. Bhd.^	Manufacture, supply and sale of brake systems for the automotive industry.	100	100
Sapura Technical Centre Sdn. Bhd.^	Computer aided design and computer aided manufacture of tools, jigs and dies and engineering services in design, modifications and fabrications of sub-system/system for the application in production and testing.	100	100

16. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Equity interest held	
		2024 %	2023 %
Held by the Company (cont'd.)			
Isencorp Sdn. Bhd.^	Dormant.	100	100
Subang Properties Sdn. Bhd. ("SPSB")^	Dormant.	51.68	51.68
Sapura Aerospace Technologies Sdn. Bhd. ("SATS")^	Manufacture and assemble aerospace sub-assemblies, tooling, jigs and fixtures for the aerospace industry.	60	60
Sapura Medical Devices Sdn. Bhd. ("SMDSB") (formerly known as Propel Frontier Sdn. Bhd.)^	Export and import of a variety of goods without any particular specialisation.	100	100
Held by International Autoparts Sdn. Bhd.			
Awaltek Sdn. Bhd.^	Manufacture, supply, sale or service of equipment, machinery and related accessories for energy and manufacturing industries.	100	100

^ Audited by Ernst & Young PLT, Malaysia

Non-controlling interests ("NCI")

	SATS RM	SPSB RM	Total RM
2024	40%	48.32%	
NCI percentage of ownership interest and voting interest			
Carrying amount of NCI	938,308	470,928	1,409,236
Loss allocated to NCI	(19,921)	(3,611)	(23,532)
2023			
2023	40%	48.32%	
NCI percentage of ownership interest and voting interest			
Carrying amount of NCI	958,229	474,539	1,432,768
Loss allocated to NCI	(18,740)	(3,755)	(22,495)

16. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

	SATSB RM	SPSB RM	Total RM
	40%	48.32%	
Summarised statement of profit or loss for 2024:			
Revenue	-	-	-
Loss for the year, representing total comprehensive loss for the year	(49,802)	(7,474)	(57,276)
Summarised statement of profit or loss for 2023:			
Revenue	-	-	-
Loss for the year, representing total comprehensive loss for the year	(46,847)	(7,775)	(54,622)
Summarised statement of financial position as at 31 January 2024:			
Non-current assets	416,802	-	416,802
Current assets	2,188,303	1,693	2,189,996
Current liabilities	259,329	13,779	273,108
Net assets/(liabilities)	2,345,776	(12,086)	2,333,690
Summarised statement of financial position as at 31 January 2023:			
Non-current assets	500,688	-	500,688
Current assets	2,242,864	1,738	2,244,602
Current liabilities	347,974	6,350	354,324
Net assets/(liabilities)	2,395,578	(4,612)	2,390,966
Summarised statement of cash flows for 2024:			
Cash flows from/(used in) operating activities	530,137	(45)	530,092
Cash flows used in financing activities	(27,000)	-	(27,000)
Net increase/(decrease) in cash and cash equivalents	503,137	(45)	503,092
Summarised statement of cash flows for 2023:			
Cash flows used in operating activities	(84,898)	(65)	(84,963)
Cash flows used in financing activities	(27,000)	-	(27,000)
Net decrease in cash and cash equivalents	(111,898)	(65)	(111,963)

17. INVENTORIES

	Group	
	2024 RM	2023 RM
At cost:		
Materials and component parts	18,989,755	22,583,600
Work-in-progress	4,437,446	4,504,942
Finished goods	4,315,022	4,651,371
Spares and tools	925,954	876,922
Consumables	430,672	503,972
	29,098,849	33,120,807
At net realisable value:		
Work-in-progress	-	503,877
Finished goods	-	203,580
	29,098,849	33,828,264

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM184,492,360 (2023: RM159,709,219).

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current:				
Other receivables				
Amounts due from subsidiaries	-	-	10,800,000	22,330,207
Current:				
Trade receivables				
Third parties	35,882,013	38,395,483	-	-

18. TRADE AND OTHER RECEIVABLES (CONT'D.)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables				
Amounts due from subsidiaries	-	-	43,991,362	32,068,994
Dividend receivable from subsidiaries	-	-	6,500,000	5,550,000
Amounts due from a related party	116,586	101,588	116,586	101,588
Refundable deposits	497,136	500,639	86,375	74,376
Other receivables	855,382	715,014	87,370	111,071
	1,469,104	1,317,241	50,781,693	37,906,029
Less: Allowance for				
Amounts due from subsidiaries	-	-	(22,331,433)	(22,290,859)
	-	-	(22,331,433)	(22,290,859)
Other receivables, net	1,469,104	1,317,241	28,450,260	15,615,170
Total current trade and other receivables	37,351,117	39,712,724	28,450,260	15,615,170
Total trade and other receivables	37,351,117	39,712,724	39,250,260	37,945,377
Add: Cash and bank balances	8,796,711	14,618,287	738,255	1,162,596
Total financial assets carried at amortised cost	46,147,828	54,331,011	39,988,515	39,107,973
Classification of trade and other receivables:				
Current	37,351,117	39,712,724	28,450,260	15,615,170
Non-current	-	-	10,800,000	22,330,207
	37,351,117	39,712,724	39,250,260	37,945,377

18. TRADE AND OTHER RECEIVABLES (CONT'D.)**(a) Trade receivables**

Trade receivables are non-interest bearing and the Group's normal trade credit terms range from 30 to 90 (2023: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at original invoiced amounts which represent the fair value on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2024 RM	2023 RM
Neither past due nor impaired	28,191,394	31,986,520
1 to 30 days past due not impaired	6,783,780	5,999,190
31 to 60 days past due not impaired	470	255,886
61 to 120 days past due not impaired	603,424	153,887
>120 days past due not impaired	302,945	-
	7,690,619	6,408,963
Impaired	-	-
	35,882,013	38,395,483

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM7,690,619 (2023: RM6,408,963) that are past due at the reporting date but not impaired. These represent amounts due from creditworthy customers which have an established relationship with the Group and have no history of default.

The movement in allowance for impairment are as follows:

	Group	
	2024 RM	2023 RM
At the beginning of the year	-	878,965
Reversal of allowance for impairment	-	(697,136)
Written off	-	(181,829)
At the end of the year	-	-

18. TRADE AND OTHER RECEIVABLES (CONT'D.)**(b) Other receivables**

The Group's and the Company's other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables:				
Nominal value	-	-	22,331,433	22,290,859
Less: Allowance for impairment	-	-	(22,331,433)	(22,290,859)
	-	-	-	-
Movement in allowance account:				
At beginning of year	-	37,012	22,290,859	21,624,067
Provision of allowance for impairment	-	-	41,355	666,792
Reversal of allowance for impairment	-	-	(781)	-
Written off	-	(37,012)	-	-
At end of year	-	-	22,331,433	22,290,859

At the reporting date, the Group and the Company has provided an allowance of RM nil (2023: RM nil) and RM22,331,433 (2023: RM22,290,859) respectively. These mainly relate to balances due from related parties which have been significantly long outstanding.

(c) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand, except for advances of RM10,800,000 (2023: RM9,800,000) which are subject to interest at a rate of 3.6% p.a. (2023: 3.2% p.a.).

(d) Amounts due from a related party

Representing amounts due from Sapura Holdings Sdn. Bhd. which are unsecured, non-interest bearing and are repayable on demand.

(e) Credit risk

As at the reporting date, the Group has a concentration of credit risk in the form of outstanding balances due from 4 debtors (2023: 3 debtors) representing 62% (2023: 66%) of total net trade receivables.

19. OTHER CURRENT ASSETS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Prepayments	3,855,761	5,624,162	221,860	186,084

20. SHORT TERM INVESTMENTS

	Group	
	2024 RM	2023 RM
As at 1 February	16,629,182	8,999,257
Investments during the year	12,936,383	7,403,221
Profit received during the year (Note 5)	399,508	226,704
Investment in money market funds, representing total financial assets at fair value through profit or loss	29,965,073	16,629,182

21. RETIREMENT BENEFIT OBLIGATIONS

The Group and the Company operate an unfunded, defined benefit Retirement Benefit Scheme (“the Scheme”) for its eligible employees. The Group’s and the Company’s obligations under the Scheme are determined based on the latest actuarial valuation by an independent valuer for the financial year 2024. Under the Scheme, eligible employees are entitled to retirement benefits on attainment of the retirement age.

The amounts recognised on the statement of financial position are determined as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Present value of unfunded defined benefit obligations, representing net liabilities	9,146,174	8,831,600	2,623,647	2,828,795
Analysed as:				
Current	134,632	639,682	9,197	490,189
Non-current	9,011,542	8,191,918	2,614,450	2,338,606
	9,146,174	8,831,600	2,623,647	2,828,795

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

The amount recognised in the statement of comprehensive income are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax				
Current service costs	388,164	424,629	109,800	141,661
Interest cost	413,967	386,730	125,472	149,256
Total, included in employee benefits expense (Note 8)	802,131	811,359	235,272	290,917
Other comprehensive income:				
Actuarial loss/(gain) on retirement benefit, representing total included in other comprehensive income/(loss) before tax	521,214	28,660	115,656	(529,406)

Movements in the net liability in the current year were as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of year	8,831,600	8,868,259	2,828,795	3,389,272
Recognised in profit or loss	802,131	811,359	235,272	290,917
Benefits paid	(1,008,771)	(876,678)	(556,076)	(321,988)
Actuarial loss/(gain)	521,214	28,660	115,656	(529,406)
At end of year	9,146,174	8,831,600	2,623,647	2,828,795

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

Principal actuarial assumptions used:

	2024 %	2023 %
Discount rate	4.3	4.9
Expected rate of salary increases	4.0	4.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

The following table demonstrates the sensitivity of the present value of defined benefit obligations to changes in the discount rate and expected salary increment, with all other variables held constant.

	(Decrease)/increase in present value of defined benefit obligation			
	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Discount rate				
- 1% increase	(835,988)	(785,942)	(187,704)	(182,211)
- 1% decrease	951,899	898,504	210,426	204,663
Expected salary increment				
- 1% increase	910,661	779,055	162,167	137,473
- 1% decrease	(807,036)	(691,720)	(145,757)	(123,812)

22. LOANS AND BORROWINGS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current				
Secured:				
Term loans	4,990,687	4,929,790	-	-
Hire purchase (Note 23)	92,445	133,373	92,445	133,373
Lease liabilities (Note 24)	765,846	889,180	900,109	1,084,142
	5,848,978	5,952,343	992,554	1,217,515
Unsecured:				
Bankers' acceptances	2,163,759	3,683,520	-	-
	8,012,737	9,635,863	992,554	1,217,515
Non-current				
Secured:				
Term loans	35,436,198	25,769,327	-	-
Hire purchase (Note 23)	375,928	174,875	375,928	174,875
Lease liabilities (Note 24)	1,340,042	114,201	-	1,139,608
	37,152,168	26,058,403	375,928	1,314,483
Total				
Bankers' acceptances	2,163,759	3,683,520	-	-
Term loans	40,426,885	30,699,117	-	-
Hire purchase (Note 23)	468,373	308,248	468,373	308,248
Lease liabilities (Note 24)	2,105,888	1,003,381	900,109	2,223,750
	45,164,905	35,694,266	1,368,482	2,531,998

22. LOANS AND BORROWINGS (CONT'D.)

The remaining maturities of the loans and borrowings as at 31 January are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Within 1 year	8,012,737	9,635,863	992,554	1,217,515
More than 1 year and less than 2 years	6,891,979	4,301,415	194,550	1,278,852
More than 2 years and less than 5 years	15,235,119	9,460,309	181,378	35,631
More than 5 years	15,025,070	12,296,679	-	-
	45,164,905	35,694,266	1,368,482	2,531,998

The weighted average effective interest rates per annum at the reporting date of borrowings, excluding hire purchase and lease liabilities, were as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Bankers' acceptances	3.74	2.81	-	-
Term loans	5.00	5.00	-	-

The term loans are secured by:

- (a) a first legal charge over certain plant and machinery of the Group (Note 13(b)); and
- (b) a first legal charge over an investment property of the Group (Note 14).

The Company has extended corporate guarantees amounting to RM129,605,000 (2023: RM144,467,000) as at the reporting date to banks and financial institutions for banking facilities granted to certain subsidiaries.

22. LOANS AND BORROWINGS (CONT'D.)

Change in liabilities arising from financing activities

2024:

	At 1 February 2023 RM	Non-cash movement RM	Net (repayment)/ drawdown RM	At 31 January 2024 RM
Group				
Bankers' acceptances	3,683,520	-	(1,519,761)	2,163,759
Term loans	30,699,117	-	9,727,768	40,426,885
Hire purchase (Note 23)	308,248	491,000	(330,875)	468,373
Lease liabilities (Note 24)	1,003,381	2,411,467	(1,308,960)	2,105,888
	35,694,266	2,902,467	6,568,172	45,164,905
Company				
Hire purchase (Note 23)	308,248	491,000	(330,875)	468,373
Lease liabilities (Note 24)	2,223,750	(378,465)	(945,176)	900,109
	2,531,998	112,535	(1,276,051)	1,368,482

2023:

	At 1 February 2022 RM	Non-cash movement RM	Net (repayment)/ drawdown RM	At 31 January 2023 RM
Group				
Revolving Credits	4,500,000	-	(4,500,000)	-
Bankers' acceptances	1,725,284	-	1,958,236	3,683,520
Term loans	25,256,876	-	5,442,241	30,699,117
Hire purchase (Note 23)	513,759	-	(205,511)	308,248
Lease liabilities (Note 24)	2,104,873	106,326	(1,207,818)	1,003,381
	29,600,792	106,326	1,487,148	35,694,266
Company				
Revolving Credits	1,000,000	-	(1,000,000)	-
Hire purchase (Note 23)	513,759	-	(205,511)	308,248
Lease liabilities (Note 24)	3,255,125	139,523	(1,170,898)	2,223,750
	4,768,884	139,523	(2,376,409)	2,531,998

23. HIRE PURCHASE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Minimum lease payments:				
Not later than 1 year	106,896	143,928	106,896	143,928
Later than 1 year and not later than 2 years	213,792	143,928	213,792	143,928
Later than 2 years and not later than 5 years	187,041	35,793	187,041	35,793
	507,729	323,649	507,729	323,649
Less: Finance charges	(39,356)	(15,401)	(39,356)	(15,401)
	468,373	308,248	468,373	308,248
Analysis of present value of finance lease liabilities:				
Not later than 1 year	92,445	133,373	92,445	133,373
Later than 1 year and not later than 2 years	194,550	139,244	194,550	139,244
Later than 2 years and not later than 5 years	181,378	35,631	181,378	35,631
	468,373	308,248	468,373	308,248
Less: Amount due within 12 months (Note 22)	(92,445)	(133,373)	(92,445)	(133,373)
Amount due after 12 months (Note 22)	375,928	174,875	375,928	174,875

The Group and the Company have finance leases for motor vehicles (Note 13(a)). These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

The finance leases of the Group and of the Company bear interest during the year at 3.39% per annum (2023: 4.20% per annum).

24. LEASE LIABILITIES

The carrying amounts of lease liabilities recognised and the movements during the year are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 February	1,003,381	2,104,873	2,223,750	3,255,125
Additions	1,907,665	26,495	-	-
Accretion of interest (Note 6)	102,503	79,831	70,321	139,523
Payments	(1,308,960)	(1,207,818)	(945,176)	(1,170,898)
Lease modification	401,299	-	(448,786)	-
At 31 January	2,105,888	1,003,381	900,109	2,223,750
Current	765,846	889,180	900,109	1,084,142
Non-current	1,340,042	114,201	-	1,139,608
	2,105,888	1,003,381	900,109	2,223,750

The remaining maturities of the lease liabilities as at 31 January are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Within 1 year	765,846	889,180	900,109	1,084,142
More than 1 year and less than 2 years	422,529	66,357	-	1,139,608
More than 2 years and less than 5 years	917,513	47,844	-	-
	2,105,888	1,003,381	900,109	2,223,750

The followings are the amounts recognised in profit or loss:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Depreciation on right-of-use assets (Note 13)	1,232,251	1,131,307	867,635	1,085,041
Interest expense on lease liabilities (Note 6)	102,503	79,831	70,321	139,523
Expense relating to short-term leases	105,186	335,553	-	-
Expense relating to leases of low-value assets	119,670	114,556	26,688	26,688
Variable lease payments	787,391	850,638	-	-
Total amount recognised in profit or loss	2,347,001	2,511,885	964,644	1,251,252

Total cash outflows for leases comprising of payments of lease liabilities, short-term leases, low value leases and variable lease payments for Group and Company amounted to RM2,321,207 (2023: RM2,508,565) and RM971,864 (2023: RM1,197,586) respectively.

25. DEFERRED TAX

Recognised deferred tax (assets)/liabilities

	Assets		Liabilities		Net	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Group						
Accelerated capital allowances	-	-	10,907,064	10,838,988	10,907,064	10,838,988
Development expenditure capitalised	-	-	347,724	374,713	347,724	374,713
Provisions, lease liabilities, accruals and other payables	(3,464,917)	(3,051,244)	-	-	(3,464,917)	(3,051,244)
Unused tax losses	(52,421)	(6,596)	-	-	(52,421)	(6,596)
Unabsorbed capital allowances	(1,958,810)	(1,547,078)	-	-	(1,958,810)	(1,547,078)
Unutilised reinvestment and investment tax allowance	(776,008)	(1,126,255)	-	-	(776,008)	(1,126,255)
Deferred tax (assets)/liabilities	(6,252,156)	(5,731,173)	11,254,788	11,213,701	5,002,632	5,482,528
Offsetting	6,054,526	5,599,068	(6,054,526)	(5,599,068)	-	-
Net deferred tax (assets)/liabilities	(197,630)	(132,105)	5,200,262	5,614,633	5,002,632	5,482,528
Company						
Accelerated capital allowances	-	-	835,325	850,527	835,325	850,527
Provisions, lease liabilities, accruals and other payables	(835,325)	(850,527)	-	-	(835,325)	(850,527)
Deferred tax (assets)/liabilities	(835,325)	(850,527)	835,325	850,527	-	-
Offsetting	835,325	850,527	(835,325)	(850,527)	-	-
Net deferred tax (assets)/liabilities	-	-	-	-	-	-

Unrecognised deferred tax assets

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unused tax losses	25,920,762	23,992,076	14,695,004	12,707,171
Unabsorbed capital allowances	386,480	300,244	344,284	273,080
Other temporary differences	1,892,357	2,572,404	1,351,054	1,934,142
	28,199,599	26,864,724	16,390,342	14,914,393

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits.

25. DEFERRED TAX (CONT'D.)

The carrying forward of unused tax losses is restricted to a maximum of ten consecutive years of assessments. The final year of assessment for utilisation of unused tax losses as at 31 January are, as follows:

Year of assessment	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
2028	19,596,747	19,596,747	12,419,775	12,419,775
2029	673,913	791,905	-	-
2030	2,035,495	2,154,907	-	-
2031	383,529	383,529	-	-
2032	774,562	782,230	287,396	287,396
2033	2,456,516	282,758	1,987,833	-
	25,920,762	23,992,076	14,695,004	12,707,171

Recognised deferred tax (assets)/liabilities

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Group	As at 1.2.2023 RM	Charged/ (credited) to profit or loss RM	Credited to OCI RM	As at 31.1.2024 RM
Deferred tax liabilities				
Accelerated capital allowances	10,838,988	68,076	-	10,907,064
Development expenditure capitalised	374,713	(26,989)	-	347,724
	11,213,701	41,087	-	11,254,788
Deferred tax assets				
Provisions, lease liabilities, accruals and other payables	(3,051,244)	(289,061)	(124,612)	(3,464,917)
Unused tax losses	(6,596)	(45,825)	-	(52,421)
Unabsorbed capital allowances	(1,547,078)	(411,732)	-	(1,958,810)
Unutilised reinvestment allowances	(1,126,255)	350,247	-	(776,008)
	(5,731,173)	(396,371)	(124,612)	(6,252,156)

25. DEFERRED TAX (CONT'D.)

Group (cont'd.)

Group	As at 1.2.2022 RM	Charged/ (credited) to profit or loss RM	Charged to OCI RM	As at 31.1.2023 RM
Deferred tax liabilities				
Accelerated capital allowances	8,719,756	2,119,232	-	10,838,988
Development expenditure capitalised	273,243	101,470	-	374,713
	8,992,999	2,220,702	-	11,213,701
Deferred tax assets				
Provisions, lease liabilities, accruals and other payables	(2,446,510)	(621,887)	17,153	(3,051,244)
Unused tax losses	(53,424)	46,828	-	(6,596)
Unabsorbed capital allowances	(2,149,944)	602,866	-	(1,547,078)
Unutilised reinvestment allowances	(1,580,487)	454,232	-	(1,126,255)
	(6,230,365)	482,039	17,153	(5,731,173)

Company	As at 1.2.2023 RM	(Credited)/ charged to profit or loss RM	Credited to OCI RM	As at 31.1.2024 RM
Deferred tax liabilities				
Accelerated capital allowances	850,527	(15,202)	-	835,325
Deferred tax assets				
Provisions, lease liabilities, accruals, other payables and unabsorbed capital allowances	(850,527)	42,960	(27,758)	(835,325)

25. DEFERRED TAX (CONT'D.)

Company	As at 1.2.2022 RM	Charged/ (credited) to profit or loss RM	Charged to OCI RM	As at 31.1.2023 RM
Deferred tax liabilities				
Accelerated capital allowances	843,090	7,437	-	850,527
Deferred tax assets				
Provisions, lease liabilities, accruals, other payables and unabsorbed capital allowances	(843,090)	(134,494)	127,057	(850,527)

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables - third parties	30,109,617	32,686,205	-	-
Other payables				
Accruals and other payables	15,393,370	16,232,777	2,993,494	3,636,526
Amount due to related parties	7,574	7,669	-	95
	15,400,944	16,240,446	2,993,494	3,636,621
Contract liabilities	529,984	5,423,719	-	-
Total trade and other payables	46,040,545	54,350,370	2,993,494	3,636,621
Add: Loans and borrowings (Note 22)	45,164,905	35,694,266	1,368,482	2,531,998
Less: Contract liabilities	(529,984)	(5,423,719)	-	-
Total financial liabilities carried at amortised cost	90,675,466	84,620,917	4,361,976	6,168,619

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 60 (2023: 30 to 60) days.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term range from 30 to 60 (2023: 30 to 60) days.

(c) Amounts due to related parties

The amounts due to related parties are unsecured, non-interest bearing and are repayable upon demand.

27. PROVISIONS

The Group recognised a provision for warranty associated with warranty given for certain products to its customers. The Group has made assumptions in relation to provision for future warranty claims based on historical experience of warranty claims made by its customers.

	Group	
	2024 RM	2023 RM
At 1 February	274,298	221,559
Provision utilised	(103,452)	(82,298)
Current year provision	155,284	135,037
At 31 January	326,130	274,298
Current	135,039	129,055
Non-current	191,091	145,243
	326,130	274,298

28. SHARE CAPITAL

	No. of shares		Group and Company Amount	
	2024	2023	2024	2023
	Unit	Unit	RM	RM
Issued and fully paid:				
At 1 February/31 January	72,775,737	72,775,737	74,975,863	74,975,863

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

29. CAPITAL COMMITMENT

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Capital expenditures				
Property, plant and equipment:				
Approved and contracted for	6,415,719	15,220,027	-	-
Approved but not contracted for	3,914,160	7,519,581	-	-

30. RELATED PARTY DISCLOSURES

(a) Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Subsidiaries				
Interest income	-	-	(383,200)	(134,013)
Management fees	-	-	(14,272,793)	(15,736,197)
Dividend income	-	-	(6,500,000)	(5,550,000)
Rental income	-	-	(1,138,805)	(1,440,106)
Related parties				
Recovery of communication expenses	(13,833)	(10,887)	(13,833)	(10,887)
Rental income	(30,000)	(30,000)	(30,000)	(30,000)

Information regarding outstanding balance arising from related party transactions at 31 January are disclosed in Notes 18 and 26.

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed between parties.

(b) Compensation of key management personnel

The remuneration of members of key management during the year including executive directors of the Company and directors of subsidiary companies under the Group was as follows:

	Group and Company	
	2024 RM	2023 RM
Wages and salaries	5,318,450	6,849,662
Contributions to defined contribution plan	442,905	557,733
Benefits-in-kind	70,026	93,310
	5,831,381	7,500,704

31. FINANCIAL INSTRUMENTS**(a) Financial risk management objectives and policies**

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its interest rate risk (both fair value and cash flow), foreign currency risk, liquidity risk, credit risk and market risk (equity price risk). It is, and has been throughout the year under review, the Group's and the Company's policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The interest rate profile of the Company's interest-bearing financial instruments, based on carrying amount as at reporting date was:

	Company	
	2024 RM	2023 RM
Floating rate instruments		
Financial assets	10,800,000	9,800,000

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points higher/lower, with all other variables held constant, the Company's profit net of tax and total equity would have been RM27,000 (2023: RM24,500) higher/lower, arising mainly as a result of higher/lower interest income on advances subject to floating interest rates.

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

The Group is not exposed to interest rate risk as it does not have interest-bearing financial instruments which are subject to floating interest rates.

(c) Foreign exchange risk

The Group is exposed to various currencies, mainly United States Dollar ("USD"), Japanese Yen ("JPY"), Indonesian Rupiah ("IDR"), Thai Baht ("THB") and Chinese Yuan ("CNY"). Foreign currencies denominated assets and liabilities together with expected cashflows from highly probable purchases and sales give rise to foreign exchange exposures.

Foreign exchange exposures in transactional currencies other than functional currency of the Company and all its subsidiaries are kept to an acceptable level.

The net unhedged financial liabilities of the Group that are not denominated in the Group's functional currency are as follows:

	2024 RM	2023 RM
Trade and other payables		
USD	3,778,256	12,410,586
JPY	4,395,668	2,064,023
IDR	5,436,787	546,255
THB	2,190,559	1,063,397
CNY	861,299	1,069,157

31. FINANCIAL INSTRUMENTS (CONT'D.)

(c) Foreign exchange risk (cont'd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD, JPY, IDR, THB and CNY exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant.

		Group Effect on profit net of tax	
		2024 RM	2023 RM
USD/RM	- strengthened 10% (2023: 10%)	(287,147)	(943,205)
JPY/RM	- strengthened 10% (2023: 10%)	(334,071)	(156,866)
IDR/RM	- strengthened 10% (2023: 10%)	(413,196)	(41,515)
THB/RM	- strengthened 10% (2023: 10%)	(166,482)	(80,818)
CNY/RM	- strengthened 10% (2023: 10%)	(65,459)	(81,256)

(d) Liquidity risk

The Group and the Company actively manage their debt maturity profiles, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintains sufficient levels of cash or cash convertible investments to meet their working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities of a reasonable level to their overall debt position. As far as possible, the Group and the Company raise committed funding from financial institutions and prudently balance their portfolios with some short term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2024			Total RM
	On demand or within one year RM	One to five years RM	More than five years RM	
Group				
Financial liabilities:				
Trade and other payables	45,510,561	-	-	45,510,561
Loans and borrowings, excluding lease liabilities	9,441,682	26,439,329	17,048,792	52,929,802
Lease liabilities	847,560	1,453,522	-	2,301,082
Total undiscounted financial liabilities	55,799,803	27,892,851	17,048,792	100,741,445

31. FINANCIAL INSTRUMENTS (CONT'D.)

(d) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	2024			Total RM
	On demand or within one year RM	One to five years RM	More than five years RM	
Company				
Financial liabilities:				
Trade and other payables	2,993,494	-	-	2,993,494
Loans and borrowings, excluding lease liabilities	106,896	400,833	-	507,729
Lease liabilities	924,673	-	-	924,673
Total undiscounted financial liabilities	4,025,063	400,833	-	4,425,896

	2023			Total RM
	On demand or within one year RM	One to five years RM	More than five years RM	
Group				
Financial liabilities:				
Trade and other payables	48,926,651	-	-	48,926,651
Loans and borrowings, excluding lease liabilities	10,191,673	20,230,384	15,333,398	45,755,455
Lease liabilities	915,960	121,782	-	1,037,742
Total undiscounted financial liabilities	60,034,284	20,352,166	15,333,398	95,719,848

Company				
Financial liabilities:				
Trade and other payables	3,636,621	-	-	3,636,621
Loans and borrowings, excluding lease liabilities	143,928	179,874	-	323,802
Lease liabilities	1,170,708	1,170,708	-	2,341,416
Total undiscounted financial liabilities	4,951,257	1,350,582	-	6,301,839

(e) Credit risk

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors as at 31 January 2024, other than as disclosed in Note 18.

31. FINANCIAL INSTRUMENTS (CONT'D.)

(f) Market risk

Market risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from investment in unit funds. Investment in unit funds comprises of combination of money market instruments and institutional bonds which have lower risk as compared to equity and commodity investments. These instruments are classified as held for trading financial assets. The Group does not have any exposure to commodity price risk.

At the reporting date, the exposure to investments in unit funds at fair value was RM29,965,073 (2023: RM16,629,182). An increase or decrease of 10% on market index of investments in unit funds could have an impact of approximately RM2,996,507 (2023: RM1,662,918) on the profit of the Group.

(g) Fair values

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables and current portion of loans and borrowings are reasonable approximate of their fair values due to the relatively short term nature of these financial instruments.

The following table analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. The different levels have been defined as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair values below are categorised within the Level 3 fair value hierarchy which is described as inputs for the asset or liability that are based on unobservable market data (unobservable input).

	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial liabilities				
At 31 January 2024:				
Term loans (non-current)	35,436,198	36,162,766	-	-
At 31 January 2023:				
Term loans(non-current)	25,769,327	28,917,737	-	-

The investments in unit funds of the Group amounting RM29,965,073 (2023: RM16,629,182) are measured as Level 2 hierarchy based on reference to fair value provided by the bank at the close of business on the reporting date.

The Group and the Company do not have any financial assets or financial liabilities measured at Level 1 hierarchy.

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 January 2024 and 2023.

The Group monitors capital using a gearing ratio, which is total loans and borrowings divided by total capital. Capital includes equity attributable to the owners of the parent less non-distributable share premium. The Group's policy is to keep the gearing ratio at an acceptable limit.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loans and borrowings	45,164,905	35,694,266	1,368,482	2,531,998
Equity attributable to the owners of the parent, representing total capital	111,527,185	106,353,703	79,194,857	77,206,293
Gearing ratio	40%	34%	2%	3%

33. SEGMENT INFORMATION**(a) Business segments:**

The Group is organised into three major business segments:

- (i) Manufacturing - the manufacture and supply of products for the automotive, electronics and electrical industries.
- (ii) Investment holding - the holding of investments and provision of management services to subsidiaries; and
- (iii) Others - trading of autoparts in retail and after sales market, providing computer aided design and manufacture of sub-systems and systems for applications in production and testing and other dormant companies.

(b) Geographical segments:

The Group's operations are carried out solely in Malaysia.

(c) Allocation basis

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

(d) Information on major customers

Included in the manufacturing segment are two major customers contributing to more than 10% of the Group's revenue, being RM193,876,342 (2023: RM162,297,291) and RM32,021,119 (2023: RM22,912,644) each in the current financial year.

33. SEGMENT INFORMATION (CONT'D.)

Business segments

31 January 2024	Manufacturing RM	Investment Holding RM	Others RM	Eliminations RM	Notes	Consolidated RM
Revenue						
External	294,113,769	-	868,905	-		294,982,674
Others	586,515	-	-	-		586,515
Inter-segment	375,116	20,772,793	404,340	(21,552,249)	A	-
Total revenue	295,075,400	20,772,793	1,273,245	(21,552,249)		295,569,189
Results						
Segment results, representing profit from operations	16,895,362	4,096,445	76,340	(7,123,061)		13,945,086
Finance costs	(2,785,778)	(182,596)	(8,568)	624,008		(2,352,934)
Taxation	(4,198,703)	(17,993)	(9,511)	-		(4,226,207)
Profit net of tax	9,910,881	3,895,856	58,261	(6,499,053)		7,365,945
Assets						
Consolidated segment assets	205,192,701	86,180,480	5,662,241	(76,179,785)		220,855,637
Liabilities						
Consolidated segment liabilities	173,219,210	6,985,623	25,047,186	(97,332,803)		107,919,216
Other information						
Capital expenditure	19,194,927	850,047	214,752	(108,972)	B	20,150,754
Depreciation	13,994,160	1,303,192	253,303	(2,200,319)		13,350,336
Amortisation	484,260	-	-	-		484,260
Non-cash expenditures other than depreciation and amortisation	2,029,534	309,813	112,853	-	C	2,452,200

33. SEGMENT INFORMATION (CONT'D.)

31 January 2023	Manufacturing RM	Investment Holding RM	Others RM	Eliminations RM	Notes	Consolidated RM
Revenue						
External	253,308,932	-	1,524,716	-		254,833,648
Inter-segment	1,802,050	21,286,197	1,283,058	(24,371,305)	A	-
Total revenue	255,110,982	21,286,197	2,807,774	(24,371,305)		254,833,648
Results						
Segment results, representing profit/ (loss) from operations	18,013,917	4,049,366	24,593	(6,630,893)		15,456,983
Finance costs	(2,301,953)	(262,436)	(22,835)	535,249		(2,051,975)
Taxation	(4,560,700)	119,907	32,997	-		(4,407,796)
Profit net of tax	11,151,264	3,906,837	34,755	(6,095,644)		8,997,212
Assets						
Consolidated segment assets	202,278,564	86,238,577	7,235,373	(82,809,028)		212,943,486
Liabilities						
Consolidated segment liabilities	174,376,981	9,032,284	26,656,313	(104,908,563)		105,157,015
Other information						
Capital expenditure	23,946,963	62,140	265,507	(98,862)	B	24,175,748
Depreciation	12,691,373	1,558,774	266,086	(2,733,334)		11,782,899
Amortisation	491,733	-	-	-		491,733
Non-cash expenditures other than depreciation and amortisation	35,577	930,498	51,235	(666,792)	C	350,518

33. SEGMENT INFORMATION (CONT'D.)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Capital expenditure consist of:

	2024 RM	2023 RM
Property, plant and equipment	19,898,467	23,199,839
Development expenditure	252,287	975,909
	20,150,754	24,175,748

C Other material non-cash expense/(income) consists of the following items as presented in the respective notes to the financial statements:

	Note	2024 RM	2023 RM
Unrealised foreign exchange loss/(gain)	7	242,871	(530,567)
Development expenditure written off	7	-	61,383
Gain on lease modification	7	(12,701)	-
Net provision for/(reversal of) provision for slow moving inventories	7	401,820	(79,819)
Writeback of inventories	5	-	(536,015)
Increase in provisions	7	155,284	135,037
Property, plant and equipment written off	7	109,590	108,842
Inventories written off	7	692,051	466,096
Provision for/(reversal of) short-term accumulating compensated absences	8	61,154	(85,798)
Increase in defined benefit plan	7	802,131	811,359
		2,452,200	350,518

Analysis of Shareholdings

As at 9 May 2024

Total Number of Issued Shares : 72,775,737 ordinary shares
 Class of Shares : Ordinary Shares
 Voting Rights : One vote per ordinary share
 No. of Shareholders : 3,759

DISTRIBUTION OF ORDINARY SHARES

Size of Holdings	No. of Holders	% Over Total Shareholders	No. of Shares	% Over Total Shares
Less than 100	632	16.81	6,461	0
100 to 1,000	595	15.83	266,955	0.37
1,001 to 10,000	2,179	57.97	6,636,971	9.12
10,001 to 100,000	318	8.46	8,299,561	11.41
100,001 to less than 5% of issued shares	31	0.82	13,084,850	17.98
5% and above of issued shares	4	0.11	44,480,939	61.12
Total	3,759	100	72,775,737	100

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest		Deemed Interest	
	No. of Shares Held	%	No. of Shares Held	%
Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir	-	-	20,377,300 ¹	28.00
Tan Sri Dr. Azmil Khalili bin Dato' Khalid	-	-	-	-
Puan Sri Datin Seri Mariam Parineh	-	-	20,377,300 ²	28.00
Datuk Syed Izuan bin Syed Kamarulbahrin	-	-	-	-
Datin Noor Lily Zuriati binti Abdullah	-	-	-	-
Ir. Md. Shah bin Hussin	-	-	-	-

SUBSTANTIAL SHAREHOLDERS

Name of Directors	Direct Interest		Deemed Interest	
	No. of Shares Held	%	No. of Shares Held	%
SAK Asset Ventures Sdn. Bhd.	20,377,300	28.00	-	-
Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad for The Ameis Trust (420140)	13,794,839	18.96	-	-
Koh Kok Hooi	7,097,600	9.75	-	-
Puncak Exotika Sdn. Bhd.	5,100,000	7.01	-	-

¹ Interest by virtue of shares held by spouse

² Deemed interested by virtue of being a substantial shareholder of SAK Asset Ventures Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

THIRTY (30) LARGEST SHAREHOLDERS

Based on Record of Depositors as at 9 May 2024

No.	Name of Shareholders	No. of Shares Held	%
1	SAK Asset Ventures Sdn. Bhd.	20,377,300	28.00
2	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad for The Ameis Trust (420140)	13,794,839	18.96
3	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Koh Kok Hooi	5,208,800	7.16
4	Puncak Exotika Sdn. Bhd.	5,100,000	7.01
5	Koh Kok Hooi	1,888,800	2.60
6	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ang Kooi Phing (6000914)	1,538,800	2.11
7	Tan Sri Dato' Seri Shahril bin Shamsuddin	1,426,875	1.96
8	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt AN for DBS Bank Ltd (SFS)	1,400,000	1.92
9	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Su Ming Yaw	697,100	0.96
10	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Dato' Shahrizan bin Shamsuddin (PB)	663,175	0.91
11	Lee Siew Hoon	508,000	0.70
12	HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kuek Siew Chyi (CCTS)	463,100	0.64
13	Chia Siew Fung	382,000	0.52
14	Maybank Nominees (Tempatan) Sdn. Bhd. Chua Eng Ho Wa'a @ Chua Eng Wah	345,800	0.47
15	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Tian Sang @ Tan Tian Song (E-PPG)	339,100	0.46
16	Tan Yee Seng	280,000	0.38
17	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Phua Lee Ping	265,500	0.36
18	Lim Kien Hua	259,200	0.36
19	Tan Yee Kong	245,000	0.34
20	Goh Sook Kee	243,000	0.33
21	Ng Ah Geok	222,000	0.31
22	Yew Peng Chai	193,100	0.27
23	Lim Kian Huat	163,400	0.22
24	Lam Pun Ying	150,000	0.21
25	Wong Lay Heong	150,000	0.21
26	Tan Aik Choon	145,400	0.20
27	Lee Kim Seng	145,000	0.20
28	Tan Kai Li	139,000	0.19
29	Ananda Krishna A/L Sithamberam Pillay	133,500	0.18
30	Lam So Ha @ Lim Chong Swee	126,500	0.17
	Total	56,994,289	78.31

Location	Description/ Existing Use	Land Area	Tenure/Year of Expiring	Approximate Age of Building (years)	Net Book Value as at 31.01.2024 RM'000/Date of Last Revaluation
HS (M) 9725, PT No. 11556 Mukim Kajang, Daerah Hulu Langat Selangor Darul Ehsan	Industrial land/ factory cum office	12,141m ²	99-year lease expiring 29.09.2086	33	4,797 31.01.2024
Postal address: No. 11, Jalan P/1, Seksyen 13 Kawasan Perindustrian Bangi 43650 Bandar Baru Bangi Selangor Darul Ehsan					
HS (D) 52700 & 52701 PT No. 40849 & 40850 Bandar Baru Bangi Daerah Hulu Langat Selangor Darul Ehsan	Industrial land/ factory cum office	6,552m ² & 7,241m ²	99-year lease expiring 19.08.2098	29	4,554 31.01.2024
Postal address: Lot 2 & 4, Jalan P/11, Seksyen 10 Kawasan Perindustrian Bangi 43650 Bandar Baru Bangi Selangor Darul Ehsan					
PN 106755, Lot 48474 Seksyen 9, Bandar Baru Bangi Daerah Hulu Langat Selangor Darul Ehsan	Vacant industrial land	20,460.5m ²	99-year lease expiring 18.07.2103	Nil	4,854 31.01.2024
Postal address: Lot 5, Persiaran Usahawan Taman IKS, Seksyen 9 43650 Bandar Baru Bangi Selangor Darul Ehsan					
PN 106756, Lot 48475 Seksyen 9, Bandar Baru Bangi Daerah Hulu Langat Selangor Darul Ehsan	Vacant industrial land	20,502.6m ²	99-year lease expiring 18.07.2103	Nil	4,760 31.01.2024
Postal address: Lot 7, Persiaran Usahawan Taman IKS, Seksyen 9 43650 Bandar Baru Bangi Selangor Darul Ehsan					

Location	Description/ Existing Use	Land Area	Tenure/Year of Expiring	Approximate Age of Building (years)	Net Book Value as at 31.01.2024 RM'000/Date of Last Revaluation
HS (D) 60852, PT No. 6733 Mukim Gurun, Daerah Kuala Muda Kedah Darul Aman	Industrial land/ factory cum office	49,824m ²	99-year lease expiring 06.02.2104	19	3,359 31.01.2024
Postal address: Lot 58, Kawasan Perindustrian Berat Gurun 08300 Gurun Kedah Darul Aman					
HS (M) 549, PT No. 98 Mukim Bukit Katil Daerah Melaka Tengah, Melaka	Vacant industrial land	2.163ha.	99-year lease expiring 22.10.2073	Nil	2,245 31.01.2024
Postal address: Lot 98, Jalan Usaha 7 Kawasan Perindustrian Ayer Keroh 75450 Melaka					
HS (D) 52726 & 52727 PT No. 40875 & 40876 Bandar Baru Bangi Daerah Hulu Langat Selangor Darul Ehsan	Industrial land/ factory cum office	2,326m ² & 1,833m ²	99-year lease expiring 19.08.2098	28	1,739 31.01.2024
Postal address: Lot 1 & 3, Jalan P/14, Seksyen 10 Kawasan Perindustrian Bangi 43650 Bandar Baru Bangi Selangor Darul Ehsan					
HS (D) 207937, PT 6409 Bandar Sri Sendayan District of Seremban Negeri Sembilan Darul Khusus	Vacant industrial land	35,332m ²	Freehold	Nil	16,692 31.01.2024

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Proxy Form



Sapura Industrial Berhad
Registration No: 197401000510 (17547-W)

Total number of Proxy(ies) appointed		
Proportion of shareholdings to be represented by each proxy	Proxy 1 %	Proxy 2 %
Total number of shares held		
CDS Account No.		

I/We _____ (FULL NAME IN CAPITAL LETTERS) NRIC No. _____

of _____ (FULL ADDRESS)

being a Member of SAPURA INDUSTRIAL BERHAD, do hereby appoint _____

_____ (FULL NAME IN CAPITAL LETTERS) NRIC No. _____

of _____ (FULL ADDRESS)

or failing him/her, _____ (FULL NAME IN CAPITAL LETTERS) NRIC No. _____

of _____ (FULL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING, as my/our proxy to vote for me/us and on my/our behalf at the 48th Annual General Meeting to be conducted on a fully virtual basis through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-02, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("Broadcast Venue") on Wednesday, 10 July 2024 at 11.00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the space provided below how you wish your vote to be cast. If no specific direction as to voting is given, the Proxy will vote or abstain from voting at his/her discretion.

Resolutions		For	Against
Ordinary Resolution 1	Payment of final single tier dividend		
Ordinary Resolution 2	Re-election of Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir		
Ordinary Resolution 3	Re-election of Encik Ir. Md. Shah bin Hussin		
Ordinary Resolution 4	Re-election of Datin Noor Lily Zuriati binti Abdullah		
Ordinary Resolution 5	Reappointment of Messrs. Ernst & Young PLT as Auditors of the Company		
Ordinary Resolution 6	Payment of Directors' fees to the Non-Executive Directors		
Ordinary Resolution 7	Payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors		
Ordinary Resolution 8	Authority for Directors to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016		
Ordinary Resolution 9	Retention of Encik Ir. Md. Shah bin Hussin as Independent Non-Executive Director		

Signature/Common Seal of Shareholder

Dated this _____ day of _____ 2024

Notes:

1. IMPORTANT NOTICE

The 48th AGM will be conducted virtually through live streaming from the Broadcast Venue. Shareholders are to participate and vote remotely at the 48th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIH Online website at <https://tiah.online>. Please follow the procedures in the Administrative Guide on 48th Annual General Meeting and take note of Note 2 below in order to participate remotely via RPV. The Administrative Guide can also be found at the Company's website at www.sapuraindustrial.com.my.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend the 48th AGM in person at the Broadcast Venue on the day of the meeting.

2. PROXY FORMS

A member whose name appears in the Record of Depositors of the Company as at 1 July 2024 shall be entitled to participate and vote at this Meeting via RPV.

A member of the Company who is entitled to participate and vote at this Meeting is entitled to appoint not more than two (2) proxies to participate and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation as to the qualification of the proxy.

Where a member is an authorised nominee (as defined under the Securities Industry (Central Depositories) Act 1991), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Where a member appoints two (2) proxies to participate at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

The instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporate member, shall be either under its Common Seal or signed by its attorney or an officer of the corporation duly authorised.

The instrument appointing a proxy must be deposited with the Shares Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, deposit the proxy form electronically via TIH Online at <https://tiah.online>, not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof.

Then fold here

Sapura Industrial Berhad
Registration No.: 197401000510 (17547-W)

Proxy Form

Stamp

Share Registrar
Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

www.sapuraindustrial.com.my

SAPURA INDUSTRIAL BERHAD

Registration No.: 197401000510 (17547-W)

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