



JHM

CONSOLIDATION
BERHAD

200501009101 (686148-A)

ACCELERATING A LEGACY OF EXCELLENCE



ANNUAL REPORT 2024

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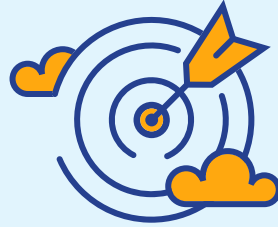
ACCELERATING A LEGACY OF EXCELLENCE



In the center of the design is a city landscape built on the circumference of an integrated chip base with a glow illuminating from the middle. This luminous core symbolises the futuristic advancements that JHM Consolidation Berhad leverages to drive innovation and elevate its operations and services.

Above the glowing board hovers a spherical smart screen, surrounded by icons representing electronics, automotives, aerospace components and telecommunication solutions, depicting JHM's role in powering diverse sectors as a one-stop manufacturing solutions provider.

The floating radiant sphere mimics a globe which portrays JHM's strive to adding value on a global scale with high-tech precision solutions and be the leading manufacturer that gives customers a competitive advantage. Meanwhile, the blue light that shines across the entire cityscape, showcases the far-reaching impact of JHM's legacy, illuminating the industry with technological excellence and innovative capabilities.



MISSION

1. Manufacture and deliver products that give our customers the peace of mind.
2. Acquire and enhance technologies with the required skill sets that will continue to provide net positive values.
3. Retain, attract and reward high job performers to provide an unrivalled and sustainable customer experience.



VISION

To be the best manufacturing service provider that will enable our customers to gain competitive advantages in the market place.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lim Chun Thang

(Non-Executive Chairman,
Independent Non-Executive Director)

Dato' Seri Tan King Seng

(Executive Director/ Group Chief Executive Officer)

Cheah Choon Ghee

(Executive Director)

Low Soo Kim

(Executive Director)

Wong Chi Yeng

(Independent Non-Executive Director)

Lai Fah Hin

(Independent Non-Executive Director)

Khor Cheng Kwang

(Independent Non-Executive Director)

AUDIT COMMITTEE AND RISK MANAGEMENT COMMITTEE

Wong Chi Yeng

(Chairman,
Independent Non-Executive Director)

Lai Fah Hin

(Member,
Independent Non-Executive Director)

Khor Cheng Kwang

(Member,
Independent Non-Executive Director)

NOMINATION COMMITTEE

Lim Chun Thang

(Chairman,
Independent Non-Executive Director)

Wong Chi Yeng

(Member,
Independent Non-Executive Director)

REMUNERATION COMMITTEE

Lim Chun Thang

(Chairman,
Independent Non-Executive Director)

Wong Chi Yeng

(Member,
Independent Non-Executive Director)

Lai Fah Hin

(Member,
Independent Non-Executive Director)

COMPANY SECRETARIES

Chee Wai Hong (BC/C/1470)
SSM Practicing Certificate
No. 202008001804

Tan She Chia (MAICSA 7055087)
SSM Practicing Certificate
No. 202008001923

MANAGEMENT OFFICE

15-1-21 Bayan Point
Medan Kampung Relau
11900 Bayan Lepas, Pulau Pinang
Tel: 04-646 5121
Fax: 04-645 7326
Email: corpinfo@jhm.net.my
Website: www.jhm.net.my

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Suite 18.05, MWE Plaza
No. 8, Lebuhr Farquhar
10200 George Town, Pulau Pinang
Tel: 04-263 1966
Fax: 04-262 8544
Email: info@sshsb.com.my

SOLICITORS

Allen Chee Ram
Wong Beh & Toh
Wong Chooi & Mohd Nor
Zaid Ibrahim & Co.

REGISTERED OFFICE

Suite 16.06 MWE Plaza
No. 8 Lebuhr Farquhar
10200 George Town, Pulau Pinang
Tel: 04-226 2188
Email: enquiry@ascendbps.com

AUDITORS

Grant Thornton Malaysia PLT
Chartered Accountants
Level 5, Menara BHL
51, Jalan Sultan Ahmad Shah
10050 Pulau Pinang
Tel: 04-228 7828
Fax: 04-227 9828

PRINCIPAL BANKERS

AmBank (M) Berhad
AmBank Islamic Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name: JHM
Stock Code: 0127



GROUP STRUCTURE OF JHM GROUP

JHM Consolidation Berhad ("JHM") was incorporated in Malaysia on 26 March 2005 and listed on the MESDAQ Market (now known as the ACE Market) on 13 July 2006. The Company has on 12 November 2020 transferred the listing of and quotation for the entire share capital of the Company from ACE Market to the Main Market of Bursa Malaysia Securities Berhad.

JHM is principally an investment holding company with eight (8) subsidiaries, namely Morrissey Technology Sdn. Bhd. ("MTSB"), Morrissey Assembly Solution Sdn. Bhd. ("MASSB"), JH Morrissey Sdn. Bhd. ("JMSB"), Morrissey Aerosystems Sdn. Bhd. ("MASB"), Morrissey Integrated Dynamics Sdn. Bhd. ("MIDSB"), Mace Instrumentation Sdn. Bhd. ("MISB"), Mace Hermetic Components Sdn. Bhd. ("MHCSB") and JHM Dekai Auto Lighting Sdn. Bhd. ("JDALSB"). On 27 November 2024, Jiangxi Dekai Auto Lighting Co., Ltd. subscribed to 48% of the equity interest in JDALSB. Consequently, JDALSB which was previously 100% owned by JHM, became a 52% owned subsidiary of JHM.

The current group structure is as follows:-



GROUP STRUCTURE OF JHM GROUP (CONT'D)

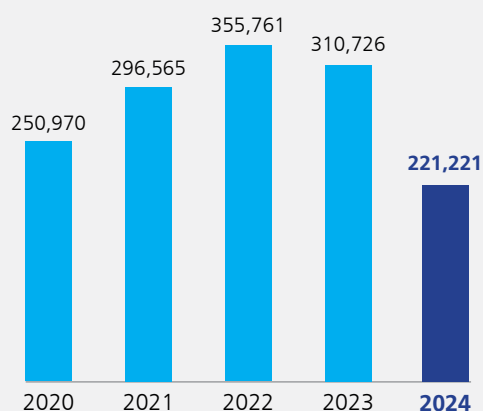
The principal activities of its subsidiaries are as follows:-

Companies	Date of Incorporation	Total Issued Shares	Principal activities
<u>Subsidiaries:</u>			
Morrissey Technology Sdn. Bhd.	5 September 2000	1,000,000	Design and manufacturing of precision miniature engineering metal parts and components.
Morrissey Assembly Solution Sdn. Bhd.	24 April 2013	30,000,000	Manufacturing and assembling of electronic components.
JH Morrissey Sdn. Bhd.	5 September 2001	200,000	International procurement office and research and development centre.
Morrissey Aerosystems Sdn. Bhd.	18 October 2016	2,500,000	Manufacturing of machined metal parts, secondary processes, sub-assemblies and assembly of LED lighting for aerospace industry. Currently, the company has not commenced operations.
Morrissey Integrated Dynamics Sdn. Bhd.	12 January 2012	30,000,000	Manufacturing of precision mechanical parts, die casting, moulding of precision plastic lenses and modular assembly.
Mace Instrumentation Sdn. Bhd.	31 March 2005	5,000,000	Manufacturing, assembling and dealing of testing measuring equipment.
Mace Hermetic Components Sdn. Bhd.	4 February 2021	2,500,000	Design and manufacture of mechanical parts (lenses and etc), electronic components and electrical products (cameras, connectors and etc) and products assembly for optical instruments, process control equipment, lighting and other industrial equipment.
JHM Dekai Auto Lighting Sdn. Bhd.	18 August 2021	100,000	Manufacturing and module assembling for electronics and electrical components.

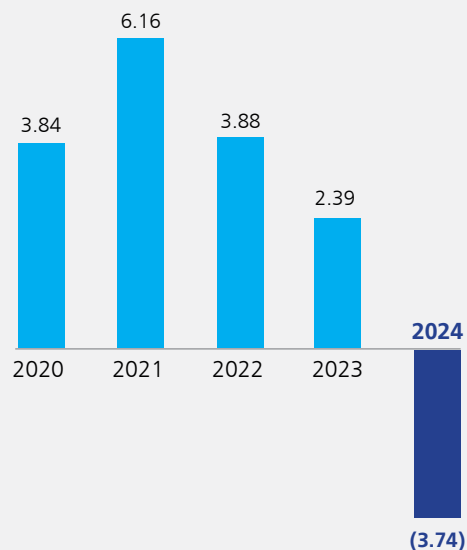
FINANCIAL HIGHLIGHTS

	Audited				
Year Ended 31 December	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Revenue (RM'000)	250,970	296,565	355,761	310,726	221,221
Profit/(Loss) Attributable to Owners of the Company (RM'000)	21,387	34,371	21,654	14,497	(22,666)
Net Earnings/(Loss) per share (sen)	3.84	6.16	3.88	2.39	(3.74)
Net Assets per share (RM)	0.39	0.45	0.55	0.53	0.49

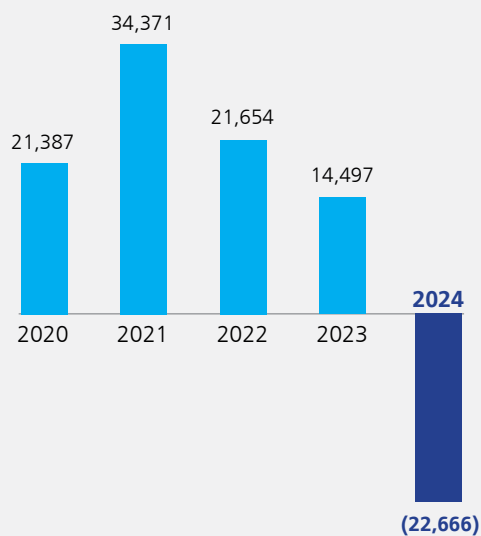
REVENUE
(RM'000)



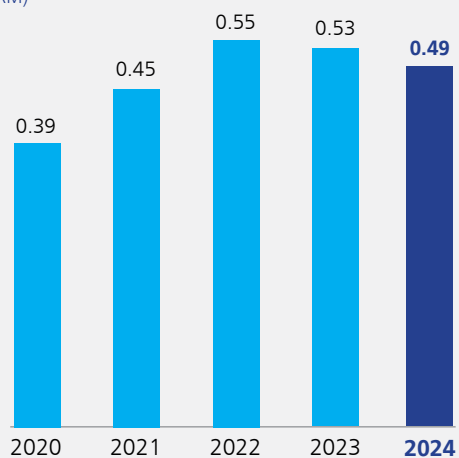
NET EARNING/(LOSS) PER SHARE
(sen)



PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RM'000)



NET ASSETS PER SHARE
(RM)



GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE

On behalf of the Board of Directors and Management team of JHM Consolidation Berhad ("JHM"), I am very delighted and pleased to present to you the Annual Report and Financial Statements of JHM for the financial year ended 31 December 2024 ("FY2024").

Financial Performance & Operating Environment

FY2024 has been a challenging year, as it is evident that we have navigated a period marked by global economic uncertainties and operational challenges. These include the global supply chain issues, particularly component shortages, logistical challenges and rising freight costs, as well as trade tensions that have continued to test our resilience. Despite these headwinds, our commitment to operational efficiency, innovation, and strategic expansion have enabled us to weather the downturn while reinforcing our market position. Through cost optimization, process improvements, and strategic investments in technology, we have maintained our ability to support our customers and adapt to shifting market dynamics.

During the year, the Group's overall business segments — automotive, industrial, and semiconductor — have experienced a slowdown, primarily driven by necessary inventory adjustments and recalibration of demand forecasts. This resulted in reduced order volumes. The lack of economies of scale impacted on production efficiency, as fixed overheads remained relatively high. In FY2024, JHM recorded a 28.81% y-o-y decrease in revenue of RM221.22 million compared to RM310.73 million in the financial year ended 31 December 2023 ("FY2023"). This was mainly due to lower sales volume in both automotive and industrial segments. Correspondingly, the Group recorded a loss after tax ("LAT") of RM22.89 million in FY2024 as compared to a net profit of RM14.29 million in FY2023. The loss was mainly attributed to the under-utilization of production capacity and foreign exchange impacts. The automotive segment has been the largest revenue contributor to the Group in the past. However, contribution from automotive segment was lower at 44% in FY2024 (FY2023: 69%), largely due to deferment of new projects launches and the completion of some projects that reached their end-of-life. The Group is actively working to continue growing its automotive business and expects to secure more automotive projects in the financial year ending 31 December 2025 ("FY2025"). The automotive segment is expected to remain our key revenue driver going forward.

Looking ahead, FY2025 presents both opportunities and challenges as the global landscape continues to evolve. The automotive, industrial, and semiconductor industries continue to drive demand for advanced electronics and high-reliability manufacturing. The increasing adoption of innovative automotive lighting products, industrial automation, and semiconductor innovations positions us well for long-term growth. However, geopolitical uncertainties, trade tensions, and new trade tariffs — particularly in the United States of America ("U.S.") — may impact the supply chains and cost structures. We are proactively mitigating the risks by diversifying our supply chain, enhancing cost efficiency through lean manufacturing and automation, and expanding market opportunities in the U.S., Europe, and Southeast Asia. By staying ahead of technological advancements and industry shifts, we aim to leverage these opportunities and solidify our market leadership.

Our dedication to the core values — Sincerity, Integrity, and Responsibility — guides every decision and action we take. These principles are integral to delivering sustainable value to our stakeholders in a responsible manner. By upholding these values, we ensure that our strategic initiatives thrive, driven by ethical practices and a commitment to long-term business growth. We will continue enhancing our production capabilities, improving efficiency, and advancing technology to meet the evolving demands of our customers. Our proactive risk management practices emphasise continuous engagement with stakeholders and participation in industry events allows us to stay updated of developments and explore collaborative partnerships within the industries. Through innovation, strategic partnerships, and a customer-centric approach, we are confident in our ability to maintain a competitive edge and succeed in the dynamic market landscape.

Continuing our ESG Journey

As we continue our journey towards sustainable growth, the Group's commitment to Environmental, Social, and Governance ("ESG") principles remains central to our strategy and operations throughout FY2024. We focus on four key pillars — Economic, Environmental, Workplace, and Social — to create long-term value for all stakeholders.

Economic

We remain committed to driving long-term value through operational efficiency, innovation, and strong corporate governance. Our continued adoption of Industry 4.0 principles enhances operational productivity, quality, and customer satisfaction.

Environmental

Sustainability remains a priority, with a focus on reducing our environmental impact. We have implemented energy efficiency measures and are exploring renewable energy sources to reduce our carbon footprint, contributing to global sustainability efforts.

Workplace

Our employees are at the heart of our success. We prioritise their well-being, ensuring a fair, inclusive, and supportive environment. Through continuous learning and development, we empower our workforce to thrive and contribute to our long-term success.

Social

Our engagement in local initiatives and sustainability programs reflects our commitment to social responsibility. We aim to create positive impact on the communities where we operate.

More details of the Group's ESG initiatives is stated in the "Sustainability Statement" in this Annual Report.

GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE (CONT'D)

Industry Trends and Business Outlook

The automotive lighting industry continues to be driven by technological advancements, changing consumer preferences, and evolving regulatory requirements. The global automotive lighting industry is expected to poise for continued growth, driven by several key factors which are shaping the landscape:

➤ **Market expansion**

As technology advances and production costs decrease, there is a growing demand for advanced lighting systems in both high-end and mainstream vehicles. Automotive manufacturers are increasingly incorporating these technologies into mid-range vehicles, expanding the market for advanced lighting solutions.

➤ **Technological advancements in lighting solutions**

The integration of Lighting Emitting Diodes ("LED"), Organic Light-Emitting Diode ("OLED"), and adaptive lighting systems is transforming the automotive lighting sector.

LED technology continues to be the major lighting applications in the market, due to its energy efficiency, durability, and superior brightness. It is increasingly being adopted in vehicle headlights, taillights, and interior lighting.

The shift towards OLED technology is gaining momentum, particularly for luxury and high-end vehicles, where design and aesthetics are the key focus. OLED's ability to offer flexible, thin, and customizable lighting panels enhances vehicle aesthetics while maintaining high-performance standards.

The adoption of adaptive lighting systems has become more essential, enhancing vehicle safety. These systems adjust the lighting based on driving conditions, enhanced visibility and increase the overall safety and functionality of the vehicle. The shift towards intelligent lighting solutions is expected to drive further innovation and demand in the industry.

➤ **Stringent safety regulations and standards**

The automotive industry is witnessing an increasing focus on stringent safety regulations and standards, which are continuously evolving to address growing concerns around vehicle safety and accident prevention. Governments across the globe are implementing more rigorous requirements for vehicle safety features, with particular emphasis on improving driver and passenger safety through technological advancements.

One of the most notable developments is the implementation of adaptive lighting systems. These systems automatically adjust the direction and intensity of a vehicle's headlights based on various factors such as speed, steering angle, and road conditions. This ensures that drivers have optimal visibility during night-time driving, particularly on winding roads or curves, and helps prevent accidents caused by inadequate lighting.

The push for enhanced safety has also resulted in a growing demand for intelligent lighting solutions that interact with other vehicle safety features, such as lane-keeping assistance and night vision systems. These systems allow vehicles to communicate with their surroundings, adjusting lighting in real-time to ensure the safest driving conditions.

➤ **Aesthetic and customization features**

As consumers place more importance on customization, automotive manufacturers are increasingly incorporating customizable lighting solutions. These not only improve vehicle aesthetics but also enhance brand identity, creating new opportunities for the automotive lighting industry.

GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE (CONT'D)

Group's Prospects

JHM is primarily engaged in the manufacture and assembly of Automotive Surface Mount Technology ("SMT")/Printed Circuit Board Assembly ("PCBA") and Automotive Level 2 LED Lighting modules and is one of the main Electronics Manufacturing Services ("EMS") player in providing one-stop solutions from fabrication of tooling, design to final assembly and test of LED Lighting modules/applications as well as box-build services.

Automotive segment continues to be the primary driver of the Group's business. The Group anticipates continued growth in the automotive segment, driven by the expansion of its customer base and the strengthening of relationships with key customers. Our ongoing commitment to advancing technical knowledge and expertise drives our continuous efforts to expand our capabilities in designing, manufacturing, and assembling comprehensive automotive lighting products, all tailored to meet customer specifications and requirements. The continuous investment in state-of-the-art equipment and advanced manufacturing techniques will strengthen our competitive position as a leading player in the automotive lighting industry. As the demand for advanced automotive lighting solutions continues to grow, the Group's established track record coupled with a strong commitment to technological innovation and a customer-centric approach, positions us well to capitalise on emerging opportunities.

For non-automotive segment, the Group continues to make progress in advancing our manufacturing capabilities in Sheet Metal fabrication, Die-casting and Computerised Numerical Control (CNC) machining, with a primary focus on serving the industrial customers. By further enhancing these manufacturing capabilities, the Group is positioning itself to meet the growing demand for high-quality industrial components, while delivering reliable and innovative solutions to a wide range of industries.

Moving forward, the Group remains optimistic about its future prospects. The Group remains dedicated to strengthening its competitive position in the EMS industry by expanding its operations and diversifying its product offerings to meet the dynamic requirements and technological advancements in the electrical, electronics, and mechanical sectors. To facilitate this growth, the Group has secured land for new manufacturing facilities, ensuring preparedness to capitalise on emerging opportunities. The Group is currently setting up a new plant, as part of our expansion strategy in its SMT capabilities. We are also actively exploring strategic partnerships across both the automotive and non-automotive segments. These partnerships are vital to expanding our capabilities, enhancing our competitive edge, and unlocking new opportunities for innovation and growth.

At the core of our business operations, proactive risk management, effective cost management, and a continued focus on customer satisfaction remain our primary performance drivers. Our commitment to delivering high-quality products and services that meet the needs of our customers is integral to maintaining strong relationships and achieving long-term success. We are dedicated to upholding our commitment to excellence through the consistent and effective execution of our strategic initiatives, ensuring that we continue to create value for both our customers and shareholders.

In April 2025, the United States government introduced reciprocal tariffs on imported goods, including a 10% baseline tariff applicable to all countries. Malaysia was initially designated for a higher 24% tariff; however, this was subsequently suspended for 90 days, providing time for further review and stakeholder engagement. The 10% tariff remains in effect.

Given that the U.S. remains our largest and most important market, we are monitoring these developments closely. While such policy changes introduce a degree of uncertainty, I am confident in JHM Group's resilience, agility, and strong customer relationships, which position us well to navigate these external challenges. Our deep integration in the value chain, engineering expertise, and unwavering commitment to quality continue to differentiate us from competitors, helping us maintain the trust of our U.S. partners.

As always, we remain focused on delivering sustainable value to our shareholders while adapting to the changing global trade landscape with confidence and discipline.

Appreciation

On behalf of the Board of Directors, I wish to extend our deepest appreciation to our valued customers, suppliers, affiliates, business partners, and shareholders for your unwavering support and confidence in the Group. Your trust and commitment have been instrumental in driving our continued growth and success.

I would also like to acknowledge the dedication and perseverance of our employees, whose unwavering commitment, resilience, and exemplary teamwork serve as the cornerstone of our achievements. These collective efforts remain fundamental to the Group's ability to seize new opportunities and sustain long-term success.

Additionally, I extend my sincere gratitude to all Board Members for your astute leadership, patience, and invaluable guidance. Your strategic insights continue to steer the Group toward sustained growth and success. Moving forward, I am confident that with a well-defined strategic direction and expansion initiatives, JHM will remain steadfast in delivering sustainable value to our shareholders, while adeptly navigating evolving market conditions and economic uncertainties.

Thank you.

Dato' Seri Tan King Seng
Group Chief Executive Officer

MANAGEMENT DISCUSSION & ANALYSIS

1. OVERVIEW OF BUSINESS OPERATION

The business operation is segmented into three (3) business segments as below:

- a) Electronic business unit;
- b) Mechanical business unit; and
- c) Others

The above was disclosed in Note 30 (Operating Segment) of the notes to the financial statements.

The key performance for the Group is mainly contributed from electronic and mechanical business units which is serving automotive and industrial industry respectively. Details as below:

(a) Electronic Business Unit

- Design, Surface Mount Technology ("SMT") production and assembly of automotive rear, interior and front headlamp lighting, inclusive of shifter control and turn signal indicator (*Automotive industry*);
- SMT production and assembly for Industrial products, i.e. motor controller (*Industrial industry*).

(b) Mechanical Business Unit

- One stop solution provider for high precision, high speed tooling design, fabrication and production for Micro Electronic Components (*Industrial industry*);
- Production on LEDs application to support 3D effects as well as signature lighting effect substrate (*Automotive industry*);
- Manufacturing of sheet metal enclosures and value-added electro-mechanical assembly for a broad range of industries which includes electronics (semiconductors and telecommunication), medical device and instrumentation industries (*Industrial industry*);
- Manufacturing of precision mechanical parts, die casting, moulding of precision plastic lenses and modular assembly (*Industrial industry*).

The resource allocation and assessment of performance are mainly based on the nature of business for each of the subsidiaries of JHM. Morrissey Technology Sdn. Bhd. ("**MTSB**"), Morrissey Integrated Dynamics Sdn. Bhd. ("**MIDSB**"), Mace Instrumentation Sdn. Bhd. ("**MISB**") are operating under the Mechanical Business Unit and Morrissey Assembly Solution Sdn. Bhd. ("**MASSB**"), JH Morrissey Sdn. Bhd. ("**JMSB**"), Mace Hermetic Components Sdn. Bhd. ("**MHCSB**"), JHM Dekai Auto Lighting Sdn. Bhd. ("**JDAL**") are operating under the Electronic Business Unit.

For additional segmental information, please refer to Note 30 (Operating Segment) under the notes to the financial statements.

2. FINANCIAL RESULTS AND FINANCIAL CONDITION

Financial performance

For the financial year ended 31 December 2024 ("**FY2024**"), the Group reported revenue of RM221.22 million, reflecting a 28.81% decrease compared to the financial year ended 31 December 2023 ("**FY2023**"). This decline in revenue was primarily driven by reduced sales from both the automotive and industrial segments.

In line with the lower revenue, the Group recorded a loss after tax ("**LAT**") of RM22.89 million, which represents a 260.18% increase in losses compared to the previous year. The increase in losses was primarily attributed to:

- (i) Under-utilization of capacity: Lower sales volumes led to reduced production efficiency, resulting in a lower absorption of fixed costs.
- (ii) Fluctuations in foreign exchange: The Group also faced significant foreign exchange impacts due to the volatility in the Ringgit Malaysia ("**RM**") against the United States Dollar ("**USD**") during FY2024. Specifically:
 - o FY2023: The Group had recorded a realised foreign exchange gain of RM4.73 million.
 - o FY2024: The Group incurred a realised foreign exchange loss of RM1.61 million.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

2. FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

Liquidity and capital resources

The Group's operations continued to generate positive cash flows, and the year closed with cash and cash equivalents of RM67.49 million (FY2023: RM72.39 million). The decrease in cash and cash equivalents was primarily due to lower cash inflow from operating activities, which amounted to RM31.73 million in FY2024, compared to RM54.91 million in FY2023.

As of the end of FY2024, the Group's net assets stood at RM297.91 million, translating to a net tangible asset ("NTA") per share of RM0.49.

In terms of liquidity, the Group maintained a healthy current ratio of 2.67 times at the end of the year, reflecting its strong ability to meet short-term obligations.

3. REVIEW OF OPERATING ACTIVITIES BY INDUSTRY

Automotive Industry

The automotive segment has been the largest revenue contributor to the Group in the past. However, its contribution dropped to 44% in FY2024 from 68% in FY2023, primarily due to customer delays in launching new projects and the completion of certain projects that reached their end-of-life.

During the financial year under review, the revenue from the automotive segment was primarily attributed to the export of automotive LED lighting modules to the Group's customers, who supply these modules to tier 1 automotive manufacturers in the USA.

JHM is actively working to grow its automotive segment further and the Group expects to onboard more automotive customers in the financial year ending 2025 ("FY2025").

Industrial Industry

The industrial segment has become the largest revenue contributor to the Group, contributing approximately 56% of the Group's total revenue for FY2024, a significant increase from 32% in FY2023.

During the financial year under review, the revenue from the industrial segment was mainly attributable to the sales of, among others, Printed Circuit Board Assemblies ("PCBA") for fan speed controllers, fine pitch connector pins, and sheet metal enclosures. These sales were primarily generated from customers based in Singapore and Malaysia.

Looking ahead, the Group intends to continue capturing growth opportunities in the industrial segment. This will be achieved by further enhancing its mechanical manufacturing capabilities, particularly in die-casting and Computer Numerical Control ("CNC") high precision machining. These efforts are expected to further strengthen the industrial segment and contribute to the Group's long-term growth.

4. OPERATIONAL AND FINANCIAL RISKS

Operational Risks - Dependence on Automotive Industry

Our Group has historically been dependent on the automotive sector for a significant portion of its revenue. While this dependency presents a risk, the Group is actively working to diversify its revenue streams by increasing its presence in the industrial products sector.

Revenue Contribution by Segment (FY2021 - FY2024):

Segmental industry	FY2021	FY2022	FY2023	FY2024
Automotive	61%	60%	68%	44%
Industrial products	39%	40%	32%	56%
	100%	100%	100%	100%

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

4. OPERATIONAL AND FINANCIAL RISKS (CONT'D)

Operational Risks - Dependence on Automotive Industry (Cont'd)

As demonstrated in the table above, the automotive sector represented 68% of our revenue in FY2023. However, in FY2024, this contribution dropped to 44%. This decline was primarily due to lower sales from the automotive sector, driven by customer delays in launching new projects and certain projects reached their end-of-life. Despite this, the industrial products sector has shown strong growth, increasing from 32% of total revenue in FY2023 to 56% in FY2024.

As part of the Group's risk mitigation strategy, we continue developing new automotive customers to broaden the automotive customers' base. Currently, we have been successfully serving total of nine (9) automotives customers for the FY2025.

Financial Risks Management

The Group's financial risks are set out in Note 31.2 under the notes to the financial statements.

5. FORWARD-LOOKING

Outlook

Looking into FY2025, global growth is expected to stabilise, with gradual improvements in economic conditions as supply-side issues unwind and inflation continues to moderate. However, ongoing geopolitical tensions, such as those seen in the US-China trade relationship and regional instabilities, will likely continue to create uncertainty in global markets.

Automotive Segment Outlook

The automotive sector remains a critical revenue driver for the Group, and the outlook for FY2025 continues to be positive. The automotive lighting market is poised for sustained demand across all types of vehicles—both traditional combustion engine vehicles and electric vehicles (EVs). While the global shift to EVs continues, lighting remains a crucial component for all vehicles, including cars, trucks, and electric vehicles, due to safety, aesthetic, and functional needs.

The Group's automotive lighting products, including LED lighting modules, are increasingly in demand due to their energy efficiency, longer lifespan, and the growing emphasis on safety features in automotive design. As such, JHM is not constrained by the EV transition and can serve a broad spectrum of automotive customers globally.

In the coming years, the Group expects further growth in the automotive segment as it continues to expand its customer base and strengthen relationships with existing clients. The trend toward advanced lighting systems—such as adaptive lighting, ambient lighting, and LED headlights—presents significant opportunities for innovation and growth. The Group's focus will remain on providing high-quality, cost-effective lighting solutions that meet the evolving needs of automotive manufacturers.

Industrial Segment Outlook

The industrial sector is projected to continue its strong growth trajectory, buoyed by increased demand for automation, industrial IoT, and precision manufacturing components.

The Group plans to expand its capabilities in mechanical manufacturing, particularly in die-casting and CNC high-precision machining, which will position it to meet the rising demand for advanced industrial components. In FY2025, the industrial segment is expected to maintain its upward momentum, with new projects in the pipeline across key markets.

Conclusion

US imposed a 25% tariff on automotive imports, which went into effect on April 3, as well as on automotive parts, which will take effect on May 3. At this juncture, for vehicles manufactured in Mexico and Canada, automakers that are compliant with the terms under the United States-Mexico-Canada Agreement (USMCA) are allowed to certify their U.S. content. This mechanism ensures that the recently imposed 25% tariff applies only to the non-U.S. content of the vehicle.

In summary, JHM's outlook for FY2025 remains positive. The automotive lighting segment will continue to benefit from demand across all types of vehicles, while the industrial segment's growth will be supported by advancements in automation and precision manufacturing. The Group's strategic initiatives to expand its customer base, strengthen its manufacturing capabilities, and capitalise on emerging trends in both segments provide a solid foundation for continued growth and success. Barring any unforeseen circumstances, the Group is confident in its ability to execute its strategies effectively and maintain a positive outlook for the years ahead.

6. DIVIDEND POLICY

The Board of Directors highly values the unwavering support the Group has received from its loyal shareholders over the years. While the Board recognises the importance of rewarding the shareholders for their support, the decision to declare dividend is subject to several factors, including earnings, capital commitment, financial conditions, future expansion and other factors.

In view of ongoing market challenges and the need to maintain a good cash flow position, the Board has not recommended a dividend payment for FY2024. Nevertheless, once the Group is comfortable distributing dividends, the Board is committed to resuming the payment of dividends in the future.

DIRECTORS' PROFILE

DATO' SERI TAN KING SENG



Age
69



Gender
Male



Nationality
Malaysian

Dato' Seri Tan King Seng, was appointed to the Board on 13 April 2006 and is presently the Executive Director/Group Chief Executive Officer of the Company. He graduated with a Bachelor of Science Degree in Mechanical Engineering from National Cheng Kung University of Taiwan in 1983. Dato' Seri Tan started his career as an engineer with Intel Technology Sdn. Bhd. in 1984, and thereafter in Hewlett Packard Sdn. Bhd. in 1989. Prior to starting his own business in 1995, he was a Senior Production Engineer in charge of Optoelectronic Production at Hewlett Packard Sdn. Bhd.

He is the major shareholder of the Company.

CHEAH CHOON GHEE



Age
62



Gender
Male



Nationality
Malaysian

Cheah Choon Ghee was appointed to the Board on 11 December 2007 and is presently the Executive Director of the Company. Prior to his appointment to the Board, he was the Senior Administration Manager of the Group. He graduated with a Diploma in Electronic Engineering from Tunku Abdul Rahman College in 1984. Mr. Cheah started his career as an Assistant Engineer with National Semiconductor Sdn. Bhd. in 1985. He left National Semiconductor Sdn. Bhd. in 1989 and joined Cintronic Marketing Sdn. Bhd. as its Administrator Manager in charge of the company's operation until 1995. In 1996, Mr. Cheah joined Allied Stamping Corporation Sdn. Bhd. as its Sales Director overseeing the company's business and later left in year 2000. Currently, Mr. Cheah is appointed as Chief Operating Officer in charge of the Mace Instrumentation Sdn. Bhd. ("MISB").

He is the major shareholder of the Company by virtual of he being a director and shareholder of Noble Matters Sdn. Bhd. ("NMSB") pursuant to Section 8 of the Companies Act 2016, where NMSB is a major shareholder of the Company.

LOW SOO KIM



Age
47



Gender
Female



Nationality
Malaysian

Low Soo Kim was appointed to the Board on 26 February 2021 and is presently the Executive Director of the Company. Ms. Low graduated with a Bachelor of Accounting (Hons) from University of Malaya in 2002 and is a member of the Malaysian Institute of Accountants.

She started her career in the tax division of Ernst & Young Tax Consultants Sdn. Bhd. ("EY") and left EY in January 2009 when she held the position of Assistant Tax Manager. She joined a manufacturing company, a wholly owned subsidiary of a Public Listed Company ("PLC") as Accounts/Finance Manager in year 2009 and was promoted to Group Financial Controller of the PLC in year 2013. She joined the Company as Finance Manager on 30 November 2015 and she currently holds a position as Finance Director in the Company. Ms. Low is in charge of the Group's financial reporting, investor relations and corporate planning.

LIM CHUN THANG



Age
60



Gender
Male



Nationality
Malaysian

Lim Chun Thang was appointed as the Non-Executive Chairman/Independent Non-Executive Director of the Company on 23 August 2018. He serves as Chairman of the Nomination Committee and Remuneration Committee.

He graduated from Middlesex University, London with a Bachelor Degree in Accounting and Finance (Honours). Upon returning from London, he joined Arab-Malaysian Merchant Bank in 1995 and left in 1997 as a Corporate Finance Officer. Subsequently, he joined a few companies with his main scope of work in planning the success of their listings on Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad).

Thenceforth, from 2002 to 2018, he was attached to a public listed company in Malaysia, as the Personal Assistant to the Group Chairman and Managing Director in assisting the Group Chairman and Managing Director mainly overseeing the Group's corporate planning related matters; investor relations by dealing with fund managers, institutional shareholders, the press and analyst; the Group's compliance with corporate governance and Listing Requirements. He had also participated in Board meetings and involved in various corporate exercises of the Group.

He is also the Non-Executive Chairman/Independent Non-Executive Director of Supercomnet Technologies Berhad.

DIRECTORS' PROFILE (CONT'D)

WONG CHI YENG



Age
63



Gender
Female



Nationality
Malaysian

Wong Chi Yeng was appointed to the Board on 4 January 2017 and is presently the Independent Non-Executive Director. She serves as the Chairman of the Audit Committee and Risk Management Committee and as a member of Nomination Committee and Remuneration Committee of the Company.

She graduated from University of Malaya, Kuala Lumpur with a Bachelor of Accounting (Honours) in 1987. She started her career as an auditor in a Chartered Accountants firm in Penang in 1987. Mdm. Wong is currently a Director of Interresources Tax Advisory Sdn. Bhd.. She is a member of both Malaysian Institute of Accountants and Chartered Tax Institute of Malaysia. She is also an Audit Committee member of The Institute of Internal Auditors Malaysia (CACD).

LAI FAH HIN



Age
69



Gender
Male



Nationality
Malaysian

Lai Fah Hin was appointed to the Board on 30 August 2017 and is presently the Independent Non-Executive Director. He serves as a member of the Audit Committee and Risk Management Committee and Remuneration Committee. He graduated with Malaysian Certificate of Education in year 1975.

Mr. Lai started his career in the government service (Royal Malaysia Police) on 1 October 1977 as a Police Inspector. In year 2006, he was promoted to Deputy Superintendent of Police (DSP) and he became an officer in charge of Police District (OCPD) (South West District of Penang) in year 2014 until his retirement on 11 July 2016. He is currently a Security Consultant for Bandar Kepala Batas Sdn. Bhd., a subsidiary of Hunza Properties Berhad.

KHOR CHENG KWANG



Age
53



Gender
Male



Nationality
Malaysian

Khor Cheng Kwang was appointed as the Independent Non-Executive Director of the Company on 3 March 2020. He serves as a member of the Audit Committee and Risk Management Committee.

He graduated with a Diploma in Mechanical & Manufacturing Engineering from Tunku Abdul Rahman College (TARC) in 1996 and subsequently furthered his studies with a Master of Science (Msc) in Manufacturing Systems Engineering from The Queen's University of Belfast, United Kingdom in 1997.

In December 1997, he joined Intel Technology (M) Sdn. Bhd. as an engineer. His last position held was Intel marketing manager, responsible for business development for embedded communication products and solutions in the China and Asia-Pacific region, working closely with MNCs, OEMs & ODMs corporations. He was part of the Malaysian Development Economic Corporation's (MDEC) program 'Grow the Tech Sector' which promoted embedded technology under the country's Economic Transformation Program (ETP).

In 2012, he became the Founder and Managing Director of Metro Green Adventure Sdn. Bhd., a company specialising in eco-friendly initiatives, educational, coaching and 'Building Future' programs for corporates and educational institutions. In addition to his directorship in the Company, he currently holds directorship in other private limited companies.

Notes:

1. Save as disclosed above, none of the Directors of the Company have any family relationship with any Director and/or major shareholder of the Company.
2. All the Directors do not have any conflict of interest with the Company.
3. Other than traffic offences, none of the Directors of the Company have any convictions for offences within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
4. The Directors' shareholdings are as disclosed on page 127 of this Annual Report.
5. The details of the number of Board Meetings attended by the Directors of the Company for the financial year are disclosed on page 17 of this Annual Report.
6. Save as disclosed above, none of the Directors hold any directorships in other public companies and listed issuers.

PROFILE OF KEY SENIOR MANAGEMENT

DATO' SERI TAN KING SENG



Age
69



Gender
Male



Nationality
Malaysian

Dato' Seri Tan King Seng was appointed as the Executive Director/Group Chief Executive Officer on 13 April 2006.

Dato' Seri Tan's profile is set out on page 13 of this Annual Report.

CHEAH CHOON GHEE



Age
62



Gender
Male



Nationality
Malaysian

Cheah Choon Ghee was appointed as the Executive Director/Chief Operating Officer of MISB on 11 December 2007.

Mr. Cheah's profile is set out on page 13 of this Annual Report.

LOW SOO KIM



Age
47



Gender
Female



Nationality
Malaysian

Low Soo Kim was appointed as the Executive Director/Finance Director of the Company on 26 February 2021.

Ms. Low's profile is set out on page 13 of this Annual Report

AZHAR BIN JAAFAR



Age
57



Gender
Male



Nationality
Malaysian

Azhar bin Jaafar was appointed as Director of Operations in Morrissey Assembly Solution Sdn. Bhd. on 15 July 2018 and was promoted to Senior Director of Operations in year 2022. En. Azhar completed high school in 1984 and graduated with a Bachelor of Business Administration from Greenwich University in 2002. He started his career in 1985 as a production Supervisor in Statsym Sdn. Bhd., Selangor, responsible for in-circuit testing and temperature cycle burn-in.

In 1993, he joined a multinational EMS company with various functions such as Production Manager, Focus Factory Manager, Operation Director and Assistant General Manager responsible for end-to-end Surface Mount Technology operations.

Notes:

1. Save as disclosed on page 13 of the Annual Report, none of the key senior management of the Company have any family relationship with any director and/or major shareholder of the Company.
2. All the above Key Senior Management do not have any conflict of interest with the Company.
3. Other than traffic offences, none of the Key Senior Management of the Company has any convictions for offences within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
4. None of our Key Senior Management hold or have held any directorships in other public companies and listed companies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**the Board**") is committed to ensure that a high standard of corporate governance is practiced throughout the Company and its subsidiaries ("**the Group**") in discharging its responsibilities with integrity, transparency and professionalism to protect and enhance shareholders' value and the financial position of the Group. The Board has always been vigilant of the fiduciary duties entrusted upon the Board as a principle guide in discharging its duties.

The Board is pleased to provide a Corporate Governance Overview Statement pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") that explains an overview of the application of the corporate governance practices of the Group during the financial year ended 31 December 2024 ("**FY2024**") in this Annual Report with reference to the following three (3) principles as set out in the Malaysian Code on Corporate Governance issued by Securities Commission Malaysia on 28 April 2021 ("**MCCG**"):

A. Board Leadership and Effectiveness;

B. Effective Audit and Risk Management; and

C. Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The Board has also provided specific disclosures on the application of each Practices in its Corporate Governance Report ("CG Report"). This CG Report was announced together with the Annual Report of the Company on 29 April 2025. Shareholders may obtain this CG Report by accessing this link www.jhm.net.my for further details.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) Board Responsibilities

The Group acknowledges the pivotal role played by the Board in the stewardships of its direction and operations. To fulfil this role, the Board is responsible for the following:

- a) Review, approve and monitor the overall strategies and direction of the Group;
- b) Identify the principal risks and implementing appropriate system to manage such risks;
- c) Oversee and evaluate the conduct and performance of the Group's business;
- d) Review the adequacy of the Group's internal control policy; and
- e) Ensure that appropriate plans are in place in respect of the succession plan of the Group.

The Board has overall responsibility for the proper conduct of the Group.

Clear functions of the Board and Management

To ensure the effective discharge of its function and responsibilities, the Board has established a Board Charter which clearly set out the relevant matters reserved for the Board's approval, as well as those is delegated to the Board committees and Group Chief Executive Officer.

Key matters reserved for the Board's decision include, inter alia, the following:-

- a) Approval of business strategy and group operational plan and annual budget;
- b) Acquisition and disposal of assets of the Company or its subsidiaries that are material in nature;
- c) Approval of investment or divestment in a company/business /property/undertaking;
- d) Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities;
- e) Any other significant business direction; and
- f) Corporate proposal on fund raising.

Appointment to the Board

The Board has established the Nomination Committee for the purpose of making recommendations on suitable candidates for appointment to the Board and for assessing Directors on an ongoing basis. Candidates recommended must be approved and appointed by the Board. The Nomination Committee is responsible for recommending the right candidates with the required skills, experience and attributes to the Board for appointment.

Further details on the Nomination Committee are set out on pages 20 to 22 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(I) Board Responsibilities (Cont'd)

Retirement and Re-election of Directors

In accordance with the Company's Constitution, one-third (1/3) of the Directors including the Managing Director shall retire by rotation from office at each Annual General Meeting ("AGM") and they shall be eligible for re-election at the AGM. The Directors to retire shall be the Directors who have been longest in office since their appointment or last re-election. In addition, all Directors including the Managing Director shall be subject to retirement by rotation at least once every three (3) years.

Directors who are standing for re-election at the Twentieth AGM of the Company to be held on 28 May 2025 are as per detailed set out in the Notice of the Twentieth AGM.

Board Meetings and Time Commitment

The Board is to meet at least four (4) times a year with additional meetings convened as and when necessary. Besides Board meetings, the Board also exercises control on matters that require Board's approval through Directors' Circular Resolutions. Among others, key matters such as approval of annual and quarterly results, financial statements, major acquisitions and disposals, major capital expenditure and risk management policies are discussed and decided by the Board.

During the financial year, the Board met four (4) times. The Board is satisfied with the time commitment given by the Directors of the Company in discharging their duties for FY2024 as evidenced by the attendance record of the Directors at the Board Meeting. The details of attendance of the Directors during FY2024 are as follows: -

Name of Directors	Number of Meetings Attended	Percentage of Attendance
Lim Chun Thang	4/4	100%
Dato' Seri Tan King Seng	4/4	100%
Cheah Choon Ghee	4/4	100%
Low Soo Kim	4/4	100%
Wong Chi Yeng	4/4	100%
Lai Fah Hin	3/4	75%
Khor Cheng Kwang	4/4	100%

The Directors are in compliance with the provision of MMLR on the restriction of not holding more than five directorships in the listed issuers.

Company Secretaries

The Board is of the view that current Company Secretaries are suitably qualified, competent and can support the Board in carrying out its roles and responsibilities. The Company Secretaries ensure there are a quorum for all meetings and that such meetings are convened in accordance with the relevant Terms of Reference. The minutes prepared by the Company Secretaries memorialise the proceedings of all meetings including pertinent issues, the substance of inquiries and responses, members' suggestions and the decision made. This reflects the fulfillment of the Board's fiduciary duties and the significant oversight role performed by the respective Board Committees.

The Board obtained appropriate advice and services, if necessary, from Company Secretaries to ensure adherence to Board meeting procedures and compliance with regulatory requirements.

Code of Ethics

The Directors observed the code in accordance with the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. This code can be assessed through the Company's website at www.jhm.net.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(I) Board Responsibilities (Cont'd)

Code of Conduct

In order to enhance the standard of corporate governance and behaviours, the Board observed the Company's Code of Conduct which set out standards of business and ethical conduct based on general principles including, amongst others, integrity and honesty, fair dealing and confidentiality as guidance to all directors and employees in the conduct of their business. This code can be assessed through the Company's website at www.jhm.net.my.

Board Charter

The Board has adopted a charter to provide a reference for directors in relation to the Board's role, duties and responsibilities, division of responsibilities between the Board, the Board Committees, the Chairman and Group Chief Executive Officer. The Charter, which serve as referencing point for Board's activities to enable Directors to carry out their stewardship role and discharge their fiduciary duties to the Group, also contains a formal schedule of matters reserved to the Board for deliberation and decision so that control and direction of the Group's business are in its hands.

The Charter is available on the Company's website at www.jhm.net.my in line with Practice 2.1 of the MCCG 2021. The Board will review the Board Charter from time to time in order to ensure consistency with the Board's strategic intent and relevant standards of corporate governance.

Sustainability

The Group recognises the importance of sustainability and its increasing impact on the business and is committed to the goal of developing a sustainable future.

The Group is committed to provide a safe workplace for its employees and conducting its business in a way that is environmentally safe and sound. The sustainability activities are set out in the Sustainability Statement on pages 25 to 51 of this Annual Report.

Gender Diversity Policy

The Board has adopted Gender Diversity Policy which can be found on the Company's website at www.jhm.net.my. In considering Board member appointment, the Board provides equal opportunity to candidates who have the necessary skills, experience, competencies and other attributes regardless of gender, ethnicity and age. The Board is taking steps to identify women candidates for appointment to the Board. The Board is currently having two (2) women members out of Seven (7) members.

The Board acknowledges the best practice of the MCCG for the Board comprises at least 30% women Directors. In heading this, there was a positive development for the Company in making greater strides towards notable gender diversity on the Board with the appointments of Ms. Wong Chi Yeng to the Board on 4 January 2017 and Ms. Low Soo Kim on 26 February 2021.

The Board is mindful that any gender representation should be in the best interest of the Company. Although the Company has not reached the 30% women representation target at the Board level as required, the Board decisions are made objectively in the best interests of the Group taking into account diverse perspectives and insights. The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximise the effectiveness of the Board.

The Board notwithstanding the view that diversity should be in tandem with expertise, experience and skills and not gender alone acknowledges the importance of the establishment of a gender diversity policy. Hence, the Nomination Committee has been tasked to look for suitably qualified female candidates when there is a vacancy.

Internal Corporate Disclosure Policies and Procedures

Along with good corporate governance practices, the Company is committed to provide the investors and the public with comprehensive, accurate and material information on a timely basis.

In line with this commitment and in order to enhance transparency and accountability, the Board has adopted an Internal Corporate Disclosure Policies and Procedures to facilitate the handling and disclosure of material information on a timely and accurate manner.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(I) Board Responsibilities (Cont'd)

Anti Corruption Policy

The Company has adopted an Anti Corruption Policy to prevent the occurrence of bribery and corrupt policies in relation to the Group's businesses.

The Anti Corruption Policy can be assessed through the Company's website at www.jhm.net.my.

Directors' Training

The Directors are encouraged to attend continuous education programmes such as seminars and conferences. This is to keep themselves abreast with the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and the need to be cognizant of commercial opportunities and risks as well as to be adequately equipped to execute judicious decision making.

All members of the Board have attended and successfully completed the Mandatory Accreditation Programme ("MAP") as required by Bursa Securities. Bursa Securities had vide its letter dated 6 June 2023 amended the MMLR in relation to sustainability training for Directors and requested the Existing Directors of all the listed issuers who are appointed prior to 1 August 2023 must attend the MAP Part II which will focus substantively on sustainability on or before 1 August 2025. As at the date of this Annual Report, majority of the Directors have attended MAP Part II.

During FY2024, the Directors of the Company had attended seminar or conference organised externally. The programmes attended by the Directors during the financial year, include the following:

Name	No. of days	Mode of Training	Title
Dato' Seri Tan King Seng	2 days	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Cheah Choon Ghee	½ day	Webinar	GHG Management Solutions by Malaysian Green Technology & Climate Change Corporation
	3 hours	Webinar	RHB ESG Series - Climate Change: An Existential Threat to Financial Stability
Low Soo Kim	2 days	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	1 day	Seminar	Tax Seminar on Budget 2025 by Grant Thornton
	1 day	Seminar	HLB ESG Readiness Program: Greening The Supply Chain, Navigating trade and carbon-related regulations as part of the global supply chain ecosystem
	½ day	Webinar	CSI Solution: GHG Emissions workshop
	3 hours	Webinar	RHB ESG Series - Climate Change: An Existential Threat to Financial Stability
	½ day	Seminar	GHG Management Solutions by Malaysian Green Technology & Climate Change Corporation
	2 hours	Webinar	MFRS18 Presentation and Disclosure in Financial Statements by Grant Thornton
Wong Chi Yeng	2 days	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	1 day	Seminar	Corporate Board Leadership Symposium 2024 by MIA
	1 day	Seminar	2025 Budget Seminar by CTIM
	2 days	Conference	National Tax Conference 2024 by CTIM
	1 day	Seminar	Latest Income Tax Updates and Recent tax Cases 2024 by CTIM

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(I) Board Responsibilities (Cont'd)

Directors' Training (Cont'd)

Name	No. of days	Mode of Training	Title
Lim Chun Thang	2 days	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	3 hours	Webinar	Beyond the Deal - Managing Post - Acquisition Excellence by Grant Thornton Indonesia
	1.5 hours	Webinar	Technology: Dawn of a New Upcycle by Kenanga Investment Bank Berhad
Khor Cheng Kwang	2 days	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	2.5 hours	Webinar	Malaysia's Budget 2025 Q4 Market Outlook & Highlights by UOB Bank
	3 hours	Webinar	Creating the Silicon Valley of the East 2.0- Penang as a leading hub for GBS, Research, Design & Development by Invest Penang
	1.5 hours	Webinar	Volkswagen Supply Chain Programme by MATRADE
Lai Fah Hin	3 hours	Webinar	RHB ESG Series - Climate Change: An Existential Threat to Financial Stability

In addition to the above training attended, the Directors also received updates from time to time from Company Secretaries on the amendments or any updates on MMLR, Companies Act 2016 as well as MCCG.

Supply of Information

The Board members have full and unrestricted access to information on the Group's business and affairs in discharging their duties. Prior to the meetings, all Directors are provided with sufficient and timely reports and supporting documents which are circulated in advance of each meeting to ensure sufficient time is given to understand the key issues and contents. In addition, the Board is kept informed of the updates and requirements issued by Bursa Securities and various regulatory authorities.

Where necessary, the Directors may engage independent professional advice at the Company's expense on specific issues to enable the Board to discharge their duties on the matters being deliberated.

Committees of the Board

The Board, in discharging its fiduciary duties and responsibilities has appointed the following Board Committees with specific terms of reference to assist the Board:-

- Audit Committee and Risk Management Committee
- Nomination Committee
- Remuneration Committee

Audit Committee and Risk Management Committee

The summary of the activities of the Company's Audit Committee and Risk Management Committee during the financial year are set out under the Audit Committee Report on pages 54 to 57 of this Annual Report.

Nomination Committee

The Nomination Committee currently comprises of the following members:-

Name of Directors	Designation
Lim Chun Thang (Chairman)	Independent Non-Executive Director
Wong Chi Yeng	Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(I) Board Responsibilities (Cont'd)

Nomination Committee (Cont'd)

The Committee consists entirely of Non-Executive Directors, where all its members are independent. The Nomination Committee meets at least once a year and as and when necessary and may make decisions by way of circular resolutions.

The duties and responsibilities of the Nomination Committee are guided by its terms of reference. The main responsibilities of the Nomination Committee included the following:-

- Nominate the right candidates with the required skills, experience and attributes for recommendation to and appointment by the Board.
- Regularly review the structure, size and composition (including the skills, knowledge and experience) required by the Board compared to its current position and make recommendations to the Board with regard to any changes.
- Review and recommend the membership of the Audit Committee and Risk Management Committee, and Remuneration Committee, in consultation with the Chairman of those committees.
- Assess the effectiveness of the Board and the contribution of individual directors and his/her independence where applicable.
- To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors.

The Nomination Committee has developed criteria to assess the effectiveness of the Board, the Board committees and individual Director. The evaluation on the Board's effectiveness is divided into three sections on the following key areas:-

- Board mix and composition;
- Quality of information and decision making; and
- Boardroom activities.

The process also assess the competencies of each Director in the areas of fit and proper, contribution and performance, calibre and personality.

The Nomination Committee also undertakes annual assessment of the independence of the independent directors based on required mix skills, criteria of independence as per requirements of MMLR, meeting attendance, ability to ensure effective checks and balances on the Board's decision making process, constructively challenge business propositions and contributes to the development of business strategy and direction of the Company, ensures that adequate systems and controls to safeguard the interests of the Company are in place and continuous updating of knowledge and enhancing of skills through attendance of business related trainings.

The Company has adopted the Fit and Proper Policy on 30 May 2022. When considering new appointment as well as Directors who are seeking for re-election as Director in the Company, the Nomination Committee shall evaluate the balance of skills, knowledge and experience on the board. In identifying suitable candidates, the Committee should consider the following fit and proper criteria of the candidates:-

- (i) Character and Integrity
- (ii) Experience and Competence
- (iii) Time and Commitment

The Company has conducted the fit and proper assessment on 28 February 2024 on Directors who were proposed for re-election at the Nineteenth AGM of the Company in accordance with the Fit and Proper Policy. The Nomination Committee is satisfied with the performance of the retiring directors.

A familiarisation programme, including visits to the Group's business and operations premises and meetings with senior management will be arranged for new Directors to facilitate their understanding of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(I) Board Responsibilities (Cont'd)

Nomination Committee (Cont'd)

The Nomination Committee had met one (1) time during FY2024 and activities of the Nomination Committee are summarised as follows:

- (a) Reviewed and assessed the effectiveness of the Board and the committees of the Board.
- (b) Reviewed and recommended the re-election of Directors who were retiring and seeking for re-election at Nineteenth AGM.
- (c) Reviewed and assessed the independence of the Independent Non-Executive Directors.
- (d) Reviewed the terms of office and performance of an Audit Committee and its members.
- (e) Reviewed the Company's performance in addressing the Company's Sustainability or Environmental, Social and Governance ("ESG").
- (f) Reviewed and assessed the performance of each individual Directors.
- (g) Reviewed the training needs of Directors for the FY2024.

Remuneration Committee

The Remuneration Committee currently comprises the following members:

Name of Directors	Designation
Lim Chun Thang (Chairman)	Independent Non-Executive Director
Wong Chi Yeng	Independent Non-Executive Director
Lai Fah Hin	Independent Non-Executive Director

The Remuneration Committee consists of three (3) Independent Non-Executive Directors. The Committee is responsible for recommending to the Board the appropriate remuneration of the Executive Directors in all forms to commensurate with the respective contributions of the Executive Directors. The Executive Directors are to abstain from deliberation and voting on the decision in respect of their own remuneration packages.

The remuneration of the Non-Executive Directors is a matter for the Board as a whole and the Director concerned is required to abstain from deliberation and voting on decisions relating to his/her own remuneration. Directors' fees and benefits payable are subject to shareholders' approval at the forthcoming AGM.

(II) Board Composition

The Company is led and managed by a well-balanced Board which consists of members with a wide range of business, technical and financial background. The Board is entrusted with the proper stewardship of the Company's resources for the best interest of its shareholders and also to steer the Group towards achieving the maximum economic value. The members of the Board, who have extensive experience and expertise in a wide range of related and unrelated industries, have been selected based on their skills, knowledge and their ability to add strength to the leadership. The business and financial experience of each member of the Board has inevitably contributed to the success in steering the Group towards sustaining its financial performance.

The Board is currently made up of Seven (7) members as follows:-

- Three (3) Executive Directors, and
- Four (4) Independent Non-Executive Directors.

This is in compliance with the one-third requirement for Independent Non-Executive Directors to be appointed to the Board under MMLR. The Nomination Committee and the Board assess the independence of the Independent Non-Executive Directors annually, taking into account the individual Director's ability to exercise independent judgement at all times and to contribute to the effective functioning of the Board. The Nomination Committee and the Board had reviewed and assessed its Independent Non-Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(II) Board Composition (Cont'd)

There is a clear division of authority between the Chairman and Executive Directors, to ensure a balance of power and authority. The Independent Non-Executive Directors are independent from Management and have no relationships that could interfere with the exercise of their independent judgement. They play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision making process.

All decisions of the Board are made based on a majority decision and no individual Board member can make any decision on behalf of the Board, unless duly authorised by the Board. As such, no individual or a group of individuals dominate the decision-making process.

Tenure of Independent Directors

The Board notes the recommendation of the MCCG on the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director's re-designation as Non-Independent Director.

If the Board intends to retain an Independent Non-Executive Director beyond nine (9) years, it shall justify and seek annual shareholders' approval through a two-tier voting process. Under the two-tier voting process, shareholders' votes will be cast in the following manner at the same shareholders' meeting:

- a) Tier 1: Only the Large Shareholder(s) of the Company votes.
- b) Tier 2: Shareholders other than Large Shareholder(s) votes.

Presently, the tenure of all the Independent Non-Executive Directors does not exceed a cumulative term of nine (9) years as recommended by the MCCG.

Separation of Roles of Chairman and Group Chief Executive Officer

The roles of the Independent Non-Executive Chairman and Group Chief Executive Officer are distinct and separate to ensure that there is a balance of power and authority. The Independent Non-Executive Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board.

The Group Chief Executive Officer has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The Group Chief Executive Officer is responsible to ensure due execution of strategic goals, effective operations within the Group, and to explain, clarify and inform the Board on key matters pertaining to the Group.

(III) REMUNERATION

The objective of the Company's policy on Directors' remuneration is to attract and retain the appropriate Directors of their caliber to run the Group successfully. In general, the remuneration is structured so as to link rewards to corporate and individual performance, as in the case of the Executive Directors and senior management. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken individually by the Director concerned.

While the Board has formalised its remuneration policies, it is the policy of the Company and the Group that all Executive Directors and Senior Management are remunerated based on the Group's performance, market conditions and their responsibilities whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience, level of responsibilities assumed in the Board Committees and the Board, their attendance and/or special skills and expertise they bring to the Board. This policy is available on the Company's website at www.jhm.net.my

The aggregate remuneration paid or payable to all Directors of the Company during FY2024 is listed on a named basis with the detailed remuneration breakdown is available on Practice 8.1 of CG Report.

The disclosure on the remuneration of Senior Management in relation to Practice 8.2 of MCCG are provided in the CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

(I) Audit Committee and Risk Management Committee

The Board has established an effective and independent Audit Committee. The members of the Audit Committee comprise fully Independent Non-Executive Directors and the Chairman of the Audit Committee is not the Chairman of the Board. With the present composition structure and practice, the Audit Committee is able to objectively review and report its findings and recommendations to the Board.

A summary of the activities of the Audit Committee during the financial year are set out in the Audit Committee's Report on pages 54 to 57 of this Annual Report.

The Audit Committee discusses the nature and scope of audit and reporting obligations with the external auditors before commencement of audit engagement. It is also the practice of the Audit Committee to respond to auditors' enquiries and recommendations, if any, to ensure compliance with various approved accounting standards in the preparation of the Group's financial statements.

The Audit Committee is empowered by the Board to review all issues in relation to appointment and re-appointment, resignation or dismissal of external auditors. The Audit Committee has also assessed the suitability and independence of the external auditors. The external auditor attends Audit Committee meetings when necessary and have direct access to the Audit Committee and Internal Auditors for independent discussion.

The external auditors met with the Audit Committee twice in the FY2024 without the presence of the Executive Directors, with the purposes of finalising the Group's audited financial statement and approving the audit planning memorandum. The external auditors have confirmed that they are independent throughout the conduct of audit engagement in accordance with terms of professional and regulatory requirements.

(II) Risk Management and Internal Control Framework

The Board affirms the importance of maintaining a sound system of internal controls and risk management practices for good corporate governance. In order to enhance consistency within the Group, the Board has appointed an external consultant to provide professional services for internal control assessment and to carry out internal audit functions for the Group.

The Statement on Risk Management and Internal Control set out on page 52 and 53 of this Annual Report provides an overview of the state of internal control within the Group.

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

(I) Communication with Stakeholders

The Group acknowledges the importance of timely dissemination of information to shareholders and accordingly, ensures that they are well informed of any major developments of the Group. Such information is communicated through:

- Announcements and corporate disclosure to Bursa Securities that are available on the website www.bursamalaysia.com;
- Company website at www.jhm.net.my provides corporate information on the Group; and
- Annual Report of the Company.

(II) Conduct of General Meetings

The AGM is the principal forum for dialogue with all shareholders and the Board encourages shareholders to attend and participate in the AGM. Shareholders are provided with an opportunity to enquire about the Group's activities and prospects as well as to communicate their expectations and concerns. Shareholders are also encouraged to participate in the question and answer session.

In compliance with the MMLR, all resolutions set out in the notice of any general meeting or notice of resolution will be voted by the poll.

A copy of the Annual Report and the notice of the AGM are sent to all shareholders at least 28 days before the AGM. The notice of the AGM is also published in a nationally circulated daily newspaper. The Board is available to respond to shareholders' questions during the meeting. Where appropriate, the Board will undertake to provide written answers to any questions that cannot be readily answered at the meeting.

Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

Shareholders are also informed of and invited to attend any Extraordinary General Meetings through circulars and notices of meetings.

Statement of Compliance with Corporate Governance

The Company is committed to achieve high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. The Board considers that it has complied substantially with the principles and recommendations as stipulated in the MCGG throughout FY2024.

This statement is made in accordance with the resolution of the Board of Directors dated 18 April 2025.

SUSTAINABILITY STATEMENT

CORPORATE SUSTAINABILITY STATEMENT

The Board of Directors ("**Board**") is pleased to present the Sustainability Statement of the Group, which has been prepared based on the Bursa Malaysia Securities Berhad's Sustainability Reporting Guide and toolkits.

Sustainability in the context of this Statement is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

To sustain its operations for the long term, the Board recognises that sustainable development is an important and integral part of the pursuit of value creation for shareholders, employees, customers and society at large. In this regard, the Board is responsible for setting the Group's sustainability strategies. In fact, sustainability practices are embedded in the Group's day to day operations. In this report, the Board has set the key elements of the Group's practices with respect to economic, environmental and social sustainability matters.

A. STATEMENT OF ASSURANCE

In strengthening the credibility of our reporting, selected parts of this Sustainability Statement have been subjected to an internal review by the company's internal auditors and has been approved by the Company's Audit Committee.

Subject Matters covered are as per performance Data Table generated from the ESG Reporting Platform set out on pages 50 and 51 of this Annual Report.

B. GOVERNANCE STRUCTURE

The Group is presently at Phase 2 of the governance structure as prescribed by the Bursa Malaysia Sustainability Reporting Guide. The governance structure for the Group's Sustainability is as per below.



SCOPE

This Sustainability Statement covers the following subsidiaries, as they are the four most significant subsidiaries of the Group, together contributing about 97.81% of the Group's revenue:

- (a) Morrissey Technology Sdn. Bhd. ("MTSB")
- (b) Morrissey Assembly Solution Sdn. Bhd. ("MASSB")
- (c) Morrissey Integrated Dynamics Sdn. Bhd. ("MIDSB")
- (d) Mace Instrumentation Sdn. Bhd. ("MISB")

To drive sustainable growth and deliver long-term value to shareholders, the Group adheres to a robust corporate governance framework, integrates environmentally responsible practices, and upholds strong social policies. In 2024, the Group remains steadfast in its commitment to being a good corporate citizen, consistently fostering responsible business practices across all areas of operations.







SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

C. STAKEHOLDERS' ENGAGEMENT

The Board of Directors recognises that the Directors can make better progress in their sustainability journey by collaborating with the stakeholders. The Group continuously engage the stakeholders to identify and respond to their concerns.

We strive to improve our stakeholders' engagement approach by identifying the sustainability stakeholders as follows.

Key Stakeholders	Engagement objectives	Stakeholders' Interest	Engagement Channel
Shareholders and Investors 	To assist investors in making informed decisions, ensure timely and consistent dissemination of material information, covering financial performance, strategic direction, and key developments across the business.	<ul style="list-style-type: none"> - Strong financial performance - Sustainability reporting - Business strategy and expansion plan - Risk management 	<ul style="list-style-type: none"> - Annual General Meeting - Investor briefing and meetings - Corporate website
Employees 	To promote career development and advancement, provide safe and healthy working environment.	<ul style="list-style-type: none"> - Employee welfare - Training and Development - Talent development and retention 	<ul style="list-style-type: none"> - Training and learning programmes - Orientation programmes - Employee performance self-appraisal
Customers 	To create stronger market integrity, develop continuous improvement on product quality and customer service, establish long-term relationship.	<ul style="list-style-type: none"> - Operational matters - Customers' satisfaction - Value added services and products 	<ul style="list-style-type: none"> - Customer feedback survey - Face-to-face meetings - Annual operation audit
Suppliers 	To drive sustainability across the supply chain.	<ul style="list-style-type: none"> - Sustainable practices - Supply chain management 	<ul style="list-style-type: none"> - Supplier/vendor selection via tender - Code of Conduct questionnaires - Supplier/vendor performance evaluation - Establish long-term and good supplier relationships
Government and Regulators 	To comply with applicable laws and regulations across all operations.	<ul style="list-style-type: none"> - Regulatory compliance - Annual reporting - Sustainability reporting 	<ul style="list-style-type: none"> - Participate as a member in industry associations such as Federation of Malaysian Manufacturers (FFM) and Malaysia Semiconductor Industry Association (MSIA) - Annual audit performed by relevant authorities
Local Communities 	To support local communities in economic, environmental and social development.	<ul style="list-style-type: none"> - Financial contributions and non-financial contributions 	<ul style="list-style-type: none"> - Corporate Social Responsibility programmes - Made contributions to schools and fundraising.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

D. MATERIAL SUSTAINABILITY MATTERS

The principal businesses of the Group are designing and manufacturing of precision miniature engineering metal parts and components, precision mechanical parts, die casting and assembling and dealing of testing measuring equipment as well as manufacturing and assembling of electronic components. These businesses require the hiring of many operational employees.

The Group's operations do not release harmful emissions into the air or discharge hazardous effluent into the drainage system. By their nature, there are minimal industrial wastes generated from the operations which go to the landfill. For example, metal scraps generated from the production of manufacturing of precision miniature engineering metal parts and components are fully recyclable.

Sustainability matters are the risks and opportunities arising from the economic, environmental and social ("EES") impacts of an organisation's operations and activities. Sustainability matters are considered material if they: (i) reflect our Group's organisation's significant EES impacts; or (ii) substantively influence the assessment and decisions of your stakeholders.

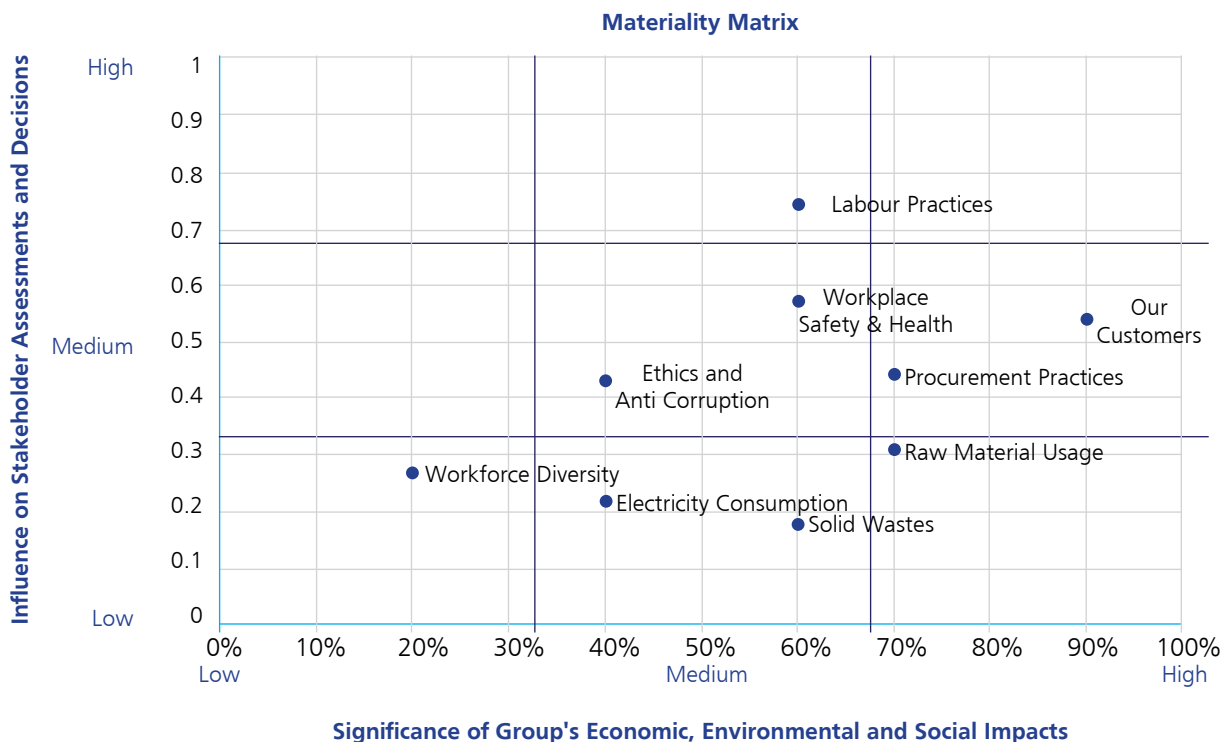
Our sustainability matters are categorised according to four (4) ESG Pillars: (1) Economic; (2) Environment; (3) Workplace; and (4) Social. To demonstrate our commitment towards sustainable development, we have integrated each pillar within our business value chain.

Materiality Matrix

A materiality assessment is vital to the identification and prioritisation of sustainability matters that can affect our Group's business and stakeholders. In FY2024, our Group conducted a materiality assessment by engaging with both internal and external stakeholders. The outcome of this engagement is presented in the Materiality Matrix below, which illustrates the prioritised Material Sustainability Matters. Each issue has been assessed based on two key dimensions:

- Significance of Impact on the Group's EES Performance
- Level of Influence on Stakeholders' Assessments and Decisions

This matrix serves as a foundation for our sustainability initiatives, guiding our actions, disclosures, and resource allocation to areas of greatest relevance and impact. We will continue to review and update our materiality assessment regularly to remain responsive to emerging risks, opportunities, and stakeholder expectations.



SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



D. MATERIAL SUSTAINABILITY MATTERS (CONT'D)

ESG STATEMENT

United Nation's Sustainable Development Goals ("UN SDGs")

The SDGs constitute the blueprint that was agreed upon by 193 UN member states to address the world's most pressing issues by 2030. The SDGs are the blueprint that set by UN with collection of 17 interlinked global goals to achieve a better and more sustainable future for all. Our Group is committed to support and integrate UN SDGs into our overall sustainability initiatives and embrace our efforts into our organisational culture and business operations as a fundamental element to achieve our sustainability goals.

The overview of the Group's sustainability initiatives aligned with our ESG pillars and focus areas are shown as below:



ESG Pillars	Focus Areas	Our response
Economic <ul style="list-style-type: none"> Corporate Governance and Ethics Practices Customer Satisfaction Industrial 4.0 Journey Supply Chain Management 	<ul style="list-style-type: none"> ➤ Good corporate governance framework, environmentally responsible practices and sound social policies ➤ Ensure high quality products and communicate with customer engagement with various feedback channels ➤ Engage employees on Code of Business Conduct and Ethics ➤ Engage suppliers on Social Responsibility Policy i.e. Supplier Code of Conduct ➤ Prioritise purchase from local suppliers 	<ul style="list-style-type: none"> ➤ Established Code of Conduct and Whistle Blowing Policy ➤ Established Anti-Bribery and Anti-Corruption Policy and provided training for all employees ➤ Zero cases reported for non-compliance with regulatory requirement ➤ Communicate with all new suppliers to acknowledge and sign off our Supplier Code of Conduct - Social Responsibility Policy ➤ Conduct annual performance evaluation on key suppliers ➤ Increased number of local suppliers and spending on local sourcing
Environment <ul style="list-style-type: none"> Energy Management Climate Change and GHG Emissions Water Management Waste Management Biodiversity 	<ul style="list-style-type: none"> ➤ Optimise energy consumption ➤ Comply with local environmental regulations ➤ Preserve biodiversity 	<ul style="list-style-type: none"> ➤ Uses high energy-efficient light emitting diode ("LED") lighting ➤ Metal scraps generated from the production is fully recyclable ➤ Fully compliant with the Environmental Quality Act 1994 ("EQA") ➤ Not using environmentally harmful raw materials in its products. ➤ Practices 4R (Reduce, Replace, Reuse and Recycle) ➤ Selected manufacturing facilities diligently in designated industrial zones

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

D. MATERIAL SUSTAINABILITY MATTERS (CONT'D)

The overview of the Group's sustainability initiatives aligned with our ESG pillars and focus areas are shown as below: (Cont'd)

ESG Pillars	Focus Areas	Our response
Workplace <ul style="list-style-type: none"> Workforce Diversity Talent Development and Retention Human Rights Workplace Safety and Health Employee Well-being 	<ul style="list-style-type: none"> Equal career opportunity for all employees Employee engagement and enhancement Practice gender neutrality in hiring practices Provide career development and training programmes Fully compliant with human and labour rights Safe and healthy workplace 	<ul style="list-style-type: none"> All employees completed performance reviews and self-assessment 37% of female employees in the workforce Completed a total of 32,068 training hours: an average of 28 hours per employee No cases reported for violation of human rights i.e. forced labour or child labour. No penalty due to non-compliance with OSHA.
Social <ul style="list-style-type: none"> Contribution to the Community Internship Programmes 	<ul style="list-style-type: none"> Responsible in supporting the well-being and living standard the local society and community through corporate social responsibility programmes Financial and non-financial contributions to local communities Develop internship programme to improve students' employability 	<ul style="list-style-type: none"> Our CSR initiatives has contributed a total of RM182,000 to various organisations. 5 interns were hired.

Economic

The Group is steadfast in its commitment to creating long-term value for all stakeholders — including customers, suppliers, shareholders, employees, business partners, and the wider community. We continuously integrate sustainability into our operations by cultivating strong, lasting relationships with stakeholders and optimising our resources to support responsible business growth and broader economic development.

As an EMS provider with both electronics and mechanical assembly capabilities, the Group plays an integral role in the Electrical and Electronics ("E&E") supply chain. While our operations are based in the local economy, we serve predominantly global customers, primarily serving the automotive and industrial sectors. Through high-quality, reliable manufacturing solutions, we support global OEMs and Tier 1 suppliers in delivering innovative and performance-driven products to their end markets. Through our strategic positioning in the E&E ecosystem, we continue to strengthen Malaysia's role as a competitive manufacturing hub, while creating long-term value for all stakeholders and supporting sustainable development across the global supply chain.

As part of our ongoing sustainability journey, the Group is guided by a strong governance framework that reflects our dedication to the highest standards of integrity, transparency, and ethical conduct. We adhere to best practices in corporate governance, supported by well-defined policies, internal guidelines, and governance structures to ensure responsible decision-making and operational excellence.

Customer satisfaction remains a priority. We actively engage with our customers through various communication and feedback mechanisms to ensure that we consistently meet expectations — not only in terms of product quality and timely delivery, but also service reliability and support.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Economic (Cont'd)

(1) Corporate Governance and Ethics Practices

The Group upholds a strong corporate governance framework, incorporating environmentally responsible practices and sound social policies. These pillars form the foundation of our sustainability strategy, enabling us to pursue long-term growth while enhancing value for our shareholders.

To foster a culture of integrity and accountability, we ensure that all employees are well-informed of our corporate policies. Each employee is required to acknowledge and comply with the Group's Code of Conduct and related policies. New employees receive comprehensive briefings on these policies as part of their induction programme. All policies are readily accessible on the Group's corporate website for continuous reference and compliance.

Code of Conduct

The Code of Conduct outlines the standards of business conduct and ethical behaviour expected of all Directors, senior management, and employees of the Group. It serves as a guide for ethical and legal conduct in the performance of their duties and responsibilities, whether acting on behalf of the Group or representing it in any capacity.

All employees, including Directors and senior management, are bound by the Code, which reflects and reinforces the Group's commitment to integrity, objectivity, and fairness. This commitment is closely aligned with our core values — Sincerity, Integrity, and Responsibility. By consistently upholding these ethical standards, the Group continues to foster public confidence and strengthen trust in its governance and business operations.

The Board reviews and evaluates the adequacy of the Code of Conduct periodically to ensure it remains relevant and effective. In addition, all Directors are required to complete the Conflict-of-Interest and Related Party Transactions Declaration Form on an annual basis and/or as necessary, to avoid or mitigate the risk of potential conflicts of interest.

For FY2024, there were no reported cases of non-compliance with the Code of Conduct.

Anti-Bribery and Corruption Policy

The Group is committed to upholding the highest ethical standards of integrity and transparency in all business dealings and continues to implement measures to maintain a corruption-free environment. We adopt a zero-tolerance approach towards fraud, bribery, and corruption, with the Board providing oversight on the management of these matters.

To reinforce this commitment, the Group has established an Anti-Bribery and Corruption Policy as part of its broader Code of Conduct framework. This policy outlines the principles and responsibilities in preventing unethical practices across the organisation.

Anti-corruption training is provided to all employees to ensure awareness and understanding of the policy and related expectations. In addition, all suppliers are required to acknowledge and sign the Group's Anti-Bribery and Corruption Policy and Social Responsibility Policy, with the expectation of full compliance.

For FY2024, there were no reported incidents of corruption or breaches of Anti-Bribery and Corruption Policy. During the year, no employees were disciplined or dismissed for non-compliance with ethical business conduct. The Group remains committed to maintaining this positive record and will continue to uphold the highest standards of integrity and business ethics across all levels of the organisation.

Whistleblowing Policy

The Group has established a Whistleblowing Policy that outlines clear channels and procedures for reporting concerns. This policy enables both internal and external stakeholders to report any suspected improper conduct, violations of the Group's policies, or unethical behaviour, as specified in the Whistleblowing Policy available on our corporate website.

Reports can be submitted in writing via email to the Group, and the identity of the whistleblower is kept strictly confidential. The policy safeguards the safety and anonymity of whistleblowers, ensuring that all allegations are treated by the Group with the highest level of sensitivity and discretion.

For FY2024, there were no whistleblowing cases reported. The Group is committed to promote and maintain high standards of transparency, accountability, ethics and integrity at the workplace.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Economic (Cont'd)

(2) Customer Satisfaction

Customer satisfaction is fundamental to the sustainability and growth of our Group and has always been a top priority in our business. We continuously strive to provide high-quality, one-stop engineering solutions and value-added services to our customers. This spans from the design and development of our automotive and industrial products to the comprehensive design, fabrication, and assembly of tooling, where Design for Manufacturing ("**DFM**") principles are integrated from the research & development stage. We maintain constant discussions with customers throughout this stage to ensure that the products are optimised for manufacturability, cost-effectiveness, and quality.

We are committed to driving technological innovation to enhance cost effectiveness, improve production efficiency, and strengthen our core competencies in meeting customer demands. Our focus on consistency in delivering products of high and acceptable quality ensures that our products meet the highest standards, minimising waste and avoiding unnecessary costs related to product returns.

To maintain high-quality performance and consistently meet customer expectations, we prioritise ongoing employee training to enhance product knowledge and development capabilities. This investment on our workforce ensures that our operational teams are continuously improving and well-equipped to deliver excellent products and services. Our commitment to quality is underpinned by the Group's Quality Policy, which serves as a guiding framework to achieve our quality objectives and reaffirms our dedication to meeting customer satisfaction as our key focus.

In addition to engaging in regular discussion with customers, we proactively conduct annual satisfaction surveys to gather valuable feedback on our products and services as part of our customer satisfaction efforts. This feedback enables us to identify areas for improvement and strengthens our long-term relationships with our customers.

Product acceptance levels are a key performance metric used by management to assess the Group's performance in meeting customer satisfaction. For FY2024, the average return rate from customers was as follows:

Subsidiary	Average DPPM/Part Return Rate	Target DPPM/Part Return Rate
MTSB	DPPM: <1	DPPM: 50
MASSB		
MIDSB		
MISB	Part Return Rate: 0.6%	Part Return Rate: 3%

DPPM - Defective Parts Per Million

*Part Return rate – Defective Return Material Authorization ("**RMA**") quantity returned by customer vs total delivery quantity (based on parts)*

(3) Industrial 4.0 journey

The Group is committed to sustainable transformation through the adoption of Industry 4.0 technologies. This strategic shift underpins our long-term goal of becoming a leading one-stop engineering solution centre, enhancing operational excellence and stakeholder value through smart automation, digitalisation, artificial intelligence, and machine learning. As part of this journey, we continue to increase automation levels and integrate artificial intelligence into our manufacturing processes. This is aimed at optimising cost-efficiency, improving production yields, reducing waste, and increasing productivity over the long term. Our transformation strategy includes investment in cutting-edge technologies, continuous upgrading of machinery and equipment, and the upskilling and development of our talent pool.

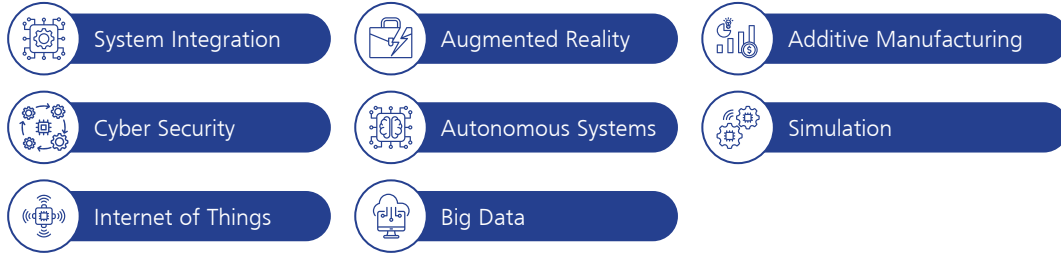
Our Industrial 4.0 roadmap is structured around eight (8) Technology Advancement Pillars. A cornerstone of this roadmap is System Integration, allowing seamless communication between machines and digital systems across the production floor. Through real-time monitoring and data analytics, the Group improves interconnected machine operations, reduces downtime and enhances process traceability, which are critical to sustainable operational excellence.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Economic (Cont'd)

(3) Industrial 4.0 journey (Cont'd)



Lean operations and cost efficiency remain our key priority in supporting the long-term sustainability of the Group's Industry 4.0 journey. Guided by this focus, we continue to drive transformation efforts aimed at achieving operational excellence, enhanced competitiveness, and sustainable growth through the adoption of smart automation, real-time connectivity, and intelligent, data-driven decision-making.

Ongoing initiatives under our IR4.0 journey include:

Initiatives	Target
Integration between MES and ERP platforms	Enables real-time data synchronisation across the productions, allowing timely decisions, cost optimisation, and effective resource use.
Automated Centralised Data Retrieval	Enable seamless, live data capture from different machines to a central repository, to support predictive maintenance, analytics and immediate corrective actions.
Warehouse Management System	To improve inventory management and warehouse efficiency; To streamline material flow and reduce waste.
Digital Material Planning	Optimise material utilisation, manage inventory by minimising shortages and overbuild.
Product/Part Tracking and Monitoring	Adoption of real-time tracking systems to enhance traceability and product quality control.
Advanced Robotics in Production	Integrating robotics such as welding automation, robotic optical and electrical tester, and other production-supportive robotic arms to increase precision, throughput, and safety.

MES - Manufacturing Execution Systems

ERP - Enterprise Resource Planning

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Economic (Cont'd)

(3) Industrial 4.0 journey (Cont'd)

As part of our commitment to digital transformation, two of our Group's subsidiaries, each specialising in different manufacturing processes, have participated in AmBank BizRACE Season 4 in FY2024. AmBank Bizrace is a national programme aimed at accelerating Industry 4.0 adoption and ESG integration among Malaysian companies, particularly in the manufacturing sector. One subsidiary was ranked among the Top 10 finalists, while the other secured a position within the Top 30. Collaborating with partners such as Bosch Rexroth Malaysia and the Malaysian Green Technology and Climate Change Corporation ("MGTC"), our Group has benefitted from the hands-on coaching and on-site factory assessments, focusing on smart automation opportunities, lean manufacturing, and sustainable operations. The guidance from industry leaders has supported our subsidiaries' Industry 4.0 roadmap and strengthened the Group's strategic direction towards becoming a sustainable manufacturing leading player.



(4) Supply Chain Management

The Group continues to prioritise sourcing from local suppliers as part of our strategy to strengthen supply chain resilience and contribute to the growth of the local economy. By increasing localisation in our procurement practices, we aim to foster socio-economic development, support local job opportunities, and enhance the capabilities of local vendors serving the manufacturing sector.

Engaging with efficient local suppliers not only improves sourcing responsiveness through shorter lead times but also contributes to lower carbon emissions and cost savings by reducing reliance on international shipments. Over the long-term, the Group believes that our commitment to local sourcing will position us to build a more sustainable and cost-effective supply chain that supports our operational and environmental sustainability objectives.

For FY2024, the proportion of the Group's procurement spending between local and foreign suppliers is as shown below:

By procurement amount	FY2022	FY2023	FY2024
% of local suppliers	33%	32%	30%
% of foreign suppliers	67%	68%	70%

The Group's procurement spending on local suppliers has ranging between 30% - 33% during FY2022-FY2024. This procurement mix reflects the Group's commitment to supporting the local supply chain while maintaining access to globally competitive materials and components.

While the Group actively promotes collaboration with local suppliers as part of our long-term procurement strategy, we recognize that flexibility is sometimes limited due to specific customer requirements and business models, particularly in the procurement of key electronic components. Several of our key customers have designated specific foreign suppliers due to long-term commercial agreements or volume-based contractual pricing.

These arrangements are often part of global sourcing strategies established by our customers, which provide the Group with access to competitive pricing and consistent quality, to maintain the reliability and cost-efficiency of our production lines. As a result, the Group is required to adhere to these procurement mandates to ensure full compliance with customer specifications and contractual obligations. However, we remain committed to support local suppliers and continue to engage proactively with our customers to identify areas where local sourcing alternatives may be considered in the future, without comprising on quality and cost.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Economic (Cont'd)

(4) Supply Chain Management (Cont'd)

Supplier Code of Conduct (Social Responsibility Policy)

The Group is committed to conducting our business with integrity, transparency, and respect for universal ethical standards. The Social Responsibility Policy outlines the minimum expectations of all our suppliers and business partners across our supply chain. This policy serves as a critical component of our ESG framework and reinforces our commitment to sustainable and ethical business practices. Suppliers must comply with all applicable local, national, and international laws, regulations, and standards, including but not limited to labour laws, health and safety regulations, environmental legislation, and anti-corruption laws. This Social Responsibility Policy sets forth key expectations for suppliers, and suppliers are expected to ensure that all relevant individuals involved in work related to the Group understand and comply with these expectations.

Our environmental, social and corporate governance standards, outlined within the Social Responsibility Policy, make reference to the Electronics Industry Code of Conduct ("EICC") Manual (now known as Responsible Business Alliance ("RBA") policy), Code of Conduct, Environmental Health and Safety Policy, Conflict Minerals Policy and Supplier Quality Management System.

Environment	Social	Governance
Comply with all applicable legal regulations on environmental, health and safety.	Provide a respectful work environment.	Uphold the highest standards of ethical business conduct.
Efficient use of resources such as energy and water, adopt environmental-friendly practices to reduce consumption and waste.	Promote a workplace free of harassment, discrimination, abuse and violence.	Disclose actual or potential conflicts of interest.
Identify and manage hazardous substances such as chemicals and other materials to reduce the negative impact on the environment.	Provide a safe and healthy work environment in compliance with all applicable laws.	Strictly abide with local and applicable international anti-bribery and anti-corruption laws.
Identify, manage, monitor and treat solid waste and wastewater as required before disposal or discharge to reduce the negative impact on biodiversity, climate change, water and air pollution.	Comply with local minimum wage, working hours, and overtime hours.	Prohibit any form of bribery, corruption, embezzlement, entertainment and gifts.
Adopt energy-efficiency methods to minimise energy consumption and GHG emissions.	Prohibit any forced labour, bonded labour, indentured labour, involuntary prison labour and child labour.	Safeguard confidential information and personal data of business dealings.
Prohibit the use of certain chemical compounds as constituents of products and manufacturing.	Uphold the freedom of association and the right to engage in peaceful assembly and/or collective bargaining.	Promote fair business practices and fair competition and antitrust laws.
Put in place conflict mineral policy to ensure that suppliers perform due diligence to avoid sourcing conflict minerals.	Respect the rights of all workers regardless of gender, race, ethnicity, religion, disability, or other protected status.	Obligated to properly use and protect Intellectual Property.

The Group has established a practice to communicate our Social Responsibility Policy to all new suppliers since FY2021. As part of our supplier onboarding process, all new suppliers are required to acknowledge and sign off on the Social Responsibility Policy during first time registration. This ensures alignment with our ESG standards from the outset of the business relationship. For FY2024, we achieved 100% communication and acknowledgement of the Social Responsibility Policy with all newly onboarded suppliers.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Economic (Cont'd)

(4) Supply Chain Management (Cont'd)

Vendor Selection and Performance Evaluation

The Group has established a structured, fair, and transparent procurement process, governed by Standard Operating Procedures ("SOP") for Vendor Selection and Performance Evaluation. All procurement activities are subject to approval by the relevant internal authorities, based on current production requirements and inventory levels to meet customer commitments. This ensures that all vendor selections are conducted in accordance with objective and accountable procedures.

We source materials exclusively from approved vendors that meet our stringent procurement guidelines. Our suppliers are expected to adhere to the Group's Procurement Guidelines and Social Responsibility Policy, which clearly outline expectations relating to ethical conduct, integrity, and compliance with our ESG standards. These include, but are not limited to, compliance with human rights and labour standards, adherence to business ethics, and conformity to Restriction of Hazardous Substances (RoHS) regulations.

To uphold quality and compliance across the supply chain, the Group conducts annual quality audits on key direct material suppliers. These audits are performed by our Quality Assurance team, who assess supplier facilities and production processes to ensure alignment with our performance and compliance requirements. In cases where areas of improvement are identified, we actively engage with suppliers to address potential non-compliance risks and promote continuous improvement, enhancing our commitment to responsible sourcing. In FY2024, the Group has performed annual quality audits on 44 suppliers (FY2023: 26 suppliers).

Environment

As part of our commitment to responsible and sustainable business practices, our Group recognises the importance of environmental stewardship in ensuring long-term value creation. We are committed to minimising our environmental footprint across all aspects of our operations and aligning our practices with national and global sustainability standards, including those set out in the local environmental regulations and global frameworks such as the UN SDGs.

In October 2024, the Group participated in Bursa Malaysia's Centralised Sustainability Intelligence ("CSI") platform, a key initiative to enhance our ESG performance and reporting capabilities. The CSI platform facilitates better ESG data management and serves as a centralised repository for sustainability disclosures by listed companies, as well as disclosures by local and international suppliers across their respective supply chains. The participation in CSI would enable us to calculate and track our carbon emissions impact, while aligning with evolving ESG disclosure standards. This initiative underscores our commitment to responsible and transparent business practices and continuous improvement in our ESG journey.

The Group remains committed in integrating sustainability practices into our daily operations and minimise the environmental impact arising from our business activities. We strive to maintain environmental care responsibilities with our stakeholders including employees, customers, and suppliers. The Group has established the Environmental Policy to govern our Environmental Management System and practices. In line with this Policy, Our Group is committed to:

- comply with the requirement of the Environmental Management System Standard and company's internal Environmental Management System framework
- adhere to the applicable legal and regulatory requirements
- protect and conserve the environment, including prevent pollution arising from the Group's operations
- continuously improve the effectiveness and performance of Environmental Management System.

In terms of waste management, all metal scraps generated from production are mainly recyclable. Our operations generate minimal industrial waste, with only minimal amount sent to landfills. The Group's manufacturing processes do not release harmful emissions into the air, or discharge hazardous effluents into the drainage system. The Group remain fully compliant with our customer's sustainability requirements, including the prohibition of using environmentally hazardous raw materials in its products. We target to achieve 100% RoHS-compliance in our raw materials procurement to ensure zero use of restricted materials. These environmental-friendly measures have significantly reduced material wastage and improved the energy efficiency within our operations.

As part of our commitment to environmental standards, the Group ensures that all manufacturing facilities are aligned with the ISO 14001 Environmental Management System requirements. As of FY2024, MASSB, MTSB and MIDSb have been certified and successfully maintained as ISO 14001 organizations by an internationally recognised certification body. MISB is currently in the process of obtaining ISO 14001 certification. This reflects our Group's ongoing efforts to enhance environmental sustainability and strengthen our environmental governance across all operations.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Environment (Cont'd)

Company	Certifications
MTSB	ISO 9001:2015, ISO 14001: 2015 and IATF 16949: 2016
MASSB	ISO 9001:2015, ISO 14001: 2015, IATF 16949: 2016, ISO 13485:2016
MIDSB	ISO 9001:2015, ISO 14001: 2015, ISO 13485:2016, AS9100D
MISB	ISO 9001:2015

- ISO 9001:2015 – Quality Management System
- ISO 14001:2015 – Environmental Management System
- IATF 16949:2016 – Automotive Quality Management System
- ISO 13485:2016 – Medical Devices Quality Management System
- AS9100D – Aerospace Quality Management System

The Group remains fully compliant with the Environmental Quality Act 1994. In FY2024, our Group complied with all relevant environmental regulations, no penalties or non-compliance issues were recorded across any of our subsidiaries.

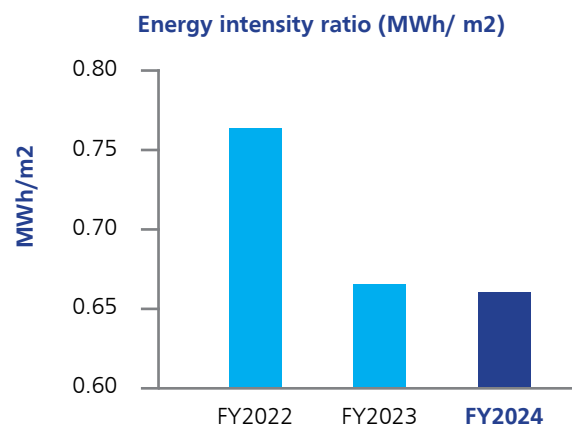
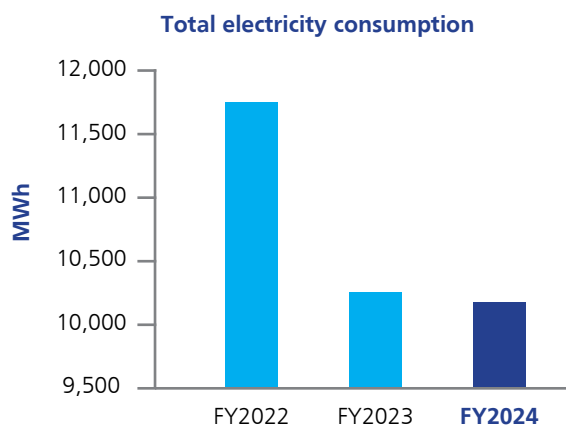
(1) Energy Management

Electricity is a key energy source that powers the Group's manufacturing operations, driving various machines and equipment essential to our production activities. Recognising the environmental and economic impact of energy use, the Group is committed to responsible energy management as a core element of our sustainability strategy.

Electricity consumption is monitored and reviewed monthly by management to track usage trends and identify opportunities for improvement. For FY2024, our Group's energy consumption was as below:

Total electricity consumption (MWh)	FY2022	FY2023	FY2024
MTSB, MASSB and MIDSB	8,431	7,973	7,649
MISB	3,278	2,312	2,559
Total	11,709	10,285	10,208
Energy intensity ratio (MWh/ m2) *	0.76	0.67	0.69

* Energy intensity ratio was calculated by total energy consumption divided by self-occupied areas.



SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Environment (Cont'd)

(1) Energy Management (Cont'd)

In FY2024, despite lower sales volume and a reduced number of working days, the Group recorded a marginal decrease in electricity consumption. This was primarily due to the continued operation of centralised air-conditioning systems and the need to maintain baseline electricity usage to support essential processes and equipment during non-peak periods. These operational requirements underscore the importance of further enhancing energy optimisation strategies, particularly in areas with fixed energy loads. The Group remains committed to identifying additional energy-saving opportunities and transitioning towards more energy-efficient infrastructure to improve long-term sustainability outcomes.

As part of our ongoing efforts to enhance energy efficiency, the Group has strengthened its employee awareness programmes. These initiatives include regular reminders to encourage employees to switch off unused lights and equipment, as well as raising awareness on the importance of electricity conservation in daily operations. Additionally, the Group is prioritising the procurement of energy-efficient equipment, including air-conditioning units and refrigerators with energy ratings of 3 stars and above, to further reduce energy consumption in our facilities. Other ongoing energy management initiatives include optimising air-conditioning settings in office areas and replacing indoor lighting with energy-efficient LED bulbs, all of which contribute to our energy conservation goals.

Looking ahead, the Group is actively exploring the integration of renewable energy sources into our operations. We are currently exploring the options with Solar Photovoltaic ("PV") system consultants to assess the feasibility of solar energy adoption, including potential energy savings and cost efficiencies. This initiative forms part of our long-term commitment to transitioning toward cleaner energy solutions and enhancing operational sustainability.

(2) Climate Change and GHG Emissions

Our Group recognises climate change as a critical factor that presents both risks and opportunities for our business operations. Our manufacturing facilities are located in Malaysia, a region prone to extreme weather conditions due to its equatorial climate. Additionally, our supply chain extends to suppliers and customers operating in areas vulnerable to climate-related disruptions. Recognising these risks, we have implemented proactive measures to enhance business resilience, including supply chain diversification and robust disaster preparedness strategies. These initiatives enable us to access and mitigate potential climate-related challenges, safeguard operations, and ensure continued delivery of high-quality products to our customers and resilience in our operations.

Climate change poses various risks to our industry, including supply chain disruptions, regulatory changes, and increased operational costs due to extreme weather events. However, it also offers opportunities to innovate, improve energy efficiency, and strengthen our position as a responsible manufacturing partner. Our Group is actively monitoring global and local climate policies, adapting our strategies to mitigate risks while leveraging sustainability-driven opportunities.

Key Climate-related Risks

Type of Risk	Example	Impact	Time Horizon*
Physical Risk	Extreme weather events such as floods or heatwaves	Impact production and logistics	MT, LT
Regulatory Risk	Stricter environmental regulations and carbon pricing mechanisms	Influence operational cost structure	MT, LT
Market Risk	Shifting customer preferences toward low-carbon manufacturing and sustainable sourcing	Decrease sales; Increase production cost	ST, MT, LT

*ST: Short-Term (0-3 years) ; MT: Medium-Term (4-7 years) ; LT: Long-Term (>8 years)

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Environment (Cont'd)

(2) Climate Change and GHG Emissions (Cont'd)

Key Climate-related Opportunities

Type of Opportunity	Example	Impact	Time Horizon*
Energy Efficiency	Investing in renewable energy, process optimisation, and waste reduction	Enhance cost efficiency	ST, MT
Sustainable Manufacturing	Expanding our capabilities in green production and eco-friendly materials	Meet customer demand and increase revenue	ST, MT, LT
Competitive Differentiation	Strengthening our ESG credentials and access to new markets	Attract global customers seeking responsible manufacturing partner and increase revenue	ST, MT, LT

*ST: Short-Term (0-3 years) ; MT: Medium-Term (4-7 years) ; ST: Long-Term (>8 years)

Through these strategic measures, our Group is integrating climate considerations into our business model, ensuring resilience and long-term value creation for our stakeholders. Our proactive approach to ESG underscores our commitment to be a responsible corporate entity while maintaining our competitive position in the EMS industry.

GHG Emissions

Our Group recognises the importance of managing our carbon footprints across our business activities. We continue implementing and undertaking energy efficiency measures at our plants to reduce GHG emissions. The energy data for each plant is converted into GHG emissions. This enables us to track the emissions and variables affecting significant areas of energy usage and implement measures for improvement.

Scope	Emission Type	Definition
Scope 1	Direct emissions	GHG emissions from consumption of fuel and diesel in operations such as company-owned vehicles
Scope 2	Indirect emissions	GHG emissions from consumption of electricity in operation
Scope 3	Indirect emissions	GHG emissions from sources that are not owned or controlled such as business travel consumption and employee commuting

GHG Emissions (tCO ₂ e)	FY2023	FY2024
Scope 2 emissions *	8,022.95	7,962.39
GHG emissions intensity ratio (tCO ₂ e/sqm)	0.52	0.53

* Scope 2 emissions value represents both location and market-based. As we only purchase electricity from one source, which is Tenaga Nasional Berhad, both location and market-based computations of our scope 2 emissions are the same. We used the grid emissions factor published by Energy Commission of Malaysia.

In FY2024, our Group reported lower scope 2 emissions of 7,962.39tCO₂e as compared to 8,022.95 tCO₂e in FY2023. The reduction was mainly due to the lower capacity utilization across our operations.

(3) Biodiversity

The Group is supportive of the preservation of biodiversity in the regions where we operate. We recognise that biodiversity plays a vital role in maintaining ecosystem health, climate resilience, and sustainable development, and we view environmental stewardship as a key responsibility of our operations. We have selected our manufacturing facilities diligently in designated industrial zones that are appropriately zoned for manufacturing activity and are not located within proximity to any reserved forest or protected habitat. Our manufacturing facilities are currently located at the industrial zones in Sungai Petani and Kulim, Kedah, Malaysia. The Group will continue to avoid any future development of manufacturing facilities in or near areas of high conservation value. This approach reflects our commitment to responsible growth that balances industrial advancement with environmental preservation.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Environment (Cont'd)

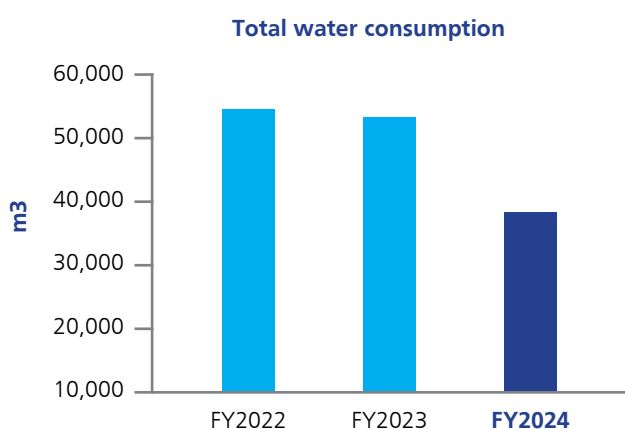
(4) Water Management

Water is a finite and vital resource that plays an essential role in our manufacturing processes and operational activities. The Group is committed to the responsible management and efficient use of water resources, recognising the importance of water sustainability in supporting long-term operational resilience. We continue to prioritise initiatives aimed at enhancing water efficiency and minimising water wastage across our production processes. These efforts are embedded within our broader environmental strategy to ensure the sustainable management of natural resources.

To support effective oversight, water consumption is monitored monthly by our internal facilities team through utility bills provided by local municipal water service providers. This tracking practice enables the timely identification of anomalies such as leakages or excessive usage, allowing for prompt corrective action to prevent wastage.

In FY2024, the Group recorded a reduction in total water consumption, attributed primarily to a lower number of working days and a reduced workforce during the year. Our primary water is from local municipal water supply systems. During the year, there was zero case of non-compliance with water quality standards and regulations.

Total water consumption (m3)	FY2022	FY2023	FY2024
MTSB, MASSB and MDSB	29,071	33,746	20,329
MISB	26,451	20,758	18,806
Total	55,522	54,504	39,135



We remained focused on implementing internal initiatives to further improve water management. These include employee awareness programmes that promote responsible water use and the adoption of conservation habits across our operations. Our continued emphasis on water conservation reflects the Group's commitment to minimising environmental impact and promoting sustainable resource utilisation across all sites.

(5) Waste Management

Our Group is committed to support environmental sustainability through responsible and compliant waste management practices. Our operations adhere to the local and relevant environmental regulations pursuant to the Environmental Quality Act 1974, and guided by the principles and requirements outlined in ISO 14001:2015 environmental management systems. We actively promote sustainable waste management through the adoption of the 3R Programme – Reduce, Reuse, and Recycle. This programme is aimed at minimising resource consumption, encouraging internal reuse of materials, and identifying recyclable waste suitable for repurposing. In line with this initiative, non-hazardous waste that meets recycling criteria is collected and managed by licensed local recycling companies.

As part of our reuse and recycle initiatives, the Group has increased the utilisation of recycled plastic pallets for the handling of materials and semi-finished products during inter-production line transfers and inter-plant movements. This initiative not only reduces our dependency on single-use packaging and virgin materials but also aligns with our commitment to minimizing plastic waste within our operations. The Group also utilises packaging trays made from recyclable materials for certain customer as part of our sustainable packaging strategy. These trays are designed in collaboration with the customer to meet both functional and environmental requirements, supporting waste reduction and enhancing recyclability across the product lifecycle. This initiative reflects our commitment to responsible material sourcing and strengthens our role in driving sustainability across the operations.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Environment (Cont'd)

(5) Waste Management (Cont'd)

In 2024, we have recycled a total of 952,781 kg of waste, mainly consisting of metal scraps and aluminium. These materials are natural by-products of our manufacturing processes, particularly metal and aluminium waste. As such, reducing metal and aluminium waste remains a key focus area to enhance production efficiency, optimise resource use, reduce operational costs, and improve overall profitability.

For hazardous waste, the Group ensures full compliance with regulatory requirements by engaging Department of Environment ("DOE")-approved scheduled waste contractors. Scheduled waste generated during our operations—including electronic waste, metal waste, and solder dross—is managed according to the Environmental Quality (Scheduled Wastes) Regulations under the Environmental Quality Act 1974, which mandates strict handling and disposal procedures. Throughout FY2024, the Group maintained full compliance with all applicable environmental and waste management regulations, demonstrating our ongoing commitment to environmental responsibility and regulatory adherence.

Workplace

Our Group recognises that employees are our most valuable asset and essential to our long-term sustainable success. We are committed to upholding fair, ethical, and responsible employment practices, with a strong emphasis on the well-being, rights, and development of our employees.

To ensure transparency and accountability, we have established a Code of Conduct to govern the ethics and behaviour of all employees. Our Employee Handbook outlines our HR policies and practices, ensuring compliance with local labour laws and regulations, including the Employment Act 1955. These policies are designed to foster a work environment rooted in fairness, respect, and mutual trust.

As a responsible manufacturing employer, the Group provides and maintains a safe and healthy workplace for our employees. We consistently assess and improve workplace safety protocols to protect the health and welfare of our workforce, aligning with best practices and regulatory requirements.

Our commitment to workplace diversity and inclusion ensures that all employees feel equally valued and respected, regardless of background, age, gender, race, religion and other characteristics. We actively promote equal opportunity, respect for human rights, and a culture of inclusivity, where every individual is empowered to contribute meaningfully to the Group's vision. Through our ongoing efforts in compliance with local labour laws, promoting employee safety, supporting health initiatives, and fostering diversity and inclusion, we strive to create a workplace where employees are not only safe and respected but also encouraged to contribute to the shared goal of a sustainable future.

1) Workforce Diversity

Our Group is committed to building a diverse and inclusive workforce, where all employees are provided equal opportunities to grow and success in their careers. We uphold a workplace culture that is based on merits and free from discrimination, regardless of age, race, gender, nationality, religion or disability. All decisions related to recruitment, hiring and promotion processes are made fairly, transparently based on merit.

Our recruitment processes are structured and merit-based, ensuring that all candidates are evaluated objectively against predefined metrics, including job scope requirements, skills, and performance targets. The Management continues to practice gender neutrality in all hiring decisions to promote inclusivity and fairness.

For FY2024, 53% of our Group's total workforce are male and 47% are female, reflecting a healthy gender distribution across the organization. We acknowledge the importance of gender diversity and are committed to promoting a more balanced workforce across all levels of the organisation. Our Group continues to invest in initiatives aimed at creating an inclusive work environment, ensuring equal opportunities in recruitment, training, and career advancement, regardless of gender.

To further support this commitment, the Group continues to focus on the following initiatives across our workforce:

- Targeted outreach programmes to attract a diverse talent pool, especially women in engineering and technical fields
- Inclusive training development initiatives that ensure equal access to training, leadership development, and mentorship
- A work environment that supports flexibility, equal pay for equal work, and zero tolerance for harassment or discrimination.

SUSTAINABILITY STATEMENT (CONT'D)

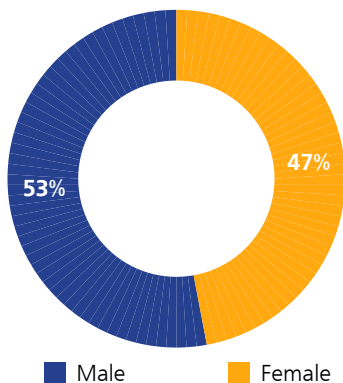
CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Workplace (Cont'd)

1) Workforce Diversity (Cont'd)

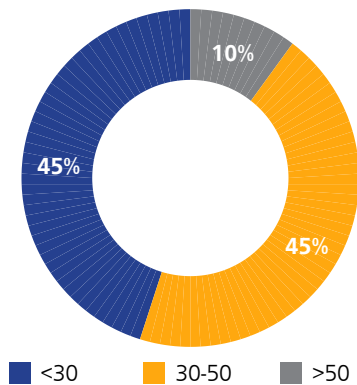
We also prioritise local employment as part of our broader inclusion and community support strategy. At the end of FY2024, approximately 88% of our workforce were local hires, underscoring our efforts to develop local talent and contribute to the socio-economic development of the communities where we operate. The employee diversity of our Group at the end of FY2024 are as follows:

Employee Category by Gender



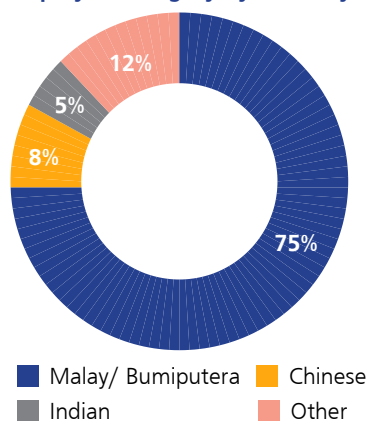
Employee Category by Gender (FY2024)	Female		Male		Total
Non-Executive	438	38%	484	42%	922
Executive	87	8%	91	8%	178
Middle Management	12	1%	23	2%	35
Senior Management	2	n.m.	11	1%	13
Total	539	47%	609	53%	1,148

Employee Category by Age



Employee Category by Age (FY2024)	Age Group (Years)			Total
	< 30	30-50	> 50	
Total	521	510	117	1,148
%	45%	45%	10%	100%

Employee Category by Ethnicity



Employee Category by Ethnicity (FY2024)	Ethnicity				Total
	Malay/ Bumiputera	Chinese	Indian	Other	
Total	859	92	64	133	1,148
%	75%	8%	5%	12%	100%

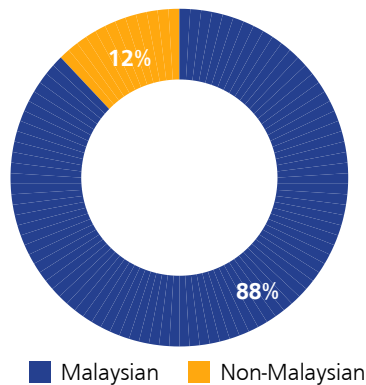
SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Workplace (Cont'd)

1) Workforce Diversity (Cont'd)

Employee Category by Nationality



During FY2024, our Group recorded a total of 190 new employee hires, of which 63% is male. The gender distribution reflects the nature of roles and operational requirements, particularly in technical and production functions. Through our continued focus on diversity, equity, and inclusion, we aim to build a resilient workforce that reflects the diverse communities we serve.

Total Number of New Employee Hires (FY2024)	Number	%
By Gender		
Male	120	63%
Female	70	37%
Total	190	100%
By Age Group		
< 30	132	69%
30 – 50	53	28%
> 50	5	3%
Total	190	100%

2) Talent Development and Retention

Talent development and retention remain a strategic priority. Our Group recognises that lifelong learning and continuous development are critical to attracting, developing, and retaining top talent in a competitive and fast-evolving industry landscape. We are committed to continuously investing in our people to promote career development and enhance the Group's operational capabilities and quality standards, as we believe that our people are our greatest asset. By empowering our employees with the right tools, knowledge, and training, we aim to ensure they stay abreast of emerging trends, regulatory changes, and industry-specific innovations.

We provided targeted training programmes to employees across various departments every year. These initiatives were designed not only to enhance job performance but also to embed a culture of innovation, safety, compliance, and sustainability. Training and development programmes conducted in FY2024 included the following key areas:

- Onboarding Training
- Corporate Governance, Anti-bribery and Corruption and Safety & Health
- Waste Management
- E-invoicing Programme
- Updates on Accounting & Tax Regulations
- Industry 4.0 and ESG Integration in Manufacturing
- Operational Improvement
- Quality and Systems Compliance
- Production Planning
- Quality Control and Calibration Checking Improvement
- Technical on-job Trainings

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Workplace (Cont'd)

2) Talent Development and Retention (Cont'd)

In FY2024, the Group invested a total of RM380,325 in training and technical skills development programmes. We have conducted a total of 32,068 training hours across our operations, translating to an average of 28 training hours per employee.

Total Training Hours (FY2024)	Hours
Total Training Hours for all employees	32,068
Average training hours per employee	28
Total Training Hours - By Gender	
Male	17,875
Female	14,193
Total Training Hours - By Employee Category	
Senior Management	441
Middle Management	768
Executive	4,896
Non-Executive	25,963
Average Training Hours By Employee Category	
Senior Management	34
Middle Management	22
Executive	28
Non-Executive	28

Internship Programmes

As an initiative to support talent development, our Group provides opportunities for undergraduates to undertake internship programmes across various departments. These internships offer experience and enable undergraduates from universities and colleges to develop practical skill sets relevant to their field of study.

Our Group offers internship programme to students at universities, colleges and polytechnics from different states of Malaysia. During FY2024, we offered internships to a total of 5 students from various courses. We remain committed to collaborate with educational institutions to strengthen industry-academia linkages and to continuously develop the next generation of talent.

Employee Turnover

Employee retention remains a strategic priority for the Group. We monitor employee turnover rates by monthly basis and analyse exit feedback to enhance improvement in our human capital strategies. In addition, we engage our employees and conduct annual employee satisfaction surveys to gain insights into their perspectives and experiences within the Group. The feedback allows us to identify key areas for improvement and implement targeted measures that enhance employee engagement, well-being, and overall job satisfaction. These initiatives form a critical part of our talent retention strategy.

In addition to supporting our existing workforce, the Group remains committed to identifying and attracting new talent. We continuously seek to strengthen our human capital by placing the right people in the right roles, ensuring that we are well-positioned to support our continued growth, drive operational excellence, and sustain long-term success.

In FY2024, the Group recorded an overall employee turnover rate of 39%, primarily due to a reduction in operational activities that led to the departure of non-executive employees, who accounted for 36% of the total turnover. The decline in headcount within this category was aligned with the slowdown in production demand and part of a strategic workforce realignment.

Importantly, middle management turnover remained low at 0.3%, reflecting strong leadership stability and effective retention efforts within the Group's critical management layers. We continue to strengthen our focus on retaining high-performing employees and nurturing internal talent workforce to support long-term business continuity. Our people strategies focus on providing career development opportunities, performance-driven recognition, employee engagement initiatives, and fostering a safe and respectful work environment. These factors are integral to cultivating a motivated workforce that drives the Group's strategic growth and long-term success.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Workplace (Cont'd)

2) Talent Development and Retention (Cont'd)

Employee Turnover Rate	FY2023	FY2024
Total number of turnover	322	451
Turnover rate (%)	26%	39%

* The employee turnover rate is calculated based on total number of employees left divided by the total number of employees at the end of the reporting period.

3) Human Rights

The Group remains dedicated to creating a workplace that is free from discrimination, harassment, forced labour, and child labour. We are also committed to promoting equal opportunity, fair treatment, and diversity and inclusion across our organisation.

We ensure that all employees are treated fairly and equally with respect, have access to feedback channel and grievance mechanism, and are able to express and report human rights issues. We are also guided by the principles of the local labour law and related statutory requirements to safeguard employee welfare, working conditions, and labour rights. We continue to adhere to all relevant labour practices and standards and ensure that we comply with the relevant laws and regulations that govern human resources.

Labour and Ethics Policy and Human Resource Policy

Our policies highlighted the adherence to the following key principles:

a) Freely Chosen Employment and No Child Labour

We do not, and will not tolerate the use of forced, bonded or involuntary prison labour. All work must be voluntary, and workers are free to terminate their employment. Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment.

b) Working Hours Comply With Local Laws

We comply with the local laws as regarding to working hours and will strive to achieve 60 hours per week and one day off per week.

c) Wages and Benefits Provided as per Statutory Requirements

d) Humane Treatment

Any disciplinary action taken must be in accordance with the approved disciplinary procedures. No harsh or inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse, will be tolerated.

e) Non-discrimination

We do not tolerate any form of discrimination based on race, colour, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status during hiring or employment with us.

f) Freedoms of Association

We respect the rights of workers to associate freely. They can communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Workplace (Cont'd)

3) Human Rights (Cont'd)

Labour and Ethics Policy and Human Resource Policy (Cont'd)

g) Business Integrity

We have zero tolerance for any forms of corruption, extortion and embezzlement. All standards of fair business, advertising and competition must be upheld and customer information must be safeguarded.

h) Privacy Protection

We undertake to process the personal information/data provided by employees, customers or vendors in full compliance of the legal provisions of the Personal Data Protection Act 2010 (Act 709).

i) Sourcing of Minerals

We shall assure that the tantalum, tin, tungsten and gold in the products of our product does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country.

j) Non-retaliation

Anyone who, in good faith, reports a potential or actual violation of the Policy will not be disciplined or disadvantaged. Anyone who violates this prohibition on retaliation against another employee will be subject to disciplinary action.

k) Freedoms of Movement

Workers are free to enter or exit facility during their non-work hours or emergency. Workers are allowed to access basic facilities without restriction through procedure or undue security guard or regulation.

Anti-Slavery and Human Trafficking Policy

Our Group is committed to upholding the highest standards of ethical conduct and human rights, and we adopt a zero-tolerance approach to all forms of modern slavery and human trafficking. We strictly prohibit the use of forced, compulsory, or trafficked labour, or anyone held in slavery or servitude—whether adults or children—across all our operations.

This commitment is not only enforced within our own facilities but also extends throughout our supply chain. We recognise that promoting respect for human rights requires a collective effort, and we therefore place strong emphasis on the conduct of our supplier and vendors.

The group has developed a Supplier Social Responsibility Policy for suppliers and vendors, which outlines our expectations relating to human rights, labour standards, and ethical business practices. As part of our supplier selection and onboarding process, suppliers and vendors are required to acknowledge and sign this policy document, affirming their commitment to our standards before prior to any business transaction. We also carry out due diligence and risk assessments on our plants and supply chain partners to ensure compliance with local laws and international human rights principles.

In FY2024, there was zero reported case of violation of labour standards, including human rights such as discrimination, child labour or forced labour. We will continue to strengthen our frameworks and regularly review our policies to align with the regulatory requirements and international best practices on anti-slavery and human rights.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Workplace (Cont'd)

4) Workplace Safety and Health

The Group is committed to provide a safe and healthy working environment for all employees. In line with this commitment, we have established the Occupational Safety and Health ("OSH") Policy that guides our operations across all sites. Our focus remains on creating a workplace that prioritises the well-being of our employees through strict adherence to safety protocols, regulatory compliance, and proactive safety measures. We are dedicated to the continuous improvement of workplace safety and health, guided by the following key principles:

- To implement safe operational procedures for handling, storage and systems of work
- To provide information, instruction, training and supervision on safety in workplace
- To maintain safe and hazard-free condition in the workplace
- To provide adequate resources and facilities for employee's safety and health
- To comply with applicable safety regulations and statutory requirements, including the Occupational Safety and Health Act 1994 (OSHA).

Safety and health are embedded in our workplace culture. The Board takes an active role in ensuring that all factories comply with OSHA and adopt best practices in occupational health and safety. Training is an integral part of our OSH programme. All new employees undergo safety training during their induction, while existing employees receive regular refresher courses. In FY2024, a total of 674 employees participated in various health and safety training programmes. During the year, there were no incidences of non-compliance with OSHA or other applicable environmental or health regulations by authorities such as the Department of Occupational Safety and Health ("DOSH") and the DOE.

	FY2023	FY2024
Lost Time Injury Rate (LTIR)	0.56	0.66

* Number of lost time incidents divided by total number of hours worked in the reporting period, multiplied by 200,000 (represents a standardised value of the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks)

To strengthen the Group's safety governance, we have implemented the following key initiatives and safety and health measures:

- (a) Appointment of a designated safety officer. The safety officer is responsible for overseeing health and safety matters. There is a safety committee established at each plant, serves as a platform for management and workers to identify, discuss and resolve workplace safety and health related issues.
- (b) Raise safety awareness include ensuring that employees are familiar with the safety and health procedures. The Group provides personal protective equipment to employees working in the production areas, which must be worn at all times during operations. Emergency Eyewash and Shower stations were installed to enhance on-site emergency response capabilities.
- (c) Provide safety and healthy test and assessment programmes to employee, to monitor and manage their occupational health risks. Programmes provided to employees during FY2024:
 - Chemical Health Risk Assessment
 - Audiometry Test
 - Medical Surveillance
 - Noise Risk Assessment
 - Safety Audits & Inspections (Internal safety Audits)

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Workplace (Cont'd)

4) Workplace Safety and Health (Cont'd)

(d) Provide adequate safety and health training to employees. Trainings attended by employees during FY2024:

- Hearing Conservation programme
- 5S, Schedule Waste, Chemical Handling including Personal Protective Equipment ("PPE") & Emergency Preparedness & Response
- 5S + 1S New Approach and Implementation programme
- 3M Product Training & PPE Used
- Hazardous Chemical & Spill Kit handling
- Safety Induction Training
- Firefighting Training 2024 Balai Bomba Amanjaya
- Safe Forklift Driving Skill
- Hazard Identification, Risk Assessment, and Risk Control (HiRaRc) Programme
- Motorcycle Class MyLesen Programme



Firefighting Training 2024



3M Product Training & PPE used

5) Employee Well-being

The Group places great emphasis on fostering a positive and inclusive workplace culture that supports the well-being of our employees. Our focus on a healthy and engaged workforce is key to sustainable business growth and long-term success. We recognise the importance of employee well-being and is committed to creating a supportive and balanced working environment. Our continuous efforts focus on enhancing the physical workspace, providing comprehensive employee benefits, and promoting work-life balance.

To cultivate a sense of belonging and enhance employee engagement, we regularly organise various activities that promote interaction and collaboration across all different management category of the organisation. These include:

- Employee appreciation dinners for festive celebrations
- Team-building events
- Wellness-focused activities such as charity run



Jamuan Raya 2024

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Social

1) Contribution to the Community

As a responsible corporate citizen, the Group is committed to giving back and making a positive impact in the communities. Through various community engagement efforts and sustainability initiatives, we aim to support social well-being and promote inclusive development. Our Group actively participates in and donates to fundraising activities for local charitable and non-profit organisations. In FY2024, the Group contributed RM182,000 to various organisations to support their causes and initiatives.

The Group has been contributing its sponsorship to the Penang Rotary Club Dialysis Centre since 2017, with total contributions exceeding RM1,000,000 over the years. This longstanding support helps to ensure individuals in need have access to affordable or free dialysis treatment, addressing critical healthcare needs in the community.

JHM-Rotary Haemodialysis Centre

In FY2024, the Group took part in several charitable events, including:

- The “D2M Charity Run”, organised by Diabetes Malaysia on 23 June 2024, which aimed to raise awareness and funds for diabetes prevention and management
- The “Shine in Gold Charity Centennial Run”, organised by Penang Adventist Hospital on 28 July 2024, to raise funds in support of the Dr. J. Earl Gardner Fund – a programme to assist needy patients with chronic illnesses requiring major surgeries.



Mock cheque presentation for
“Shine in Gold Charity Centennial Run”



Certificate of Appreciation Presentation
for “D2M Charity Run 2024”

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

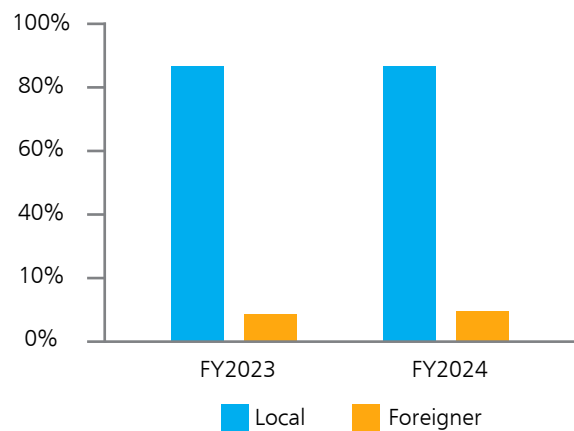
Social (Cont'd)

2) Local employment

The Group prioritises local employment in the communities where we operate – an important initiative that supports economic growth, promotes social well-being, and strengthens our relationship with the communities.

We continue to recognise the long-term value and impact of supporting local workforce development. For FY2024, about 88% of our workforce comprised local employees, demonstrating the Group's continued focus on creating employment opportunities for local talent and supporting long-term socio-economic development. We remain committed to further strengthening these efforts by offering training, and career development opportunities to the local communities we serve.

Proportion of Local Workforce (%)



SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Middle Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	85.71
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	182,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	48
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	15.38
Senior Management Above 50	Percentage	84.62
Middle Management Under 30	Percentage	0.00
Middle Management Between 30-50	Percentage	57.14
Middle Management Above 50	Percentage	42.86
Executive Under 30	Percentage	10.11
Executive Between 30-50	Percentage	73.60
Executive Above 50	Percentage	16.29
Non-executive Under 30	Percentage	54.56
Non-executive Between 30-50	Percentage	38.72
Non-executive Above 50	Percentage	6.72
Gender Group by Employee Category		
Senior Management Male	Percentage	84.62
Senior Management Female	Percentage	15.38
Middle Management Male	Percentage	65.71
Middle Management Female	Percentage	34.29
Executive Male	Percentage	51.12
Executive Female	Percentage	48.88
Non-executive Male	Percentage	52.49
Non-executive Female	Percentage	47.51
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	71.43
Female	Percentage	28.57
Under 30	Percentage	0.00
Between 30-50	Percentage	14.30
Above 50	Percentage	85.70
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	10,208.19
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.66
Bursa C5(c) Number of employees trained on health and safety standards	Number	791
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	441
Middle Management	Hours	768
Executive	Hours	4,896
Non-executive	Hours	25,963
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.26

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA

Indicator	Measurement Unit	2024
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	0
Middle Management	Number	3
Executive	Number	41
Non-executive	Number	407
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	30.37
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	39.135000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	No Data Provided
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	No Data Provided
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	No Data Provided
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	No Data Provided
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	7,962.39
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	No Data Provided

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(A) INTRODUCTION

The Board of Directors is pleased to provide this Statement on Risk Management and Internal Control. This Statement has been prepared in accordance with the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers issued by the Institute of Internal Auditors Malaysia and as adopted by Bursa Malaysia Securities Berhad.

(B) BOARD RESPONSIBILITY

The Board affirms its overall responsibility for the adequacy and effectiveness of the Group's risk management and internal control system. Effective risk management and internal control processes play a key role in the pursuit of the Group's business objectives and sustaining success.

The risk management and internal control system are designed to identify and manage the Group's risk with the acceptable risk profile, rather than to eliminate the risk of failure in achieving the business objectives. Thus, they provide reasonable but not absolute assurance against material misstatement of financial information or losses, contingencies, fraud or any irregularities.

(C) RISK MANAGEMENT FRAMEWORK

The Board has engaged an external consultant to assist the Board in establishing a risk management framework for the Group. Under this framework, risks relevant to the Group were identified and quantified and have been compiled into the risk profiles of the various operating units in the Group.

Relevant business risks and their potential impact and likelihood of crystallisation are evaluated on an ongoing basis by the key executives and senior management. Key risks affecting the Group are deliberated at Board meetings. Such process has been in place for the financial year under review up to the date of approval of this statement.

The Group's Risk Management Working Groups ("**RMWG**") are responsible to perform a periodic review and assessment. The RMWG consists of the Chief Operating Officer/ Vice President of Operations, Business Unit Directors and the Department Heads.

The risks are identified and assessed by employing the following methodologies:

- Identification of risks by the process owners;
- Assessment of the likelihood and impact of the risks identified;
- Evaluating the control strategies in relation to the risks;
- Formulating action plan to address control deficiencies; and
- Setting Key Risk Indicators to monitor the risks

Formal database of risks and controls information arising from the annual risk assessment exercise shall be captured in the format of risk registers. The identified risks are assessed and rated from low, moderate, high to significant depending on the severity of consequence, the likelihood of its occurrence and financial impact on the Group's cash flow and profit. Thereafter, RMWG and where applicable the owner of the risk profile shall present the Group's Risk Report and update the Audit Committee and Risk Management Committee annually on the status of the Group's Enterprise Risk Management process, changes in risk profiles and the corresponding controls which are in place.

(D) KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The risk management and internal control systems are embedded in the various work processes and procedures of the Group.

The key elements of risk management and controls in place are as follows:

- Authorising Board Committee members to investigate and report on any areas of improvement for the betterment of the Group;
- Conducting in-depth study on major variances and deliberating irregularities at Board meetings and Audit Committee and Risk Management Committee meetings so as to identify the causes of the problems and to formulate appropriate solutions;
- Delegating necessary authority to the Group Chief Executive Officer in order for him to play a major role as the link between the Board and Senior Management in implementing the Board's expectation of effective system of internal control and managing the Group's various operations;

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

(D) KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

The key elements of risk management and controls in place are as follows (cont'd):

- Maintaining an organisational chart which sets out each individual's responsibility, authority and reporting lines;
- Ensuring that the Management is informed of the development of action plan for enhancing system of internal control and allowing various management personnel to have access to important information for effective decision-making;
- Senior Management personnel make frequent on-site visits to the business and operating premises so as to acquire a first-hand information on various operational matters and address the issues accordingly; and
- Systematic and regular audit on the compliance of ISO14001, ISO9001, IATF16949, AS9100 Rev C and ISO13485 by external quality assurance auditors.

(E) INTERNAL AUDIT FUNCTION

The Board has outsourced the internal audit function to an external consultant. The Board believes that, due to its independence and objectivity, the consultant has provided the Board much assurance about the state of internal controls of the Group. The internal auditors report directly to the Audit Committee and Risk Management Committee.

The internal audit function carries out its internal audit works through a risk-based approach. Based on the risk profile of the Group, the internal audit function prepares its audit plan by focusing on areas of high risk. During the course of carrying out their reviews, full cooperation of the staff and unrestricted access to all information were given to the internal auditors in order to discharge their duties.

During the financial year, the internal auditors carried out reviews on the following areas to assess the adequacy and effectiveness of internal controls and risk management processes:

- Purchase process and control environment, financial reporting, purchases and account payables as well as payments procedure for Mace Instrumentation Sdn. Bhd.
- Sales and Receivables in Morrissey Technology Sdn. Bhd. and Morrissey Assembly Solution Sdn. Bhd.
- Human resources management including succession plan for key positions, statutory compliance for payroll and safety and health compliance in Morrissey Technology Sdn. Bhd. and Morrissey Assembly Solution Sdn. Bhd.

The internal auditors noted some weaknesses in the controls, and these together with improvement recommendations have been reported to the Audit Committee and Risk Management Committee. However, none of the weaknesses have resulted in material losses, contingencies or uncertainties to the Group.

The fees paid to the internal auditors in respect of the internal audit function of the Group for the financial year 2024 amounted to RM47,800.

(F) CONCLUSION

The Board has received assurance from the Group Chief Executive Officer and the Finance Director that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control systems of the Group.

Overall, the Board and Management are satisfied that the process of identifying, evaluating and managing significant risks that may affect achievement of the Group's business objectives are in place. There are continuing efforts to strengthen the internal control environment taking into consideration the recommendations from the internal auditors.

This statement is made in accordance with the resolution of the Board of Directors dated 18 April 2025 and has been reviewed by the External Auditors.

AUDIT COMMITTEE REPORT

FORMATION

The Audit Committee was formed by the Board of Directors on 14 April 2006. The said Committee is now known as the Audit Committee and Risk Management Committee ("**AC**").

MEMBERS

The AC currently consists of the following members: -

1. Wong Chi Yeng - Chairman
(Independent Non-Executive Director)
2. Lai Fah Hin - Member
(Independent Non-Executive Director)
3. Khor Cheng Kwang - Member
(Independent Non-Executive Director)

MEETINGS AND ATTENDANCE

During the financial year under review, the AC held four (4) meetings with all the members of the AC in attendance as follows: -

Name of AC Members	Number of Meetings Attended	Percentage of Attendance
Wong Chi Yeng	4/4	100%
Lai Fah Hin	3/4	75%
Khor Cheng Kwang	4/4	100%

The AC meetings were attended by the AC members and Senior Management. The Company Secretaries acted as Secretaries at the meetings to record and maintain minutes for the proceedings of the meetings.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

In line with the terms and reference of the AC, the following activities were carried out by AC during the financial year ended 31 December 2024 ("**FY2024**") in discharging its functions and duties: -

- i. Financial Reporting Oversight
 - a) Reviewed the quarterly unaudited financial results with the finance team and thereafter recommended to the Board for approvals, for announcements to Bursa Malaysia Securities Berhad ("**Bursa Securities**").
- ii. Oversee activities of External Auditors in dealing with the Group
 - a) Discussed and reviewed the external auditors' audit planning report for FY2024 outlining their audit team, audit timeline, recent development of the Group, identified risks and audit approach, key areas of audit focus, communication of other significant audit matters, updates on accounting standards and audit fees.
 - b) The AC reviewed the external auditors' findings arising from audits and their recommendations.
 - c) The AC also discussed and reviewed with external auditors the applicability of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board.
 - d) The AC reviewed and evaluated the performance and independence of the external auditors. The AC was satisfied with the performance and independence of the external auditors and recommended their re-appointment to the Board.
 - e) The AC reviewed the external auditors' audit completion for FY2023.
 - f) The AC met two times with the external auditors without the presence of the Executive Directors and management staff to discuss any issues of concern to the External Auditors arising from the annual statutory audit.
 - g) The AC reviewed the audit fees of the external auditors for the ensuing year prior to the Board of Directors for approval.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

- iii. Internal Audit ("IA")
 - a) Reviewed the IA plan for the financial year ending 31 December 2025 as tabled by the internal auditors.
 - b) Reviewed IA reports from internal auditors and assessed the internal auditors' findings and recommendations together with the management's comments.
 - c) Reviewed the Risk Management Report in respect of risk management working group of Morrissey Technology Sdn. Bhd. ("MTSB"), Morrissey Assembly Solution Sdn. Bhd. ("MASSB") and Mace Instrumentation Sdn. Bhd. ("MISB").
- iv. Related Party Transaction and Conflict of Interest
 - a) Reviewed any related party transaction and any potential conflict of interest situation that may arise within the Company and the Group.
- v. Other matters considered by the AC
 - a) Reviewed the Financial Analysis and Debtors Ageing Report prepared by the Management.
 - b) Reviewed the Terms of Reference of AC.
 - c) Reviewed the Sustainability Statement.

HOW THE AUDIT COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR

a) Financial Reporting

The AC reviewed the quarterly unaudited financial results of the Company and the Group and made recommendations to the Board for approval and announcement to Bursa Securities as follows:

Date of meetings	Financial Statements
28 February 2024	Unaudited Interim Financial Report for the Fourth Quarter ended 31 December 2023
27 May 2024	Unaudited Interim Financial Report for the First Quarter ended 31 March 2024
28 August 2024	Unaudited Interim Financial Report for the Second Quarter ended 30 June 2024
27 November 2024	Unaudited Interim Financial Report for the Third Quarter ended 30 September 2024

b) External Auditors

- i) The AC met twice with the External Auditors on 28 February 2024 and 27 November 2024 respectively without the presence of any Executive Director or Management of the Company to review on the issues relating to financial controls and operational efficiencies of the Company and its subsidiaries arising from the audit.
- ii) On 28 February 2024, the AC reviewed the External Auditors' Audit Findings Report for FY2023.
- iii) On 28 February 2024, the AC also evaluated the performance and independence of the External Auditors covering areas such as calibre, quality process / performance, audit team, independence and objectivity, audit scope and planning, audit fees as well as the audit communications of the External Auditors. The AC having been satisfied with the independence and performance of Messrs Grant Thornton Malaysia PLT ("GTM"), had recommended the re-appointment of GTM as External Auditors to the Board for consideration and tabled to the shareholders for approval at the Nineteenth Annual General Meeting.

AUDIT COMMITTEE REPORT (CONT'D)

HOW THE AUDIT COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR (CONT'D)

b) External Auditors (Cont'd)

- iv) On 27 November 2024, the AC reviewed and evaluated the audit planning memorandum prepared by GTM for the financial year ending 31 December 2024 which covered the following subject matters:
 - audit team;
 - objective and scope of audit;
 - identified risks and audit approach including areas of significant risks;
 - recent developments of the Group;
 - key areas of audit focus;
 - communication of other significant audit matters;
 - proposed audit timeline and reporting schedule; and
 - proposed audit fees.
- v) The proposed audit fees for the External Auditors in respect of their audit of the financial statements of the Company and its subsidiaries were analysed and reviewed by the AC for recommendation to the Board for approval.

c) Internal audit

- i) On 28 February 2024, the AC evaluated the performance of the internal audit function of the Company covering the adequacy of scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.
- ii) On 28 February 2024 and 28 August 2024, the AC reviewed the risk management reports in respect of risk management working group of MISB, MTSB and MASSB in the areas of strategic, operations, reporting, compliance and financial.
- iii) On 27 May 2024, the AC reviewed the internal audit report ("**IAR**") which covered the control environment in the purchasing cycle, financial reporting, purchases and account payables as well as payments procedure for MISB.
- iv) On 28 August 2024, the AC reviewed the IAR which focused on the area of Sales and Receivables for MTSB and MASSB.
- v) On 27 November 2024, the AC reviewed the IAR which covers Human Resource Management for MTSB and MASSB.
- vi) On 27 November 2024, the AC reviewed and approved the Internal Audit Plan for the financial year ending 31 December 2025.

The IAR on audit findings, description, implications, recommendation to improve any weaknesses and the management action plan and comments thereto were tabled to the AC for their review and deliberations. The management was invited to attend the meetings as and when necessary to brief the AC on matters relating to their area of responsibility.

Some weaknesses in the internal control were identified for the year under review and measures have been or are being taken to address these weaknesses. The Internal Auditors monitored the implementation of management's action plan on the outstanding issues through follow up reports to ensure that all key risk and control weaknesses are being properly addressed.

d) Conflict of Interest or Potential Conflict of Interest ("**COI**")

- i) On 28 August 2024 and 27 November 2024, the AC reviewed the COI policy and procedures.
- ii) In overseeing and discharging its responsibilities in reviewing situations of COI and potential COI involving the Directors and Senior Management, the AC reviewed and kept itself abreast on all the status of existing conflict (if any) and potential COI involving the Directors and Senior Management by way of review of existing declarations from all Directors and Senior Management.
- iii) The AC is satisfied that no COI situations arose, persisted, or may have arisen during the financial year that required resolution, elimination or mitigation measures.

AUDIT COMMITTEE REPORT (CONT'D)

EXECUTIVE SHARE OPTION SCHEME

Executive Share Option Scheme ("ESOS") which had been approved by the shareholders of the Company at an Extraordinary General Meeting held on 24 January 2018 and shall be in force for a duration of five years from 3 April 2018 until 2 April 2023. However, the ESOS may at the absolute discretion of the Board upon the recommendation by the ESOS committee be extended, provided always that the initial ESOS period stipulated above and such extension made pursuant to the By-Laws shall not in aggregate exceed a duration of ten (10) years.

The Company has extended its existing ESOS for another five (5) years until 2 April 2028 in accordance with the terms of the By-Laws of the ESOS.

No share options were granted to the employees pursuant to the ESOS during the financial year.

INTERNAL AUDIT FUNCTION

The Group has appointed an independent professional firm to carry out the internal audit function. In order to act independently from the management, the external consultant will report directly to the AC and assists the Board in monitoring and reviewing the effectiveness of the risk management, internal control and corporate governance process within the Group.

The independent internal audit function and activities were carried out according to the internal audit plan presented by the external consultant. The internal audit plan is derived based on a risk-based assessment of all units and operations of the Group.

The internal audit reports highlight any deficiencies or findings which are discussed with the management and relevant action plans agreed and to be implemented. Significant findings are presented in the AC Meetings for consideration and reporting to the Board. A follow-up audit review is also conducted to determine whether all audit recommendations are effectively implemented.

Further details on the internal audit function and its activities are set out in the Statement on Risk Management and Internal Control on page 53 of this Annual Report.

The Board is of the view that there is no significant breakdown or weaknesses in the systems of internal controls of the Group that may result in material losses incurred by the Group for FY2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

This statement is prepared pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are required to prepare audited financial statements that give a true and fair view of the state of affairs, including the cash flow and results, of the Group and the Company as at the end of each financial year.

In preparing these financial statements, the Directors have considered the following:-

- The Group and the Company have used appropriate accounting policies, and are consistently applied;
- That reasonable and prudent judgements and estimates were made; and
- That the approved accounting standards in Malaysia have been applied.

The Directors are responsible for ensuring that the Company maintains proper accounting records which disclose with reasonable accuracy of the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards and the requirements of the Companies Act 2016.

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

This statement is made in accordance with the resolution passed by the Board of Directors dated 18 April 2025.

ADDITIONAL COMPLIANCE INFORMATION

1. MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE OR MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Company and its subsidiaries involving interests of Directors, chief executive who is not a Director or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

2. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

There was no recurrent related party transactions of a revenue or trading nature during the financial year ended 31 December 2024.

3. UTILISATION OF PROCEEDS

On 23 December 2022, the Company completed the listing of 48,400,000 new ordinary shares to third party investors through private placement. The placement shares were issued at an issue price of RM0.73 per share and total proceeds of RM35.33 million was received from the said placement.

The Board had on 21 November 2024 approved the extension of the timeframe and vary the utilisation of proceeds raised from the Private Placement in the manner as set out below.

The total proceeds raised of RM35.33 million has been utilised as follows:

Details of Utilisation ⁽ⁱ⁾	Proposed utilisation (RM'000)	Proposed utilisation based on proceed received (RM'000)	Reallocation/Variation on 21 November 2024 (RM'000)	Actual Utilisation (RM'000)	Balance of unutilised Proceed as at 3 April 2025 (RM'000)	Revised/Intended timeframe for utilisation	Status
i. Capital expenditure for its existing automotive segment and industrial products segment	5,000	3,860	-	3,860	-	12 months	Completed
ii. General working capital requirements	28,000	21,640	39 ⁽ⁱⁱ⁾ 3,860	21,679 3,860	- -	12 months ⁽ⁱⁱⁱ⁾	Completed Completed
iii. Investment in embedded design	5,000	3,860	(3,860) ⁽ⁱⁱⁱ⁾	-	-	Not applicable	
iv. Partial repayment of interest-bearing borrowing	7,220	5,580	-	5,580	-	6 months	Completed
v. Estimated expenses in relation to the Private Placement	500	390	(39) ⁽ⁱⁱ⁾	351	-	Immediate	Completed
Total	45,720	35,330	-	35,330	-		

Notes:-

- The Company had on 3 November 2022 announced to vary the utilisation of the proceeds raised from the Private Placement for the purpose of "Construction of Batu Kawan factory" to the above details of utilisation.
- The actual amount incurred for expenses in relation to the Private Placement was RM0.35 million with the lower amount of RM0.04 million being reallocated to general working capital.
- The company had on 21 November 2024 announced a variation in the utilisation of proceeds from "investment in embedded design" to "general working capital requirements", and an extension of time frame to utilise the proceeds by an additional 6 months from 21 November 2024.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

4. AUDIT FEES

During the financial year ended 31 December 2024, the amount of audit fees payable to external auditors by the Company and the Group respectively were as follows: -

	Audit Fee (RM)
Company	49,000
Group	185,000

5. NON-AUDIT FEES

During the financial year ended 31 December 2024, the amount of non-audit fees payable to external auditors and its affiliates by the Company and the Group respectively were as follows: -

	Non-Audit Fee (RM)
Company	6,500
Group	44,200

* Non-audit services rendered by Grant Thornton Malaysia PLT and their affiliates for:

- Review statement on risk management and internal control
- Tax services fee

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DIRECTORS' REPORT

For The Financial Year Ended 31 December 2024

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
Loss for the financial year	<u>(22,890,439)</u>	<u>(10,827,981)</u>
Attributable to:		
Owners of the Company	(22,666,130)	(10,827,981)
Non-controlling interests	<u>(224,309)</u>	<u>-</u>
	<u>(22,890,439)</u>	<u>(10,827,981)</u>

In the opinion of the directors, the results of operations of the Group and of the Company for the financial year ended **31 December 2024** have not been substantially affected by any item, transaction or event of a material and unusual nature, other than the effect arising from the allowance for expected credit losses on amount due from subsidiaries amounting to RM9,275,213 as disclosed in statements of comprehensive income and the impairment loss on investment in subsidiaries amounting to RM1,875,025 as disclosed in Note 25 to the financial statements.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

The directors do not recommend any final dividend payment for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company did not issue any share or debentures.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The effective date for the implementation of the Company's ESOS is 3 April 2018 which is the date of full compliance of all relevant requirements of Rule 6.44(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The ESOS shall be in force for a period of five (5) years from 3 April 2018 and will expire on 2 April 2023. On 15 March 2023, the Company has extended its existing ESOS period for another five (5) years until 2 April 2028.

There were no options granted during the financial year.

The salient features of the ESOS are disclosed in Note 34 to the financial statements.

DIRECTORS' REPORT (CONT'D)

For The Financial Year Ended 31 December 2024

DIRECTORS

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

Directors of the Company:

Lim Chun Thang
 * Dato' Seri Tan King Seng
 * Cheah Choon Ghee
 Low Soo Kim
 Wong Chi Yeng
 Lai Fah Hin
 Khor Cheng Kwang

Director of a subsidiary:

Tan Chee Ming

* The directors are also directors of the Company's certain subsidiaries.

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares		
	Balance at 1.1.2024	Bought	Sold
			Balance at 31.12.2024
Direct Interest:			
Dato' Seri Tan King Seng	192,130,000	-	-
Cheah Choon Ghee	1,830,000	-	-
Low Soo Kim	50,000	-	-
Wong Chi Yeng	30,000	-	-
Lai Fah Hin	40,000	-	-
Khor Cheng Kwang	39,400	-	-
Deemed Interest:			
¹ Dato' Seri Tan King Seng	50,000	-	-
² Cheah Choon Ghee	67,441,452	-	-
³ Lai Fah Hin	60,000	-	-

¹ Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held by his son.

² Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of his substantial shareholdings in Noble Matters Sdn. Bhd.

³ Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held by his spouse.

By virtue of his shareholdings in the Company, **Dato' Seri Tan King Seng** is also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests.

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

DIRECTORS' REPORT (CONT'D)

For The Financial Year Ended 31 December 2024

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Fees	144,000	-	144,000
Salaries, allowances and bonus	11,500	1,844,253	1,855,753
Defined contribution plan	-	266,940	266,940
Social security contribution	-	3,433	3,433
Employment insurance scheme	-	125	125
Benefits-in-kind	-	52,300	52,300
	155,500	2,167,051	2,322,551

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

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS OR OFFICERS

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

OTHER STATUTORY INFORMATION

Before the financial statements 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 there were no bad debts to be written off and adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

- (i) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT (CONT'D)

For The Financial Year Ended 31 December 2024

OTHER STATUTORY INFORMATION (CONT'D)

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

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

In the opinion of the directors:

- (i) no contingent liability 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 ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENT

The details of the significant event are disclosed in Note 35 to the financial statements.

EVENTS AFTER THE REPORTING PERIOD

The details of the events after the reporting period are disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors and its affiliate as remuneration for their services to the Group and the Company for the financial year ended 31 December 2024 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	185,000	49,000
Assurance related and non-audit services	44,200	6,500
Total	229,200	55,500

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

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

Dato' Seri Tan King Seng

Cheah Choon Ghee

Penang,

Date: 18 April 2025

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 71 to 125 are properly drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December 2024** and of their financial performance and cash flows for the financial year then ended.

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

Dato' Seri Tan King Seng

Cheah Choon Ghee

Date: 18 April 2025

STATUTORY DECLARATION

I, **Low Soo Kim**, the director primarily responsible for the financial management of **JHM Consolidation Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 71 to 125 are to the best of my knowledge and belief, 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 at Penang, this **18th**)
day of **April 2025**.)

Low Soo Kim
MIA No. 28242

Before me,

Liew Juan Leng (P162)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To The Members Of JHM Consolidation Berhad

Registration No. 200501009101 (686148-A)

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **JHM Consolidation Berhad**, which comprise the statements of financial position as at **31 December 2024** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 71 to 125.

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 December 2024** and of their financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters	How Our Audit Addressed the Key Audit Matters
<p>Goodwill impairment assessment (Note 8 to the financial statements)</p> <p>As at the reporting date, the Group has goodwill amounting to RM21.53 million which has been allocated to its manufacturing segment as the cash generating unit ("CGU").</p> <p>The management is required to perform annual impairment assessment for its goodwill. We focus on this area as management's assessment of the value in use of the CGU involves estimation uncertainty and judgements about the future results of the business and key assumptions applied to future cash flows projection.</p>	<p>Our audit procedures in relation to the goodwill impairment assessment included, amongst others, the following:</p> <ul style="list-style-type: none"> · Evaluated the model used in determining the value in use of the CGU as well as assessed the discount rate used; · Challenged the reasonableness of key assumptions based on our knowledge of the business and industry; · Compared actual performance of the CGU to assumptions applied in prior years model and assessed the accuracy of management's estimates; · Performed sensitivity analysis on the key assumptions inputted to the model and understood the impact on the overall carrying amount of goodwill with the alterations to the key assumptions; and · Assessed the adequacy of disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To The Members Of JHM Consolidation Berhad

Registration No. 200501009101 (686148-A)

(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key Audit Matters	How Our Audit Addressed the Key Audit Matters
<p>Valuation of inventories (Note 10 to the financial statements)</p> <p>The Group has significant balance of inventories as at 31 December 2024 which exposed the Group to a risk that the inventories may become slow moving or obsolete and eventually non-saleable or recoverable below their carrying amounts.</p> <p>We focused on this area as it involves estimation uncertainty by the management in determining the accuracy of inventories written down and in assessing the adequacy of inventories not stated at the lower of cost and net realisable value.</p>	<p>Our audit procedures in relation to the valuation of inventories included, amongst others, the following:</p> <ul style="list-style-type: none"> · Obtained an understanding of: <ul style="list-style-type: none"> - the Group's inventory management process; - how the Group identifies and assesses inventory write-downs; and - how the Group makes the accounting estimates for inventory write-downs. · Attended the year end physical inventory counts to identify whether any inventories are slow moving or obsolete; · Reviewed and tested the net realisable value of inventories on a sampling basis; · Reviewed the ageing analysis of inventories and tested the reliability thereof; · Checked the subsequent movements of the finished goods to identify any slow moving items; · Reviewed the consistency of the application of management's methodology in determining and estimating the inventories written down from year to year; and · Evaluated the adequacy of the inventories written down recognised for identified exposures.

There is no key audit matter to be communicated in the audit of the separate financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To The Members Of JHM Consolidation Berhad

Registration No. 200501009101 (686148-A)

(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from 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 and 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

To The Members Of JHM Consolidation Berhad

Registration No. 200501009101 (686148-A)

(Incorporated in Malaysia)

Other Matter

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

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Penang

Date: 18 April 2025

Loo Wei Teng
No. 03487/03/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2024

		GROUP		COMPANY	
	NOTE	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	144,824,350	149,102,181	474,328	565,382
Investment properties	5	-	-	31,838,222	27,968,383
Right-of-use assets	6	2,960,637	4,028,684	-	-
Investment in subsidiaries	7	-	-	70,477,998	72,301,123
Goodwill on consolidation	8	21,531,534	21,531,534	-	-
Trade and other receivables	9	-	-	26,426,145	19,362,349
		<u>169,316,521</u>	<u>174,662,399</u>	<u>129,216,693</u>	<u>120,197,237</u>
Current assets					
Inventories	10	101,542,577	101,734,513	-	-
Trade and other receivables	9	72,821,691	107,163,293	4,507,767	5,690,565
Contract costs	11	6,866,666	5,331,166	-	-
Other investments	12	3,484,111	6,243,948	2,146,981	259,589
Tax recoverable		2,419,902	791,454	263,674	172,263
Cash and bank balances	13	67,492,550	72,393,186	3,635,555	22,432,491
		<u>254,627,497</u>	<u>293,657,560</u>	<u>10,553,977</u>	<u>28,554,908</u>
TOTAL ASSETS		<u>423,944,018</u>	<u>468,319,959</u>	<u>139,770,670</u>	<u>148,752,145</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	132,532,586	132,532,586	132,532,586	132,532,586
Capital reserve	15	(276,976)	(276,976)	-	-
Retained profits/(Accumulated losses)		167,845,316	188,008,728	(8,240,005)	2,587,976
		<u>300,100,926</u>	<u>320,264,338</u>	<u>124,292,581</u>	<u>135,120,562</u>
Non-controlling interests		(2,186,482)	492,545	-	-
Total equity		<u>297,914,444</u>	<u>320,756,883</u>	<u>124,292,581</u>	<u>135,120,562</u>
Non-current liabilities					
Borrowings	16	25,624,220	33,045,129	12,092,835	10,569,358
Lease liabilities	6	2,169,482	3,019,130	-	-
Deferred tax liabilities	17	3,041,880	5,548,825	393,000	619,000
		<u>30,835,582</u>	<u>41,613,084</u>	<u>12,485,835</u>	<u>11,188,358</u>
Current liabilities					
Trade and other payables	18	65,070,138	59,213,550	107,968	107,026
Borrowings	16	19,192,493	32,795,749	2,884,286	2,336,199
Lease liabilities	6	987,957	1,107,530	-	-
Contract liabilities	19	9,877,487	11,662,403	-	-
Refund liabilities	20	65,917	61,902	-	-
Tax payable		-	1,108,858	-	-
		<u>95,193,992</u>	<u>105,949,992</u>	<u>2,992,254</u>	<u>2,443,225</u>
Total liabilities		<u>126,029,574</u>	<u>147,563,076</u>	<u>15,478,089</u>	<u>13,631,583</u>
TOTAL EQUITY AND LIABILITIES		<u>423,944,018</u>	<u>468,319,959</u>	<u>139,770,670</u>	<u>148,752,145</u>

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

STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2024

		GROUP		COMPANY	
	NOTE	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	21	221,221,462	310,725,840	3,463,039	5,962,089
Cost of sales		(217,879,490)	(272,111,992)	-	-
Gross profit		3,341,972	38,613,848	3,463,039	5,962,089
Other income	22	2,704,511	7,629,356	895,211	550,221
Administrative expenses		(29,042,954)	(23,928,831)	(3,164,806)	(1,307,182)
Allowance for expected credit losses on amount due from subsidiaries		-	-	(9,275,213)	-
Other operating expenses		-	-	(1,875,025)	(30,860,000)
Operating (loss)/profit		(22,996,471)	22,314,373	(9,956,794)	(25,654,872)
Finance costs	23	(2,645,400)	(3,463,990)	(697,765)	(598,949)
Finance income	24	1,503,455	1,120,960	-	-
(Loss)/Profit before tax	25	(24,138,416)	19,971,343	(10,654,559)	(26,253,821)
Taxation	26	1,247,977	(5,678,286)	(173,422)	(368,625)
(Loss)/Profit for the financial year, representing total comprehensive (loss)/income for the financial year		(22,890,439)	14,293,057	(10,827,981)	(26,622,446)
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(22,666,130)	14,496,509	(10,827,981)	(26,622,446)
Non-controlling interests		(224,309)	(203,452)	-	-
		(22,890,439)	14,293,057	(10,827,981)	(26,622,446)
(Loss)/Earnings per share attributable to owners of the Company (sen)					
- Basic/Diluted	27	(3.74)	2.39		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2024

	Attributable to Owners of the Company				
	Share Capital		Distributable		Total Equity RM
	RM	Capital Reserve RM	Retained Profits RM	Non-controlling Interests RM	
2024					
Balance at beginning	132,532,586	(276,976)	188,008,728	492,545	320,756,883
Total comprehensive loss for the financial year	-	-	(22,666,130)	(224,309)	(22,890,439)
Transactions with owners of the Company:					
Issuance of ordinary shares to non-controlling interests	-	-	-	48,000	48,000
Dilution of equity interest in a subsidiary	-	-	2,502,718	(2,502,718)	-
Total transactions with owners	-	-	2,502,718	(2,454,718)	48,000
Balance at end	132,532,586	(276,976)	167,845,316	(2,186,482)	297,914,444
2023					
Balance at beginning	132,532,586	(276,976)	173,906,350	301,891	306,463,851
Total comprehensive income for the financial year	-	-	14,496,509	(203,452)	14,293,057
Transaction with owners of the Company:					
Acquisition from non-controlling interests	-	-	(394,131)	394,106	(25)
Balance at end	132,532,586	(276,976)	188,008,728	492,545	320,756,883

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

STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2024

	Share Capital RM	Distributable Retained Profits/ (Accumulated losses) RM	Total Equity RM
2024			
Balance at beginning	132,532,586	2,587,976	135,120,562
Total comprehensive loss for the financial year	-	(10,827,981)	(10,827,981)
Balance at end	<u>132,532,586</u>	<u>(8,240,005)</u>	<u>124,292,581</u>
2023			
Balance at beginning	132,532,586	29,210,422	161,743,008
Total comprehensive loss for the financial year	-	(26,622,446)	(26,622,446)
Balance at end	<u>132,532,586</u>	<u>2,587,976</u>	<u>135,120,562</u>

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

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2024

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	(24,138,416)	19,971,343	(10,654,559)	(26,253,821)
Adjustments for:				
Accretion of interest on lease liabilities	131,316	185,636	-	-
Addition/(Reversal) of inventories written down, net	3,806,282	(158,099)	-	-
Allowance for expected credit losses on amount due from subsidiaries	-	-	9,275,213	-
Depreciation of:				
- investment properties	-	-	1,920,594	540,662
- property, plant and equipment	17,671,428	15,770,342	91,054	90,729
- right-of-use assets	1,025,778	1,245,653	-	-
Distribution income	(443,532)	(150,195)	(78,417)	(69,315)
Fair value loss on other investments designated at FVTPL	381,590	185,026	586,236	189,947
Gain on disposal of investment in an associate	-	(1,500,000)	-	-
Gain on disposal of other investments	(670,751)	(547,943)	(895,211)	(550,221)
Gain on disposal of property, plant and equipment	(367,945)	(233,336)	-	-
Gross dividend income	-	-	-	(3,200,000)
Impairment loss on investment in subsidiaries	-	-	1,875,025	30,860,000
Interest expense	2,514,084	3,278,354	697,765	598,949
Interest income	(1,538,746)	(1,232,728)	(1,295,788)	(976,474)
Loss/(Gain) on derecognition of right-of-use assets and lease liabilities	39,115	(69,005)	-	-
Property, plant and equipment written off	1,266,978	2,724	-	-
Unrealised (gain)/loss on foreign exchange	(998,920)	214,731	-	-
Operating (loss)/profit before working capital changes carried forward	(1,321,739)	36,962,503	1,521,912	1,230,456

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

STATEMENTS OF CASH FLOWS (CONT'D)

For The Financial Year Ended 31 December 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Operating (loss)/profit before working capital changes bought forward		(1,321,739)	36,962,503	1,521,912	1,230,456
Changes in:					
Inventories		(3,614,346)	(6,364,909)	-	-
Receivables		36,202,992	54,235,367	(4,481,792)	(538,512)
Payables		10,291,821	(21,012,851)	942	10,299
Contract costs		(1,535,500)	(720,253)	-	-
Contract liabilities		(1,784,916)	7,151,366	-	-
Refund liabilities		4,015	(53,010)	-	-
Cash generated from operations		38,242,327	70,198,213	(2,958,938)	702,243
Income tax paid		(3,996,274)	(12,017,181)	(490,833)	(294,688)
Income tax refunded		-	3,189	-	-
Interest paid		(2,514,084)	(3,278,354)	(697,765)	(598,949)
Net cash from/(used in) operating activities		31,731,969	54,905,867	(4,147,536)	(191,394)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition from non-controlling interests	-	(25)	-	-
Additions in investment in subsidiaries	-	-	(51,900)	(25)
Additions in other investments	(54,910,000)	(84,201,200)	(29,900,000)	(68,500,000)
Proceeds from disposal of other investments	58,402,530	78,470,364	28,400,000	68,670,000
Gross dividend received	-	-	-	3,200,000
Interest received	1,316,551	1,032,359	35,291	111,768
Net change in subsidiaries' balances	-	-	(9,943,922)	(14,851,141)
Proceeds from disposal of investment in an associate	-	1,500,000	-	1,500,000
Proceeds from disposal of property, plant and equipment	3,439,694	241,589	-	-
Purchase of property, plant and equipment	(17,267,699)	(4,000,163)	-	(3,248)
Purchase of investment properties	-	-	(5,260,433)	-
Net cash used in investing activities	(9,018,924)	(6,957,076)	(16,720,964)	(9,872,646)

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

STATEMENTS OF CASH FLOWS (CONT'D)

For The Financial Year Ended 31 December 2024

		GROUP	COMPANY	
NOTE	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of ordinary shares to non-controlling interests	48,000	-	-	-
Net changes in amount due to a director	(5,525,000)	(2,000,000)	-	-
Net changes in short term borrowings	B (12,159,550)	(21,128,906)	-	-
Repayment of finance lease liabilities	B (6,292,391)	(6,680,312)	-	-
Drawdown of term loan	B 4,770,000	-	4,770,000	-
Repayment of term loans	B (7,316,166)	(5,810,651)	(2,698,436)	(2,308,840)
Repayment of lease liabilities	B (1,097,383)	(1,219,108)	-	-
Net cash (used in)/from financing activities	(27,572,490)	(36,838,977)	2,071,564	(2,308,840)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS				
	(4,859,445)	11,109,814	(18,796,936)	(12,372,880)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES				
	294,539	(571,605)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING				
	63,222,578	52,684,369	22,432,491	34,805,371
CASH AND CASH EQUIVALENTS AT END				
	58,657,672	63,222,578	3,635,555	22,432,491
Cash and cash equivalents represented by:				
Fixed deposits with licensed banks	8,834,878	8,612,683	-	-
Short term money market deposit	12,348,461	7,434,684	1,486,267	6,842,609
Cash in hand and at banks	46,309,211	56,345,819	2,149,288	15,589,882
	67,492,550	72,393,186	3,635,555	22,432,491
Less: Bank overdraft	-	(557,925)	-	-
Fixed deposits pledged to licensed banks	(8,834,878)	(8,612,683)	-	-
	58,657,672	63,222,578	3,635,555	22,432,491

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

STATEMENTS OF CASH FLOWS (CONT'D)

For The Financial Year Ended 31 December 2024

A. Purchase of property, plant and equipment

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Total acquisition cost		17,732,324	18,852,006	-	3,248
Acquired under finance lease liabilities	B	(464,625)	(12,169,123)	-	-
Acquired under term loan	B	-	(2,682,720)	-	-
Total cash acquisition		17,267,699	4,000,163	-	3,248

B. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities of the Group and of the Company is as follows:

	Balance at beginning RM	Cash flows RM	Others ¹ RM	Balance at end RM
GROUP				
2024				
Borrowings excluding bank overdraft	65,282,953	(20,533,482)	67,242	44,816,713
Lease liabilities	4,126,660	(1,097,383)	128,162	3,157,439
Total liabilities arising from financing activities	69,409,613	(21,630,865)	195,404	47,974,152
2023				
Borrowings excluding bank overdraft	84,110,577	(18,768,026)	(59,598)	65,282,953
Lease liabilities	2,995,474	(1,219,108)	2,350,294	4,126,660
Total liabilities arising from financing activities	87,106,051	(19,987,134)	2,290,696	69,409,613

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

STATEMENTS OF CASH FLOWS (CONT'D)

For The Financial Year Ended 31 December 2024

	Balance at beginning RM	Cash flows RM	Others ¹ RM	Balance at end RM
COMPANY				
2024				
Borrowings, representing total liabilities arising from financing activities	<u>12,905,557</u>	<u>2,071,564</u>	<u>-</u>	<u>14,977,121</u>
2023				
Borrowings, representing total liabilities arising from financing activities	<u>15,214,397</u>	<u>(2,308,840)</u>	<u>-</u>	<u>12,905,557</u>

¹ Others consist of non-cash movement as follows:

	GROUP	
	2024 RM	2023 RM
Accretion of interest on lease liabilities	131,316	185,636
Addition of lease liabilities	278,790	3,120,778
Derecognition of lease liabilities	(281,944)	(956,120)
Unrealised loss/(gain) on foreign exchange	<u>67,242</u>	<u>(59,598)</u>
	<u>195,404</u>	<u>2,290,696</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

1. GENERAL INFORMATION

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

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The registered office of the Company is located at Suite 16.06 MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Penang.

The principal place of business of the Company is located at 15-1-21, Bayan Point, Medan Kampung Relau, 11900 Bayan Lepas, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 April 2025.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for other investments that are measured at fair values.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

2.4 Adoption of Amendments to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following amendments to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

Initial application of the above amendments to MFRSs did not have any material impact to the financial statements of the Group and of the Company upon adoption.

2.5 Standards/Amendments to MFRSs Issued But Not Yet Effective

The following are accounting standards/amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards/Amendments to MFRSs Issued But Not Yet Effective (Cont'd)

Effective for annual periods beginning on or after 1 January 2026

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

Annual Improvements to MFRS Accounting Standards - Volume 11

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective date yet to be confirmed

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

The initial application of the above standards/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for *MFRS 18 Presentation and Disclosure in Financial Statements*.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows* and *MFRS 134 Interim Financial Reporting*.

The amendments will have an impact on the Group's and on the Company's presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group is currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

3.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.1 Judgements made in applying accounting policies (Cont'd)

Determining the lease term of contracts with renewal and termination options - Group as lessee (Cont'd)

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has included the extension options period as part of the lease term for lease of factory buildings as it is reasonably certain that the extension options will be exercised. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period 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:

(i) **Impairment of goodwill**

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying amount, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in assumptions are disclosed in Note 8 to the financial statements.

(ii) **Inventories**

The management reviews for damage, slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

The carrying amount of the Group's inventories as at the end of the reporting period is disclosed in Note 10 to the financial statements.

(iii) **Impairment of investment in subsidiaries**

Investment in subsidiaries are tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, management assesses the recoverable amount of the investment in subsidiaries based on the higher of value in use or fair value less cost to sell as at the end of the reporting period. If the recoverable amount of the investment in subsidiaries is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in subsidiaries. An impairment loss of **RM1,875,025** (2023: RM30,860,000) is recognised in profit or loss to write down the subsidiaries to their recoverable amount.

(iv) **Provision for expected credit loss ("ECL") of receivables**

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

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

(iv) Provision for expected credit loss ("ECL") of receivables (Cont'd)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecasted 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 ECL on the Group's trade receivables is disclosed in Note 31.3.1 to the financial statements.

(v) Estimating variable consideration for volume rebates

The Group estimates variable consideration to be included in the transaction price for the sales of mechanical components with volume rebates.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining a customer's rebate entitlement is dependent upon the customer's historical rebates entitlement and accumulated purchases to date.

(vi) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

2024

At cost

	Freehold land RM	Leasehold land RM	Office lot and factory buildings RM	Plant and machinery and factory equipment RM	Office equipment, furniture and fittings RM	Electrical installation and renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Balance at beginning	8,576,720	27,577,440	20,538,924	145,812,707	18,555,136	26,676,459	6,980,674	12,360,053	267,078,113
Additions	3,016,917	-	2,564,516	1,594,054	998,142	336,372	134,125	9,088,198	17,732,324
Disposals	-	-	-	(7,375,741)	-	-	(75,000)	-	(7,450,741)
Write offs	-	-	-	(352,100)	-	-	-	(915,180)	(1,267,280)
Reclassification	-	-	-	7,612,788	126,630	262,350	-	(8,001,768)	-
Balance at end	11,593,637	27,577,440	23,103,440	147,291,708	19,679,908	27,275,181	7,039,799	12,531,303	276,092,416

Accumulated depreciation

Balance at beginning	-	1,537,680	2,420,563	83,400,388	12,061,002	13,865,057	4,691,242	-	117,975,932
Current charge	-	591,776	1,840,522	10,344,786	1,697,853	2,418,988	777,503	-	17,671,428
Disposals	-	-	-	(4,307,742)	-	-	(71,250)	-	(4,378,992)
Write offs	-	-	-	(302)	-	-	-	-	(302)
Balance at end	-	2,129,456	4,261,085	89,437,130	13,758,855	16,284,045	5,397,495	-	131,268,066
Carrying amount	11,593,637	25,447,984	18,842,355	57,854,578	5,921,053	10,991,136	1,642,304	12,531,303	144,824,350

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**GROUP (CONT'D)**

2023		Freehold land RM	Leasehold land RM	Office lot and factory buildings RM	Plant and machinery and factory equipment RM	Office equipment, furniture and fittings RM	Electrical installation and renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
At cost										
Balance at beginning		8,576,720	27,577,440	20,538,924	127,813,695	17,727,145	25,090,633	7,383,787	14,216,775	248,925,119
Additions		-	-	-	5,624,148	898,677	1,241,426	183,213	10,904,542	18,852,006
Disposal		-	-	-	-	-	-	(613,326)	-	(613,326)
Write offs		-	-	-	(15,000)	(70,686)	-	-	-	(85,686)
Reclassification		-	-	-	12,389,864	-	344,400	27,000	(12,761,264)	-
Balance at end		8,576,720	27,577,440	20,538,924	145,812,707	18,555,136	26,676,459	6,980,674	12,360,053	267,078,113
Accumulated depreciation										
Balance at beginning		-	969,043	1,976,266	73,850,433	10,158,455	11,526,227	4,413,201	-	102,893,625
Current charge		-	568,637	444,297	9,562,263	1,973,201	2,338,830	883,114	-	15,770,342
Disposal		-	-	-	-	-	-	(605,073)	-	(605,073)
Write offs		-	-	-	(12,308)	(70,654)	-	-	-	(82,962)
Balance at end		-	1,537,680	2,420,563	83,400,388	12,061,002	13,865,057	4,691,242	-	117,975,932
Carrying amount		8,576,720	26,039,760	18,118,361	62,412,319	6,494,134	12,811,402	2,289,432	12,360,053	149,102,181

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

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

COMPANY

	Office equipment, furniture and fittings RM	Electrical installation and renovation RM	Capital work-in- progress RM	Total RM
2024				
At cost				
Balance at beginning/end	<u>53,420</u>	<u>813,700</u>	<u>4,953</u>	<u>872,073</u>
Accumulated depreciation				
Balance at beginning	28,646	278,045	-	306,691
Current charge	<u>9,684</u>	<u>81,370</u>	<u>-</u>	<u>91,054</u>
Balance at end	<u>38,330</u>	<u>359,415</u>	<u>-</u>	<u>397,745</u>
Carrying amount	<u>15,090</u>	<u>454,285</u>	<u>4,953</u>	<u>474,328</u>
2023				
At cost				
Balance at beginning	50,172	813,700	4,953	868,825
Addition	<u>3,248</u>	<u>-</u>	<u>-</u>	<u>3,248</u>
Balance at end	<u>53,420</u>	<u>813,700</u>	<u>4,953</u>	<u>872,073</u>
Accumulated depreciation				
Balance at beginning	19,287	196,675	-	215,962
Current charge	<u>9,359</u>	<u>81,370</u>	<u>-</u>	<u>90,729</u>
Balance at end	<u>28,646</u>	<u>278,045</u>	<u>-</u>	<u>306,691</u>
Carrying amount	<u>24,774</u>	<u>535,655</u>	<u>4,953</u>	<u>565,382</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**31 December 2024****4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

- (i) The carrying amount of property, plant and equipment which are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 16 to the financial statements are as follows:

	GROUP	
	2024	2023
	RM	RM
Freehold land	11,593,637	8,576,720
Leasehold land	25,447,984	26,039,760
Office lot and factory buildings	18,842,355	18,118,361
Plant and machinery	6,341,681	7,448,618
	62,225,657	60,183,459

- (ii) The carrying amount of leased assets which are pledged as securities for the finance lease liabilities as disclosed in Note 16 to the financial statements are as follows:

	GROUP	
	2024	2023
	RM	RM
Plant and machinery and factory equipment	24,478,039	29,035,446
Motor vehicles	1,490,195	2,115,999
	25,968,234	31,151,445

- (iii) The Group has completed the acquisition transaction arising from Sale and Purchase Agreement dated 3 January 2024 in relation to the acquisition of freehold land with a detached factory building for a cash consideration of RM5,300,000.

- (iv) The information of right-of-use assets which are included in the property, plant and equipment is as follows:

GROUP

	Carrying amount RM	Current depreciation RM
2024		
Leasehold land	25,447,984	591,776
2023		
Leasehold land	26,039,760	568,637

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

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

Material accounting policy information

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

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

<u>Categories</u>	<u>Years</u>
Leasehold land	30 to 60
Office lot and factory buildings	23 to 50
Plant and machinery and factory equipment	3 to 10
Office equipment, furniture and fittings	5 to 10
Electrical installation and renovation	10
Motor vehicles	5

Freehold land is not depreciated as it has an infinite life.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

5. INVESTMENT PROPERTIES

COMPANY

	Freehold land RM	Leasehold land RM	Factory buildings RM	Capital work- in-progress RM	Total RM
2024					
At cost					
Balance at beginning	8,576,720	4,785,240	16,831,535	-	30,193,495
Additions	3,016,917	-	2,564,516	209,000	5,790,433
Balance at end	<u>11,593,637</u>	<u>4,785,240</u>	<u>19,396,051</u>	<u>209,000</u>	<u>35,983,928</u>
Accumulated depreciation					
Balance at beginning	-	816,125	1,408,987	-	2,225,112
Current charge	-	204,031	1,716,563	-	1,920,594
Balance at end	<u>-</u>	<u>1,020,156</u>	<u>3,125,550</u>	<u>-</u>	<u>4,145,706</u>
Carrying amount	<u>11,593,637</u>	<u>3,765,084</u>	<u>16,270,501</u>	<u>209,000</u>	<u>31,838,222</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

5. INVESTMENT PROPERTIES (CONT'D)**COMPANY (CONT'D)**

	Freehold land RM	Leasehold land RM	Factory buildings RM	Capital work- in-progress RM	Total RM
2023					
At cost					
Balance at beginning/end	8,576,720	4,785,240	16,831,535	-	30,193,495
Accumulated depreciation					
Balance at beginning	-	612,094	1,072,356	-	1,684,450
Current charge	-	204,031	336,631	-	540,662
Balance at end	-	816,125	1,408,987	-	2,225,112
Carrying amount	8,576,720	3,969,115	15,422,548	-	27,968,383

- (i) The investment properties have an open market value of approximately **RM34,500,000** (2023: RM29,200,000). The valuations are performed by independent professional valuers using the market comparison approach. The appraised values were derived from unobservable prices per square foot for comparable properties in similar locations (i.e. Level 3).
- (ii) The entire investment properties are pledged to licensed banks as securities for banking facilities granted to the Company as disclosed in Note 16 to the financial statements.
- (iii) The Company has completed the acquisition transaction arising from Sale and Purchase Agreement dated 3 January 2024 in relation to the acquisition of freehold land with a detached factory building for a cash consideration of RM5,300,000.

(iv) Company as lessor

The Company has entered into operating leases on its investment properties. These leases have terms of between two to three years.

The following are recognised in profit or loss in respect of investment properties:

	COMPANY	
	2024 RM	2023 RM
Rental income from income generating properties	2,088,834	1,716,300
Direct operating expenses	95,314	75,551

Material accounting policy information

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

Investment properties are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

<u>Categories</u>	<u>Years</u>
Leasehold land	24
Factory buildings	23 to 50

Freehold land is not depreciated as it has an infinite life.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group as a lessee

The Group has lease contracts for factory buildings used in its operations that have lease terms between 1 to 3 years, with an option to renew the lease for another 3 years. The lease contracts restrict the Group from assigning and subleasing the leased assets.

The Group also has certain leases of hostels with lease terms of 12 months or less and leases of low-value assets such as office equipment. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Right-of-use assets

Set out below are the carrying amount of right-of-use assets recognised and the movements during the financial year:

	Factory buildings	
	2024	2023
	RM	RM
Balance at beginning	4,028,684	3,040,674
Additions	278,790	3,120,778
Depreciation	(1,025,778)	(1,245,653)
Derecognition	(321,059)	(887,115)
	2,960,637	4,028,684

Lease liabilities

Set out below are the carrying amount of lease liabilities recognised and the movements during the financial year:

	Factory buildings	
	2024	2023
	RM	RM
Balance at beginning	4,126,660	2,995,474
Additions	278,790	3,120,778
Accretion of interest	131,316	185,636
Derecognition	(281,944)	(956,120)
Payments	(1,097,383)	(1,219,108)
	3,157,439	4,126,660
Represented by:		
Non-current liabilities	2,169,482	3,019,130
Current liabilities	987,957	1,107,530
	3,157,439	4,126,660

The maturity analysis of lease liabilities is disclosed in Note 31.4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The followings are the amounts recognised in profit or loss:

	GROUP	
	2024 RM	2023 RM
Accretion of interest on lease liabilities	131,316	185,636
Depreciation expense of right-of-use assets	1,025,778	1,245,653
Expenses relating to leases of low-value assets	26,081	23,843
Expenses relating to short-term leases	1,907,134	1,044,368
Loss/(Gain) on derecognition of right-of-use assets and lease liabilities	39,115	(69,005)
Total amount recognised in profit or loss	3,129,424	2,430,495

The total cash outflows for leases during the financial year are **RM3,030,598** (2023: RM2,287,319).

Material accounting policy information

Right-of-use assets

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Right-of-use assets are depreciated on a straight-line basis over their lease term of 2 to 6 years.

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2024 RM	2023 RM
Unquoted shares, at cost	103,213,023	103,161,123
Less: Allowance for impairment loss		
Balance at beginning	(30,860,000)	-
Current year	(1,875,025)	(30,860,000)
Balance at end	(32,735,025)	(30,860,000)
	70,477,998	72,301,123

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, which are all incorporated and principal place of business in Malaysia, are as follows:

Name of Companies	Effective Equity Interest		Principal Activities
	2024	2023	
Morrissey Technology Sdn. Bhd.	100%	100%	Design and manufacturing of precision miniature engineering metal parts and components.
JH Morrissey Sdn. Bhd.	100%	100%	International procurement office and research and development centre.
Morrissey Assembly Solution Sdn. Bhd.	100%	100%	Manufacturing and assembling of electronic components.
Morrissey Aerosystems Sdn. Bhd.	80%	80%	Manufacturing of machined metal parts, secondary processes, sub-assemblies and assembly of LED lighting for aerospace industry. Currently, the company has not commenced operations.
Morrissey Integrated Dynamics Sdn. Bhd.	100%	100%	Manufacturing of precision mechanical parts, die casting, moulding of precision plastic lenses and modular assembly.
Mace Instrumentation Sdn. Bhd.	100%	100%	Manufacturing, assembling and dealing of testing measuring equipment.
Mace Hermetic Components Sdn. Bhd. ("MHCSB")	100%	100%	Design and manufacture of mechanical parts (lenses and etc), electronic components and electrical products (cameras, connectors and etc) and products assembly for optical instruments, process control equipment, lighting and other industrial equipment.
JHM Dekai Auto Lighting Sdn. Bhd. ("JDALSB")	52%	100%	Manufacturing and module assembling for electronics and electrical components.

7.1 Subscription of ordinary shares in subsidiaries

2024

During the financial year, the Company has subscribed additional 51,900 ordinary shares in JDALSB for a total consideration of RM51,900.

2023

In the prior financial year, the Company had subscribed additional 625,000 ordinary shares in MHCSB for a total consideration of RM25.

7.2 Impairment on investment in subsidiaries

The Company reviews the material investment in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investment in subsidiaries are assessed by reference to the higher of value-in-use or fair value less cost to sell of the respective subsidiaries as at the end of the reporting period. Accordingly, an impairment loss of **RM1,875,025** (2023: RM30,860,000) is recognised in other operating expenses in respect of investment in subsidiaries during the financial year due to the continuous losses incurred by the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

7. INVESTMENT IN SUBSIDIARIES (CONT'D)**7.3 Subsidiaries with material non-controlling interests ("NCI")**

The details of the material NCI are as follows:

JDALSB

2024

NCI percentage of ownership interest and voting interest (%)	<u>48%</u>
Carrying amount of NCI (RM)	<u>(2,677,152)</u>
Loss allocated to NCI (RM)	<u>(222,434)</u>

The summarised financial information of material NCI presented below is the amount before inter-company elimination:

JDALSB
RM**2024****Assets and liabilities**

Non-current assets	5,057,598
Current assets	4,124,673
Non-current liabilities	(2,286,636)
Current liabilities	<u>(12,473,036)</u>
Net liabilities	<u>(5,577,401)</u>

Results

Revenue	6,810
Loss for the financial year, representing total comprehensive loss for the financial year	<u>(3,126,778)</u>

Net cash (used in)/generated from:

Operating activities	(2,972,464)
Investing activities	(19,535)
Financing activities	<u>3,023,635</u>
Net change in cash and cash equivalents	<u>31,636</u>

2023

In prior financial year, the summarised financial information of non-controlling interest had not been included as non-controlling interests of the subsidiaries were not individually material to the Group.

Material accounting policy information

Investment in subsidiaries are measured at cost less any impairment losses in the Company's separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

8. GOODWILL ON CONSOLIDATION

The goodwill is allocated to the Group's subsidiary, Mace Instrumentation Sdn. Bhd. as the cash-generating unit ("CGU").

For annual impairment testing purposes, the recoverable amount of the CGU are determined based on their value-in-use, which apply a discounted cash flow model using cash flow projections based on approved financial budget and projections covering a five (5)-year period.

Key assumptions used in value-in-use calculations

The key assumptions on which the management has based on for the computation of value-in-use are as follows:

(i) Cash flow projections and growth rate

The 5-year cash flow projections are prepared based on management's past experience. The revenue for the first year of the 5-year cash flow projections is prepared based on the most recent approved financial budget by the Board of Directors and a **1.00%** (2023: 8.00%) annual growth rate is applied.

(ii) Discount rate

The pre-tax discount rate of **10.46%** (2023: 10.37%) is applied to the cash flow projections, which is based on the weighted average cost of capital of the Group for the financial year.

Sensitivity to changes in key assumptions

The management believes that any reasonable change in the key assumptions would not cause the recoverable amounts of the CGU to differ materially from their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

9. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
Other receivables				
Amount due from subsidiaries				
- interest bearing at 4.00% (2023: 4.00%)	-	-	31,512,437	18,617,643
- non-interest bearing	-	-	4,188,921	744,706
	-	-	35,701,358	19,362,349
Less: Allowance for expected credit losses	-	-	(9,275,213)	-
	-	-	26,426,145	19,362,349
Current				
Trade receivables				
Third parties	64,721,493	102,984,080	-	-
Other receivables				
Sundry receivables	495,236	160,954	-	-
Amount due from subsidiaries				
- interest bearing at 4.00% (2023: 4.00%)	-	-	-	3,000,000
- non-interest bearing	-	-	-	2,134,590
	-	-	-	5,134,590
Refundable deposits	1,540,765	1,576,631	1,000	1,000
Deposits for purchase of machinery and office equipment	-	73,600	-	-
Prepayments	6,064,197	2,368,028	4,506,767	554,975
	8,100,198	4,179,213	4,507,767	5,690,565
Total current trade and other receivables	72,821,691	107,163,293	4,507,767	5,690,565
Total trade and other receivables	72,821,691	107,163,293	30,933,912	25,052,914

The trade receivables are non-interest bearing and generally on **30 to 150 days** (2023: 30 to 150 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The amount due from subsidiaries are unsecured and classified based on the expected timing of realisation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

9. TRADE AND OTHER RECEIVABLES (CONT'D)

Included in the prepayments of the Group and of the Company is an amount of **RM4,477,000** (2023: RM530,000) paid to third parties for the acquisition of land and buildings as disclosed in Notes 35 and 36 to the financial statements. The deposit of RM530,000 in relation to the land acquisition in the prior year has been capitalised during the financial year as disclosed in Note 4 to the financial statements.

The currency profile of trade and other receivables of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	12,500,915	6,870,700	30,933,912	25,052,914
United States Dollar	60,320,776	100,246,198	-	-
Euro	-	46,395	-	-
	72,821,691	107,163,293	30,933,912	25,052,914

10. INVENTORIES

	GROUP	
	2024 RM	2023 RM
At cost		
Raw materials	46,326,828	67,305,002
Work-in-progress	5,964,742	6,903,397
Finished goods	41,775,579	22,352,260
Consumables	480,743	529,446
Goods-in-transits	5,187,343	4,644,408
	99,735,235	101,734,513
At net realisable value		
Finished goods	1,807,342	-
	101,542,577	101,734,513
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	214,073,208	272,270,091
Inventories written down		
- Addition	3,830,398	-
- Reversal	(24,116)	(158,099)

The reversal of inventories written down was made during the financial year when the related inventories were sold above their carrying amounts.

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined on the first-in, first-out basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

11. CONTRACT COSTS

	GROUP	
	2024	2023
	RM	RM
Cost to fulfill contract		
- Manufacture of tooling	6,866,666	5,331,166

Cost to fulfil contract in relation to the manufacture of tooling comprises costs incurred to manufacture tooling which the related tooling sales has yet to be recognised as revenue.

These costs are amortised to profit or loss when the related tooling sales is recognised. During the financial year, the amount of amortisation is **RM5,925,888** (2023: RM745,554).

12. OTHER INVESTMENTS

	GROUP		COMPANY	
	2024	2023	2024	2023
	RM	RM	RM	RM
Financial assets at fair value through profit or loss ("FVTPL")				
Short term funds with licensed financial institutions	3,484,111	6,243,948	2,146,981	259,589

Short term funds with licensed financial institutions of the Group and of the Company are primarily invested in a mixture of money market instruments with different maturity period. The funds can be redeemed at any point in time upon requested.

13. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2024	2023	2024	2023
	RM	RM	RM	RM
Unencumbered:				
Short term money market deposit	12,348,461	7,434,684	1,486,267	6,842,609
Cash in hand and at banks	46,309,211	56,345,819	2,149,288	15,589,882
	58,657,672	63,780,503	3,635,555	22,432,491
Encumbered:				
Fixed deposits with licensed banks	8,834,878	8,612,683	-	-
	67,492,550	72,393,186	3,635,555	22,432,491

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

13. CASH AND BANK BALANCES (CONT'D)

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	37,497,921	40,681,003	3,635,555	22,432,491
United States Dollar	29,993,927	31,711,928	-	-
Others	702	255	-	-
	67,492,550	72,393,186	3,635,555	22,432,491

The encumbered fixed deposits are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 16 to the financial statements.

The effective interest rates per annum and maturity of the short term money market deposit of the Group and of the Company as at the end of the reporting period are **2.95% to 3.00%** (2023: 2.95%) per annum and **1 day** (2023: 1 day) respectively.

The effective interest rates per annum and maturity of the fixed deposits with licensed banks of the Group as at the end of the reporting period are **2.35% to 2.60%** (2023: 2.30% to 2.80%) per annum and **12 months** (2023: 12 months) respectively.

14. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2024	2023	2024 RM	2023 RM
Issued and fully paid with no par value:				
Balance at beginning/end	606,000,000	606,000,000	132,532,586	132,532,586

15. CAPITAL RESERVE

Capital reserve represents premium paid to non-controlling interests to acquire additional equity interest in an existing subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

16. **BORROWINGS**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current liabilities				
Secured:				
<u>Finance lease liabilities</u>				
Minimum payments:				
Within one year	5,797,924	7,258,094	-	-
More than one year and less than two years	4,731,854	5,692,864	-	-
More than two years and less than five years	6,672,572	10,900,791	-	-
More than five years	-	127,708	-	-
	17,202,350	23,979,457	-	-
Future finance charges	(1,462,913)	(2,412,254)	-	-
	15,739,437	21,567,203	-	-
Amount due within one year included under current liabilities	(5,104,049)	(6,261,240)	-	-
	10,635,388	15,305,963	-	-
<u>Term loans</u>				
Total amount repayable	22,077,276	24,556,200	14,977,121	12,905,557
Amount due within one year included under current liabilities	(7,088,444)	(6,817,034)	(2,884,286)	(2,336,199)
	14,988,832	17,739,166	12,092,835	10,569,358
	25,624,220	33,045,129	12,092,835	10,569,358
Current liabilities				
Secured:				
Bank overdraft	-	557,925	-	-
Bankers' acceptance	7,000,000	10,500,000	-	-
Finance lease liabilities	5,104,049	6,261,240	-	-
Revolving credit	-	8,659,550	-	-
Term loans	7,088,444	6,817,034	2,884,286	2,336,199
	19,192,493	32,795,749	2,884,286	2,336,199
Total borrowings	44,816,713	65,840,878	14,977,121	12,905,557

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

16. BORROWINGS (CONT'D)

The borrowings are secured by way of:

- (i) A first party legal charge over the freehold land, leasehold land, office lot and factory buildings of certain subsidiaries as disclosed in Note 4 to the financial statements;
- (ii) A first party legal charge over the freehold land, leasehold land and factory buildings of the Company as disclosed in Note 5 to the financial statements;
- (iii) A fixed charge over the plant and machinery of a subsidiary as disclosed in Note 4 to the financial statements;
- (iv) Fixed deposits with licensed banks of certain subsidiaries as disclosed in Note 13 to the financial statements;
- (v) A third party first fixed charge over the properties of a company in which a director of the Company has substantial financial interest;
- (vi) Corporate guarantee of the Company; and
- (vii) Leased assets as disclosed in Note 4 to the financial statements.

The currency profile of borrowings is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	38,147,104	46,450,337	14,977,121	12,905,557
United States Dollar	6,669,609	19,390,541	-	-
	44,816,713	65,840,878	14,977,121	12,905,557

A summary of the effective interest rates and maturities of the borrowings is as follows:

	Effective interest rates per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
GROUP						
2024						
Bankers' acceptance	4.17 to 4.24	7,000,000	7,000,000	-	-	-
Finance lease liabilities	2.76 to 6.75	15,739,437	5,104,049	4,288,275	6,347,113	-
Term loans	3.50 to 6.78	22,077,276	7,088,444	4,876,705	8,065,316	2,046,811
2023						
Bank overdraft	6.95	557,925	557,925	-	-	-
Bankers' acceptance	4.10 to 4.41	10,500,000	10,500,000	-	-	-
Finance lease liabilities	2.18 to 6.75	21,567,203	6,261,240	5,062,124	10,117,723	126,116
Revolving credit	6.75	8,659,550	8,659,550	-	-	-
Term loans	3.50 to 7.95	24,556,200	6,817,034	8,215,699	8,585,272	938,195

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

16. **BORROWINGS (CONT'D)**

COMPANY	Effective interest rates per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
2024						
Term loans	4.40 to 5.22	14,977,121	2,884,286	2,937,817	7,108,207	2,046,811
2023						
Term loans	4.40 to 4.53	12,905,557	2,336,199	2,387,251	7,243,912	938,195

17. **DEFERRED TAX LIABILITIES**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Balance at beginning	5,548,825	5,552,332	619,000	593,000
Recognised in profit or loss	(1,882,873)	56,139	(226,000)	26,000
	3,665,952	5,608,471	393,000	619,000
Over provision in prior year	(624,072)	(59,646)	-	-
Balance at end	3,041,880	5,548,825	393,000	619,000

The deferred tax liabilities of the Group and of the Company are represented by temporary differences arising from:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Property, plant and equipment	5,590,788	5,923,763	107,000	128,000
Investment properties	-	-	286,000	491,000
Right-of-use assets	58,546	175,153	-	-
Lease liabilities	(58,773)	(159,748)	-	-
Unused tax losses	(450,000)	-	-	-
Unabsorbed capital allowances	(1,271,000)	-	-	-
Unabsorbed reinvestment allowance	(148,000)	(176,063)	-	-
Provisions	(733,208)	(160,851)	-	-
Other deductible temporary differences	53,527	(53,429)	-	-
	3,041,880	5,548,825	393,000	619,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

18. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties	46,878,864	43,568,141	-	-
Other payables				
Sundry payables	11,588,472	4,123,091	16,468	23,435
Amount due to a director	-	5,525,000	-	-
Accruals	6,602,802	5,997,318	91,500	83,591
	18,191,274	15,645,409	107,968	107,026
Total trade and other payables	65,070,138	59,213,550	107,968	107,026

The trade payables are non-interest bearing and are normally settled within **14 to 180 days** (2023: 30 to 180 days) credit terms.

The amount due to a director of the Group was unsecured, non-interest bearing and repayable on demand.

The currency profile of trade and other payables is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	17,977,297	21,822,773	107,968	107,026
United States Dollar	46,624,825	36,667,908	-	-
Singapore Dollar	33,451	473,703	-	-
Euro	227,383	243,322	-	-
Others	207,182	5,844	-	-
	65,070,138	59,213,550	107,968	107,026

19. CONTRACT LIABILITIES

	GROUP	
	2024 RM	2023 RM
Deposits received from customers		
Balance at beginning	11,662,403	4,511,037
Revenue recognised during the financial year	(17,666,465)	(1,396,219)
Progress billings issued during the financial year	15,881,549	8,547,585
Balance at end	9,877,487	11,662,403

Contract liabilities of the Group represent deposits received from customers in advance to manufacture tooling. The decrease in contract liabilities in 2024 is mainly due to more revenue is recognised as compared to the amount of progress billings issued to the customers during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

20. REFUND LIABILITIES

	GROUP	
	2024 RM	2023 RM
Arising from volume rebates	65,917	61,902

Refund liabilities arising from volume rebates represent volume rebates provided to certain customers who are entitled to the rebate on accumulated purchases to date. The rebates will be offset against outstanding balance owing by the customers. The volume rebates provided are expected to be materialised in the next financial year.

21. REVENUE**21.1 Disaggregated revenue information**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Types of goods				
Sales of goods	212,483,282	309,148,538	-	-
Tooling sales	8,624,472	1,396,219	-	-
Total revenue from contracts with customers	221,107,754	310,544,757	-	-
Distribution income	78,417	69,315	78,417	69,315
Gross dividend income from subsidiaries	-	-	-	3,200,000
Interest income	35,291	111,768	1,295,788	976,474
Rental income	-	-	2,088,834	1,716,300
Other revenue	113,708	181,083	3,463,039	5,962,089
Total revenue	221,221,462	310,725,840	3,463,039	5,962,089
Geographical markets				
United States of America	100,211,786	179,852,253	-	-
Malaysia	46,395,942	74,044,352	-	-
Asia Pacific	73,465,506	55,859,073	-	-
Europe	836,432	623,851	-	-
Oceania	198,088	165,228	-	-
Total revenue from contracts with customers	221,107,754	310,544,757	-	-
Timing of revenue recognition				
Revenue recognised at a point in time, representing total revenue from contracts with customers	221,107,754	310,544,757	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

21. REVENUE (CONT'D)

21.2 Contract balances

	GROUP	
	2024 RM	2023 RM
Trade receivables (Note 9)	64,721,493	102,984,080
Contract liabilities (Note 19)	<u>9,877,487</u>	<u>11,662,403</u>

21.3 Performance obligations

The performance obligations of the Group to recognise revenue are as follows:

(i) Sales of electronic components

Revenue from sales of electronic components encompasses manufacturing and assembling of electronic components and is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

(ii) Sales of mechanical components

Revenue from sales of mechanical components encompasses the design and manufacturing of precision miniature engineering metal parts and components, precision mechanical parts, die casting and assembling and dealing of testing measuring equipment and is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

Unsatisfied performance obligations

The transaction price allocated to the remaining performance obligations of the Group (unsatisfied or partially unsatisfied) to be fulfilled within one year as at the end of the reporting period is **RM7,932,689** (2023: RM3,323,509).

22. OTHER INCOME

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Distribution income	365,115	80,880	-	-
Gain on derecognition of right-of-use assets and lease liabilities	-	69,005	-	-
Gain on disposal of investment in an associate	-	1,500,000	-	-
Gain on disposal of other investments	670,751	547,943	895,211	550,221
Gain on disposal of property, plant and equipment	367,945	233,336	-	-
Realised gain on foreign exchange	73,943	4,870,525	-	-
Scrap sales	172,948	282,478	-	-
Sundry income	54,889	45,189	-	-
Unrealised gain on foreign exchange	<u>998,920</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,704,511</u>	<u>7,629,356</u>	<u>895,211</u>	<u>550,221</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**31 December 2024****23. FINANCE COSTS**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Accretion of interest on lease liabilities	131,316	185,636	-	-
Interest expenses on:				
- bank overdraft	10,922	10,788	-	-
- bankers' acceptance	26,109	258,657	-	-
- finance lease liabilities	1,004,620	701,796	-	-
- revolving credit	108,189	890,547	-	-
- term loans	1,364,244	1,416,566	697,765	598,949
	2,645,400	3,463,990	697,765	598,949

24. FINANCE INCOME

	GROUP	
	2024 RM	2023 RM
Interest income from financial institutions	1,503,455	1,120,960

25. (LOSS)/PROFIT BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
After charging:				
Auditors' remuneration				
- Statutory audit				
- Grant Thornton Malaysia PLT	185,000	165,000	49,000	44,000
Assurance related and non-audit services				
- Grant Thornton Malaysia PLT	3,000	3,000	3,000	3,000
- Affiliate of Grant Thornton Malaysia PLT	41,200	51,700	3,500	3,000
Depreciation of:				
- investment properties	-	-	1,920,594	540,662
- property, plant and equipment	17,671,428	15,770,342	91,054	90,729
- right-of-use assets	1,025,778	1,245,653	-	-
Emoluments for non-executive directors ⁽ⁱ⁾	155,500	156,000	155,500	156,000
Expenses relating to leases of low-value assets	26,081	23,843	-	-
Expenses relating to short-term leases	1,907,134	1,044,368	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

25. (LOSS)/PROFIT BEFORE TAX (CONT'D)

This is arrived at:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Fair value loss on other investments designated at FVTPL	381,590	185,026	586,236	189,947
Impairment loss on investment in subsidiaries	-	-	1,875,025	30,860,000
Inventories written down	3,830,398	-	-	-
Loss on derecognition of right-of-use assets and lease liabilities	39,115	-	-	-
Property, plant and equipment written off	1,266,978	2,724	-	-
Realised loss on foreign exchange	1,680,598	139,112	-	-
Staff costs ⁽ⁱⁱ⁾	49,639,624	57,354,963	-	-
Unrealised loss on foreign exchange	-	214,731	-	-
And crediting:				
Reversal of inventories written down	24,116	158,099	-	-
(i) Emoluments for non-executive directors				
- Fees	144,000	144,000	144,000	144,000
- Allowances	11,500	12,000	11,500	12,000
	155,500	156,000	155,500	156,000
(ii) Staff costs				
- Salaries, allowances, bonus and wages	43,997,774	51,360,275	-	-
- Defined contribution plan	4,997,289	5,250,632	-	-
- Social security contribution	583,883	671,462	-	-
- Employment insurance scheme	60,678	72,594	-	-
	49,639,624	57,354,963	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

25. (LOSS)/PROFIT BEFORE TAX (CONT'D)**Directors' remuneration**

The aggregate amount of remuneration received and receivable by the directors of the Company and its subsidiaries are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive directors of the Company:				
- Salaries, allowances and bonus	1,844,253	1,954,398	-	-
- Defined contribution plan	266,940	282,350	-	-
- Social security contribution	3,433	4,011	-	-
- Employment insurance scheme	125	218	-	-
Directors' remuneration included in the staff costs	2,114,751	2,240,977	-	-
Benefits-in-kind	52,300	68,266	-	-
	2,167,051	2,309,243	-	-

26. TAXATION

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysian income tax:				
Based on results for the financial year				
- Current tax	(847,000)	(5,760,003)	(382,000)	(328,000)
- Deferred tax relating to the origination and reversal of temporary differences	1,882,873	(56,139)	226,000	(26,000)
	1,035,873	(5,816,142)	(156,000)	(354,000)
Over/(Under) provision in prior year				
- Current tax	(411,968)	78,210	(17,422)	(14,625)
- Deferred tax	624,072	59,646	-	-
	212,104	137,856	(17,422)	(14,625)
	1,247,977	(5,678,286)	(173,422)	(368,625)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

26. TAXATION (CONT'D)

The reconciliation of taxation of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit before tax	(24,138,416)	19,971,343	(10,654,559)	(26,253,821)
Income tax at Malaysian statutory tax rate of 24%	5,793,220	(4,793,122)	2,557,094	6,300,917
Income not subject to tax	325,099	527,553	233,671	932,188
Expenses not deductible for tax purposes	(1,200,785)	(1,047,835)	(2,946,765)	(7,587,105)
Utilisation of current year reinvestment allowance	397,539	1,934,055	-	-
Deferred tax assets not recognised	(4,279,200)	(2,814,072)	-	-
Deferred tax assets recognised on unabsorbed reinvestment allowance	-	377,279	-	-
	1,035,873	(5,816,142)	(156,000)	(354,000)
Over/(Under) provision in prior year	212,104	137,856	(17,422)	(14,625)
	1,247,977	(5,678,286)	(173,422)	(368,625)

The deferred tax assets (gross amount) have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised. As at the end of the reporting period, the Group's deferred tax position is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax recognised:				
Property, plant and equipment	6,216,000	6,951,000	-	-
Unabsorbed capital allowances	(6,216,000)	(6,951,000)	-	-
	-	-	-	-
Deferred tax assets not recognised:				
Unused tax losses	(37,329,000)	(23,228,000)	-	-
Unabsorbed capital allowances	(17,776,000)	(14,376,000)	-	-
Unabsorbed reinvestment allowance	(6,637,000)	(6,637,000)	-	-
Other deductible temporary differences	(1,253,000)	(924,000)	-	-
	(62,995,000)	(45,165,000)	-	-

The gross amount and future availability of unused tax losses and unabsorbed allowances which are available to be carried forward for set-off against future taxable income is estimated as follows:

	GROUP	
	2024 RM	2023 RM
Unused tax losses	39,204,000	23,228,000
Unabsorbed capital allowances	29,288,000	21,327,000
Unabsorbed reinvestment allowance	7,254,000	6,637,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**31 December 2024****26. TAXATION (CONT'D)**

The unused tax losses can be carried forward for ten (10) consecutive years of assessment immediately following that year of assessment ("YA") of which tax losses was incurred and this is effective from YA 2019. Unabsorbed reinvestment allowance at the end of the qualifying reinvestment allowance period of fifteen years can be carried forward for seven (7) consecutive YAs while unabsorbed capital allowances can be carried forward indefinitely.

The unabsorbed reinvestment allowance will be disregarded in YA 2032 while the unused tax losses will be disregarded in the following YAs:

	GROUP	
	2024	2023
	RM	RM
YA 2029	297,000	297,000
YA 2030	2,211,000	2,211,000
YA 2031	3,091,000	3,091,000
YA 2032	3,991,000	3,991,000
YA 2033	6,651,000	6,651,000
YA 2034	6,987,000	6,987,000
YA 2035	15,976,000	-
	39,204,000	23,228,000

27. (LOSS)/EARNINGS PER SHARE**(i) Basic (loss)/earnings per share**

Basic (loss)/earnings per share of the Group is calculated by dividing the (loss)/profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2024	2023
(Loss)/Profit attributable to owners of the Company (RM)	(22,666,130)	14,496,509
Weighted average number of ordinary shares in issue	606,000,000	606,000,000
Basic (loss)/earnings per share (sen)	(3.74)	2.39

(ii) Diluted (loss)/earnings per share

The (loss)/earnings per share is not diluted as the Company does not have any dilutive potential ordinary shares as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

28. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Contracted but not provided for:				
- Building	16,720,000	-	16,720,000	-
- Plant and machinery and factory equipment	1,503,533	882,815	-	-
- Renovation of factory building	509,150	723,683	-	-
	<u>18,732,683</u>	<u>1,606,498</u>	<u>16,720,000</u>	<u>-</u>
Authorised but not contracted for:				
- Building	<u>9,603,000</u>	<u>4,770,000</u>	<u>9,603,000</u>	<u>4,770,000</u>

29. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Company has related party relationship with its subsidiaries and key management personnel.

(ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial year.

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Gross dividend income from subsidiaries	-	-	-	3,200,000
Interest receivable from subsidiaries	-	-	1,260,497	864,706
Rental income received from subsidiaries	-	-	2,088,834	1,716,300
Net advances to subsidiaries	<u>-</u>	<u>-</u>	<u>24,811,095</u>	<u>27,998,780</u>

(iii) Compensation of key management personnel

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

29. RELATED PARTY DISCLOSURES (CONT'D)**(iii) Compensation of key management personnel (Cont'd)**

The remuneration of the directors and other members of key management during the financial year is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Fees	144,000	144,000	144,000	144,000
Salaries and other short-term employee benefits	4,019,158	3,683,096	11,500	12,000
Defined contribution plan	505,424	481,490	-	-
Social security contribution	15,258	12,119	-	-
Employment insurance scheme	1,387	1,109	-	-
Benefits-in-kind	81,556	91,658	-	-
	4,766,783	4,413,472	155,500	156,000
Analysed as:				
- Directors	2,322,551	2,465,243	155,500	156,000
- Other key management personnel	2,444,232	1,948,229	-	-
	4,766,783	4,413,472	155,500	156,000

30. OPERATING SEGMENT

Operating segment is presented in respect of the Group's business segments. The business segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business Segments

The Group comprises the following main business segments:

- | | | |
|-------|--------------------------|--|
| (i) | Electronic business unit | Manufacturing and assembling of electronic components. |
| (ii) | Mechanical business unit | Design and manufacturing of precision miniature engineering metal parts and components, precision mechanical parts, die casting and assembling and dealing of testing measuring equipment. |
| (iii) | Others | Investment holding. |

Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's Chief Executive Officer (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current financial year and previous financial year.

Segment assets exclude tax assets and unallocated assets.

Segment liabilities exclude tax liabilities and unallocated liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

30. OPERATING SEGMENT (CONT'D)

By business segments

2024

	Electronic RM	Mechanical RM	Others RM	Elimination RM	Note	Total RM
Revenue						
External customers	148,622,849	72,484,905	113,708	-		221,221,462
Inter-segment revenue	479,973	349,543	3,349,331	(4,178,847)	A	-
Total revenue	<u>149,102,822</u>	<u>72,834,448</u>	<u>3,463,039</u>	<u>(4,178,847)</u>		<u>221,221,462</u>
Results						
Segment results	(13,536,912)	(7,294,311)	(2,165,248)	-		(22,996,471)
Finance costs						(2,645,400)
Finance income						1,503,455
Loss before tax						(24,138,416)
Taxation						1,247,977
Loss for the financial year						<u>(22,890,439)</u>
Assets						
Segment assets	239,730,420	115,202,193	45,059,969	-		399,992,582
Goodwill on consolidation						21,531,534
Tax recoverable						2,419,902
Total assets						<u>423,944,018</u>
Liabilities						
Segment liabilities	83,954,481	23,943,924	15,089,289	-		122,987,694
Deferred tax liabilities						3,041,880
Total liabilities						<u>126,029,574</u>
Other segment information						
Additions to non-current assets	9,441,401	2,779,280	5,790,433	-	B	18,011,114
Depreciation						
- property, plant and equipment	8,583,507	7,076,273	2,011,648	-		17,671,428
- right-of-use assets	309,079	716,699	-	-		1,025,778
Non-cash expenses other than depreciation	3,155,278	432,387	-	-	C	3,587,665

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**31 December 2024****30. OPERATING SEGMENT (CONT'D)**

By business segments (Cont'd)

2023

	Electronic RM	Mechanical RM	Others RM	Elimination RM	Note	Total RM
Revenue						
External customers	213,254,125	97,290,632	181,083	-		310,725,840
Inter-segment revenue	<u>2,399,893</u>	<u>317,221</u>	<u>5,781,006</u>	<u>(8,498,120)</u>	A	<u>-</u>
Total revenue	<u>215,654,018</u>	<u>97,607,853</u>	<u>5,962,089</u>	<u>(8,498,120)</u>		<u>310,725,840</u>
Results						
Segment results	17,673,521	3,722,880	917,972	-		22,314,373
Finance costs						(3,463,990)
Finance income						<u>1,120,960</u>
Profit before tax						19,971,343
Taxation						<u>(5,678,286)</u>
Profit for the financial year						<u>14,293,057</u>
Assets						
Segment assets	272,275,504	119,476,363	54,245,104	-		445,996,971
Goodwill on consolidation						21,531,534
Tax recoverable						<u>791,454</u>
Total assets						<u>468,319,959</u>
Liabilities						
Segment liabilities	97,136,555	30,755,255	13,013,583	-		140,905,393
Deferred tax liabilities						5,548,825
Tax payable						<u>1,108,858</u>
Total liabilities						<u>147,563,076</u>
Other segment information						
Additions to non-current assets	14,441,732	7,527,804	3,248	-	B	21,972,784
Depreciation						
- property, plant and equipment	6,837,729	8,301,222	631,391	-		15,770,342
- right-of-use assets	309,078	936,575	-	-		1,245,653
Non-cash expenses/(income) other than depreciation	368,408	(788,674)	(1,500,000)	-	C	(1,920,266)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

30. OPERATING SEGMENT (CONT'D)

Notes to segment information:

- A. Inter-segment revenue are eliminated on consolidation.
- B. Additions to non-current assets consist of total cost incurred to acquire property, plant and equipment and additions of right-of-use assets.
- C. Other material non-cash expenses/(income) other than depreciation consist of the following items:

	GROUP	
	2024 RM	2023 RM
Accretion of interest on lease liabilities	131,316	185,636
Addition/(Reversal) of inventories written down, net	3,806,282	(158,099)
Fair value loss on other investments designed at FVTPL	381,590	185,026
Gain on disposal of investment in an associate	-	(1,500,000)
Gain on disposal of other investments	(670,751)	(547,943)
Gain on disposal of property, plant and equipment	(367,945)	(233,336)
Loss/(Gain) on derecognition of right-of-use assets and lease liabilities	39,115	(69,005)
Property, plant and equipment written off	1,266,978	2,724
Unrealised (gain)/loss on foreign exchange	(998,920)	214,731
	3,587,665	(1,920,266)

Geographical Segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers as disclosed in Note 21.1 to the financial statements. Segment assets are based on the geographical location of assets.

The entire non-current assets of the Group are derived from Malaysia.

Information about major customers

The major customers which individually contributed to 10% or more of the Group's revenue are as follows:

		Revenue	
	Segment	2024 RM	2023 RM
Customer A	Electronic	49,745,700	159,962,308
Customer B	Electronic	46,385,685	31,705,867
Customer C	Electronic	24,847,674	-
Customer D	Mechanical	-	31,689,084

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

31. FINANCIAL INSTRUMENTS**31.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as FVTPL and amortised cost ("AC"):

	Carrying amount RM	FVTPL RM	AC RM
GROUP			
2024			
Financial assets			
Trade and other receivables, excluding prepayments	66,757,494	-	66,757,494
Other investments	3,484,111	3,484,111	-
Cash and bank balances	67,492,550	-	67,492,550
	137,734,155	3,484,111	134,250,044
Financial liabilities			
Trade and other payables	65,070,138	-	65,070,138
Borrowings	44,816,713	-	44,816,713
	109,886,851	-	109,886,851
2023			
Financial assets			
Trade and other receivables, excluding non-refundable deposits and prepayments	104,721,665	-	104,721,665
Other investments	6,243,948	6,243,948	-
Cash and bank balances	72,393,186	-	72,393,186
	183,358,799	6,243,948	177,114,851
Financial liabilities			
Trade and other payables	59,213,550	-	59,213,550
Borrowings	65,840,878	-	65,840,878
	125,054,428	-	125,054,428

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

31. FINANCIAL INSTRUMENTS (CONT'D)

31.1 Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as FVTPL and amortised cost ("AC"): (Cont'd)

	Carrying amount RM	FVTPL RM	AC RM
COMPANY			
2024			
Financial assets			
Trade and other receivables, excluding prepayments	26,427,145	-	26,427,145
Other investments	2,146,981	2,146,981	-
Cash and bank balances	3,635,555	-	3,635,555
	32,209,681	2,146,981	30,062,700
Financial liabilities			
Trade and other payables	107,968	-	107,968
Borrowings	14,977,121	-	14,977,121
	15,085,089	-	15,085,089
2023			
Financial assets			
Trade and other receivables, excluding prepayments	24,497,939	-	24,497,939
Other investments	259,589	259,589	-
Cash and bank balances	22,432,491	-	22,432,491
	47,190,019	259,589	46,930,430
Financial liabilities			
Trade and other payables	107,026	-	107,026
Borrowings	12,905,557	-	12,905,557
	13,012,583	-	13,012,583

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

31. FINANCIAL INSTRUMENTS (CONT'D)**31.2 Financial risk management**

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

31.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables while the Company's exposure to credit risk arises principally from advances to its subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to certain subsidiaries.

31.3.1 Trade receivables

The Group extends credit terms to customers that range between **30 to 150 days** (2023: 30 to 150 days). Credit period extended to its customers is based on careful evaluation of the customers' financial condition and payment history. Receivables are monitored on an ongoing basis via Group's management reporting procedures and action will be taken for long outstanding debts. In order to further minimise its exposure to credit risk, the Group, in some instances, requires letters of credits and deposits from the customers.

New customers are subject to a credit evaluation process and existing customers' risk profiles are reviewed regularly with a view to set appropriate terms of trade and credit limits. Where appropriate, further sales are suspended and legal actions are taken to attempt recoveries and mitigate losses for delinquent accounts.

The Group assesses expected credit losses ("ECL") under MFRS 9 on trade receivables based on a provision matrix. The expected credit loss rates are based on the payment profile for sales in the past as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward looking macroeconomic factors affecting the customer's ability to settle the outstanding amount. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed.

The Group applies the simplified approach to recognise lifetime expected credit losses for all trade receivables. The Group's ECL calculated under MFRS 9 is not material as at the end of the reporting period and hence, it was not provided for.

The ageing analysis of the Group's trade receivables as at the end of the reporting period is as follows:

	GROUP	
	2024	2023
	RM	RM
Not past due	60,168,553	80,955,983
1 to 30 days past due	1,208,704	18,195,385
31 to 60 days past due	352,365	3,449,931
61 to 90 days past due	2,744,497	238,244
More than 90 days past due	247,374	144,537
	4,552,940	22,028,097
	64,721,493	102,984,080

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

31. FINANCIAL INSTRUMENTS (CONT'D)

31.3 Credit risk (Cont'd)

31.3.1 Trade receivables (Cont'd)

The Group has trade receivables amounting to **RM4,552,940** (2023: RM22,028,097) that are past due but not impaired as the management is of the view that these debts will be collected in due course.

As at the end of the reporting period, the Group has significant concentration of credit risk in the form of outstanding balance due from **2 customers** (2023: 1 customer), representing **61%** (2023: 80%) of total trade receivables.

31.3.2 Intercompany balances

The Company provides advances to its subsidiaries and monitors the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by the carrying amount as disclosed in Note 9 to the financial statements.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable except for the impairment made for advances to the subsidiaries which the Company deems uncollectible as disclosed in Note 9 to the financial statements. The Company does not specifically monitor the ageing of these advances.

31.3.3 Financial guarantees

The Company provides unsecured financial guarantees to financial institutions for banking facilities granted to certain subsidiaries. The limit of the financial guarantees and the maximum exposure of the financial guarantees are **RM129,079,134** (2023: RM126,977,538) and **RM24,883,111** (2023: RM46,420,847) respectively.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by them. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

31.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

31. FINANCIAL INSTRUMENTS (CONT'D)**31.4 Liquidity risk (Cont'd)**

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one years and less than five years RM	More than five years RM
GROUP					
2024					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	65,070,138	65,070,138	65,070,138	-	-
Borrowings	44,816,713	47,163,648	20,381,407	24,735,430	2,046,811
Lease liabilities	3,157,439	3,870,360	1,225,488	2,644,872	-
Total undiscounted financial liabilities	113,044,290	116,104,146	86,677,033	27,380,302	2,046,811
2023					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	59,213,550	59,213,550	59,213,550	-	-
Borrowings	65,840,878	70,844,439	34,821,485	34,967,101	1,055,853
Lease liabilities	4,126,660	4,465,948	1,243,344	3,222,604	-
Total undiscounted financial liabilities	129,181,088	134,523,937	95,278,379	38,189,705	1,055,853
COMPANY					
2024					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	107,968	107,968	107,968	-	-
Borrowings	14,977,121	15,369,167	3,064,356	10,258,000	2,046,811
* Financial guarantees	-	24,883,111	24,883,111	-	-
Total undiscounted financial liabilities	15,085,089	40,360,246	28,055,435	10,258,000	2,046,811
2023					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	107,026	107,026	107,026	-	-
Borrowings	12,905,557	14,433,024	2,857,612	10,647,267	928,145
* Financial guarantees	-	46,420,847	46,420,847	-	-
Total undiscounted financial liabilities	13,012,583	60,960,897	49,385,485	10,647,267	928,145

* This has been included for illustration purpose only as the related financial guarantees have not crystallised as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

31. FINANCIAL INSTRUMENTS (CONT'D)

31.5 Interest rate risk

The Group's and the Company's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and of the Company's interest-bearing financial instruments based on their carrying amount as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed rate instruments				
Financial assets	21,183,339	16,047,367	27,912,412	28,460,252
Financial liabilities	22,974,371	32,509,783	-	-
Floating rate instruments				
Financial liabilities	21,842,342	33,331,095	14,977,121	12,905,557

Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial instruments at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have impacted the Group's and the Company's (loss)/profit before tax and equity by the amount shown below, and a corresponding decrease would have an equal but opposite effect. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables remain constant.

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Increase in loss before tax	54,606	-	37,443	32,264
Decrease in profit before tax	-	83,328	-	-
Decrease in equity	41,501	63,329	28,457	24,521

31.6 Foreign currency risk

The objectives of the Group's foreign exchange policies are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the functional currency of the Group entities. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currency giving rise to this risk is primarily United States Dollar ("USD").

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

31. FINANCIAL INSTRUMENTS (CONT'D)**31.6 Foreign currency risk (Cont'd)****Sensitivity analysis for foreign currency risk**

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates against Ringgit Malaysia, with all other variables being held constant, of the Group's (loss)/profit before tax and equity. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have impacted the Group's (loss)/profit before tax and equity by the amount shown below and a corresponding weakening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

	GROUP	
	2024 RM	2023 RM
USD	(3,677,732)	(7,589,968)
Others	46,731	67,622
Increase/(Decrease) in (loss)/profit before tax	<u>(3,631,001)</u>	<u>(7,522,346)</u>
Decreased in equity	<u>(2,759,561)</u>	<u>(5,716,983)</u>

31.7 Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's and the Company's other investments which are the short term funds with licensed financial institutions.

Management of the Group and of the Company monitor the investment in short term fund and it can be redeemed at any time upon notice given to the financial institutions.

Sensitivity analysis for equity price risk

As at the end of the reporting period, if the prices of the short term funds has been 1% higher/lower, with all other variables held constant, the Group's and the Company's (loss)/profit before tax and equity would have been impacted by the amount shown below, arising as a result of higher/lower fair value gain on investment in short term funds.

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Increase in loss before tax and equity	34,841	-	21,470	2,596
Decrease in profit before tax and equity	<u>-</u>	<u>62,440</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

32. FAIR VALUE MEASUREMENT

32.1 Fair value measurement of financial instruments

The carrying amounts of the Group's and of the Company's financial assets (other than other investments) and financial liabilities as at the end of the reporting period approximate their fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of the non-current portion of finance lease liabilities is reasonable approximation of fair values due to the insignificant impact of discounting.

32.2 Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Carrying amount RM
GROUP					
2024					
Financial asset					
Other investments	3,484,111	-	-	3,484,111	3,484,111
2023					
Financial asset					
Other investments	6,243,948	-	-	6,243,948	6,243,948
COMPANY					
2024					
Financial asset					
Other investments	2,146,981	-	-	2,146,981	2,146,981
2023					
Financial asset					
Other investments	259,589	-	-	259,589	259,589

The Group uses forward foreign exchange contracts to manage some of the transactions exposure. These contracts are not designated as cash flows or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting. The forward foreign exchange contracts have maturity of less than one year after the end of the reporting period.

Forward foreign exchange contracts are primarily used to hedge the Group's purchases denominated in Euro, for which firm commitments existed at the end of the reporting period. In addition, forward foreign exchange contracts are also used to hedge currency held in United States Dollar, particularly when market exchange rates are less favourable or volatile.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

32. FAIR VALUE MEASUREMENT (CONT'D)**32.2 Financial assets that are measured at fair value on a recurring basis (Cont'd)**

The fair value of the forward foreign exchange contracts has not been accounted for in the financial statements due to its immateriality to be recognised as at the end of the reporting period. The nominal value of the forward foreign exchange contracts is **RM895,918** (2023: RM Nil).

Level 1 fair value

Level 1 fair value of the other investments is derived by reference to their quoted market prices in active markets at the end of reporting period.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the financial year.

32.3 Non-financial assets that are measured at fair value

The directors determine the recurring fair values of the Company's investment properties based on the followings:

- (i) With reference to valuation report by external independent professional valuer using the market comparison method, being comparison of current price in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, size, present market trends and other differences; and
- (ii) Current market values with reference to the selling prices of similar properties.

Details of the Company's investment properties and information about the fair value hierarchy are as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
COMPANY					
2024					
Investment properties	-	-	34,500,000	34,500,000	31,838,222
2023					
Investment properties	-	-	29,200,000	29,200,000	27,968,383

Level 3 fair value - fair value of investment properties

Level 3 fair value is estimated using unobservable inputs for the investment properties.

Level 3 fair value of investment properties have been generally derived using the market comparison approach. Selling price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Level 3 fair value - fair value of investment in subsidiaries

The fair value less cost to sell of certain investment in subsidiaries is determined based on the adjusted net assets of those subsidiaries.

The fair value measurement for the fair value less cost to sell is categorised as level 3 fair value based on the management best estimates.

Description of valuation technique and input used	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value measurements
Adjusted net asset method which derives the fair value of the assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, 2 and 3 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and to maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group and of the Company. The Group and the Company may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group and the Company consider their total equity and total loans and borrowings to be the key components of their capital structure. The Group and the Company monitor capital using a debt to equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Total borrowings	44,816,713	65,840,878	14,977,121	12,905,557
Less: Cash and bank balances	(67,492,550)	(72,393,186)	(3,635,555)	(22,432,491)
Net (cash)/debt	(22,675,837)	(6,552,308)	11,341,566	(9,526,934)
Total equity	297,914,444	320,756,883	124,292,581	135,120,562
Gearing ratio	N/A⁽ⁱ⁾	N/A ⁽ⁱ⁾	0.09	N/A ⁽ⁱ⁾

⁽ⁱ⁾ N/A – Not applicable as net cash position

34. EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The effective date for the implementation of the Company's ESOS is 3 April 2018 which is the date of full compliance of all relevant requirements of Rule 6.44(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The ESOS shall be in force for a period of five (5) years from 3 April 2018 and will expire on 2 April 2023. On 15 March 2023, the Company has extended its existing ESOS period for another five (5) years until 2 April 2028.

There were no options granted during the financial year.

The salient features of the ESOS are as follows:

- (i) the total number of options offered under the ESOS shall not exceed ten per centum (10%) of the issued and paid-up share capital of the Company at any point in time during the duration of the ESOS;
- (ii) an employee (including executive and non-executive directors) shall be eligible to participate in the ESOS if the employee is at least eighteen (18) years of age on the date of offer; employed for a continuous period of at least six (6) months in the Group and has not served a notice to resign or received a notice of termination prior to the offer date;
- (iii) not more than fifty per centum (50%) of the new shares available under the ESOS shall be allocated, in aggregate, to directors and senior management of the Group. In addition, not more than ten per centum (10%) of the new shares available under the ESOS shall be allocated to any individual director or employee who, either singly or collectively through person connected with the director or employee, holds twenty per centum (20%) or more in the issued and paid-up share capital of the Company, or such adjustment which may be made under the By-Law, the maximum number of new shares that may be offered and allotted to any employee shall be determined at the discretion of the ESOS Committee, subject to always to the provisions of the Listing Requirements relating to allocation to directors and employees;

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

34. EMPLOYEE SHARE OPTION SCHEME ("ESOS") (CONT'D)

The salient features of the ESOS are as follows: (Cont'd)

- (iv) the option price shall be the higher of a price which is at a discount of not more than ten per centum (10%) from the weighted average market price of the shares as shown in the daily official list issued by the Bursa Securities for the five (5) market days immediately preceding the date of offer, or such other percentage of discount as may be permitted by the Bursa Securities or any other relevant authorities from time to time during the duration of the ESOS;
- (v) the new shares to be allotted upon any exercise of the options shall upon allotment and issuance rank *pari passu* in all respects with the existing issued and paid-up shares of the Company except that the new shares so issued will not be entitled for any dividend, rights, allotments and/or other distribution where the entitlement date (namely the date as at the close of business on which shareholders must be entered in the Record of Depositors with the Bursa Depository in order to be entitled to any dividends, rights, allotments and/or other distributions) precedes the date of allotment of the ESOS;
- (vi) the new shares to be issued and allotted to a director or employee pursuant to the exercise of option will not be subject to any retention period or restriction except for non-executive director, who must not sell, transfer or assign any new shares obtained through the exercise of option offered to him under the ESOS within one (1) year from the date of offer.

35. SIGNIFICANT EVENT

On 6 September 2024, the Company has entered into a Sale and Purchase Agreement with Megaready Industries Sdn. Bhd. in relation to the acquisition of a leasehold land with industrial building for a total consideration of RM20,900,000. As at the date of this report, the acquisition transaction has been completed.

36. EVENTS AFTER THE REPORTING PERIOD

- (i) On 20 February 2025, the Company has entered into a Sale and Purchase Agreement with Sing Ta Nian Development Sdn. Bhd. in relation to the acquisition of one parcel of freehold land for a total consideration of RM9,900,000. As at the date of this report, the acquisition transaction has yet to be completed.
- (ii) On 2 April 2025, the United States of America government announced a reciprocal tariff on the imported goods from all countries. The reciprocal tariff imposed a baseline of 10% tariff on all imports from the countries worldwide with effective from 5 April 2025 whilst higher tariffs were imposed on specific countries whereby Malaysia was imposed a tariff rate of 24%, which will take effect from 9 April 2025. On the even date, the United States of America government has announced that the higher tariffs imposed will be temporarily suspended for 90 days for all countries except for the Republic of China. The baseline of 10% tariff on all imported goods, however, will remain.

The imposition of the reciprocal tariff by the United States of America and the retaliation tariffs by certain countries may lead to dysfunctional global trade environment such as supply chain disruption and increase in the operation costs of doing business. These will put adverse implication on the global economy and may have a material adverse impact on the worldwide business and financial performance.

The management has monitored the tariff development closely in view of the United States of America is the Group's largest and the most important market. The newly announced tariff could have the potential impact on the Group's future sales in the United States of America. The financial impact on the Group's performance, if any, will be reflected in the financial year ending 2025 financial statements. At this juncture, the management is not in a position to quantify the potential financial impacts arising from this event due to the prevailing global uncertainties.

The degree of the reciprocal tariff impact on the Group's business operation will depend on the future tariff, which is highly uncertain and unpredictable. The Group will continue its effort in mitigating the exposure arising from the reciprocal tariff, particularly in maintaining the trust from the customers of the United States of America via the historical track records of deep integration in the value supply chain, engineering expertise and unwavering commitment to quality continue to differentiate the Group from the other competitors.

LIST OF PROPERTIES

Title/Location	Date of Acquisition	Description	Built-up Area / Land area	Existing Use	Tenure	Approximate Age of Buildings	Carrying Amount as at 31/12/2024 RM
15-1-20 & 15-1-21, Bayan Point, Medan Kampung Relau, 11900 Penang	18.09.2006	Office Lot	2,132 sq. ft.	Sales and administration office	Freehold	26 years	278,472
15-1-22, Bayan Point, Medan Kampung Relau, 11900 Penang	10.10.2012	Office Lot	1,066 sq. ft.	Sales and administration office	Freehold	26 years	190,000
HS(D) 87019 PT 19554 Bandar Sungai Petani Daerah Kuala Muda, Kedah Darul Aman	23.05.2018	Industrial Land & Building	45,317 sq. ft.	Factory building	Freehold	29 years	2,963,322
HS(D) 87781 PT 19560 Bandar Sungai Petani Daerah Kuala Muda, Kedah Darul Aman	23.05.2018	Industrial Land & Building	71,318 sq. ft.	Factory building	Freehold	27 years	4,471,280
HS(D) 87778 PT 19559 Bandar Sungai Petani Daerah Kuala Muda, Kedah Darul Aman	23.05.2018	Industrial Land & Building	81,358 sq. ft.	Factory building	Freehold	27 years	4,506,510
HS(D) 10078 PT 6692 Bandar Kulim Daerah Kulim, Kedah Darul Aman	05.08.2013	Industrial Land & Building	82,215 sq ft	Factory building	Leasehold for 60 years expiring on 22/8/2046	24 years	4,467,356
Lot 1341, Section 38 Bandar Kulim Daerah Kulim, Kedah Darul Aman	02.04.2019	Industrial Land & Building	227,119 sq ft	Factory building	Leasehold for 60 years expiring on 9/9/2043	27 years	13,656,149
P326D, Batu Kawan Industrial Park, Penang	28.05.2021	Industrial Land	392,040 sq ft	Vacant land	Leasehold for 60 years expiring on 2/11/2082	N/A	20,783,565
HS(D) 86698 PT19547 Bandar Sungai Petani Daerah Kuala Muda, Kedah Darul Aman	03.01.2024	Industrial Land & Building	43,340 sq. ft.	Factory building	Freehold	20 years	5,542,965

ANALYSIS OF SHAREHOLDINGS

As At 3 April 2025

Class of Shares	:	Ordinary shares
Voting Rights	:	On a show of hands, 1 vote
	:	On a poll, 1 vote for 1 ordinary share

LIST OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Name	Number of Shares Held			
	Direct	%	Deemed	%
DATO' SERI TAN KING SENG	192,130,000	31.70	50,000*	0.01
NOBLE MATTERS SDN. BHD.	67,441,452	11.13	-	-
CHEAH CHOON GHEE	1,830,000	0.30	67,441,452 [#]	11.13
ONG HOCK SEONG	-	-	67,441,452 [#]	11.13

Notes :

[#] Deemed interested by virtue of his shareholdings of not less than 20% in Noble Matters Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

* Deemed interest held through his son pursuant to Section 59(11)(c) of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

Name	Number of Shares Held			
	Direct	%	Deemed	%
LIM CHUN THANG	-	-	-	-
DATO' SERI TAN KING SENG	192,130,000	31.70	50,000*	0.01
CHEAH CHOON GHEE	1,830,000	0.30	67,441,452 [#]	11.13
LOW SOO KIM	50,000	0.01	-	-
WONG CHI YENG	30,000	0.00	-	-
LAI FAH HIN	40,000	0.01	60,000 [^]	0.01
KHOR CHENG KWANG	39,400	0.01	-	-

Notes :

[#] Deemed interested by virtue of his shareholdings of not less than 20% in Noble Matters Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

[^] Deemed interest held through his spouse's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.

* Deemed interest held through his son's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.

INTEREST IN RELATED CORPORATIONS

Dato' Seri Tan King Seng, by virtue of his interest in shares in the Company, is deemed interested in shares of all the Company's related corporations to the extent that the Company has an interest. Save as disclosed above, none of the other Directors in office has any interest in shares in the Company's related corporations as at 3 April 2025.

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Less than 100 shares	16	0.14	380	0.00
100 to 1,000 shares	1,734	15.70	1,104,549	0.18
1,001 to 10,000 shares	5,465	49.47	27,769,200	4.58
10,001 to 100,000 shares	3,352	30.34	107,923,030	17.81
100,001 to less than 5% of issued shares	478	4.33	209,631,389	34.59
5% and above of issued shares	2	0.02	259,571,452	42.84
Total	11,047	100.00	606,000,000	100.00

ANALYSIS OF SHAREHOLDINGS (CONT'D)

As At 3 April 2025

LIST OF THIRTY LARGEST SHAREHOLDERS

	NAME	NO. OF SHARES HELD	%
1	TAN KING SENG	55,432,000	9.15
2	TAN KING SENG	52,270,000	8.63
3	TAN KING SENG	48,000,000	7.92
4	NOBLE MATTERS SDN. BHD.	42,143,316	6.95
5	TAN KING SENG	36,428,000	6.01
6	NOBLE MATTERS SDN. BHD.	25,298,136	4.17
7	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	9,098,900	1.50
8	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OOI KENG THYE	8,796,100	1.45
9	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (AM INV)	8,070,900	1.33
10	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD	7,913,700	1.31
11	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. SAW KONG BENG	7,397,300	1.22
12	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	5,664,200	0.93
13	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. LEMBAGA TABUNG HAJI (AIIMAN)	4,593,900	0.76
14	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOW CHEAH YONG	3,850,000	0.64
15	SHUM THIN SOON	3,300,000	0.54
16	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SOON CHIEW HEA (E-JBU/BIH)	2,950,000	0.49
17	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ER SOON PUAY	2,750,000	0.45
18	GAN KOK KENG	2,700,000	0.45
19	GAN KOK KENG	2,600,000	0.43
20	LOH KOK WAI	2,510,700	0.41
21	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (PET-AMFUNDS-EQET)	2,341,600	0.39
22	TEY THIAN SING @ TEE THIAN KERN	2,115,000	0.35
23	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG WAH PENG	2,112,200	0.35
24	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA LIFE INSURANCE BERHAD (GROWTH)	1,900,000	0.31
25	CHEAH CHOON GHEE	1,830,000	0.30
26	AFFIN HWANG NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR LIM & TAN SECURITIES PTE LTD (CLIENTS A/C)	1,742,100	0.29
27	OOI KENG THYE	1,734,200	0.29
28	GOH ENG HOE	1,702,100	0.28
29	CHAW TECK LONG	1,620,000	0.27
30	AMANAHRAYA TRUSTEES BERHAD PMB DANA BESTARI	1,500,000	0.25
		350,364,352	57.82

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT MARJORIE 2, LEVEL 11, ICONIC MARJORIE HOTEL, NO. 239A, JALAN SULTAN AZLAN SHAH, 11900 BAYAN LEPAS, PENANG, MALAYSIA ON WEDNESDAY, 28 MAY 2025 AT 2.30 P.M. FOR THE FOLLOWING PURPOSES:-

AGENDA

As Ordinary Business:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. 2. To approve the payment of Directors' fees and Directors' benefits of RM159,000.00 for the financial year ending 31 December 2025. 3. To re-elect Dato' Seri Tan King Seng who retires in accordance with the Article 95 of the Company's Constitution. 4. To re-elect Mr. Cheah Choon Ghee who retires in accordance with the Article 95 of the Company's Constitution. 5. To re-elect Mr. Lim Chun Thang who retires in accordance with the Article 95 of the Company's Constitution. 6. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | <p>Please refer to the Explanatory Notes</p> <p>Ordinary Resolution 1</p> <p>Ordinary Resolution 2</p> <p>Ordinary Resolution 3</p> <p>Ordinary Resolution 4</p> <p>Ordinary Resolution 5</p> |
|---|---|

As Special Business :

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

7. **ORDINARY RESOLUTION AUTHORITY TO ISSUE SHARES**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the "**Act**"), Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and/or the approvals of the relevant regulatory authorities, where required, the Directors be and are hereby empowered to issue and allot shares in the Company, at such time and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the Act read together with Article 57 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the Act."

**Ordinary
Resolution 6**

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

As Special Business : (Cont'd)

To consider and if thought fit, to pass with or without modifications the following resolutions :- (Cont'd)

8. ORDINARY RESOLUTION

PROPOSED NEW SHAREHOLDERS' MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")

"THAT subject always to the Listing Requirements, approval be and is hereby given to the Company and/or its subsidiaries ("**JHM Group**") to enter into and give effect to specific recurrent related party transactions of a revenue or trading nature of JHM Group with specified classes of Related Parties (as defined in the Listing Requirements of Bursa Securities) as set out in Section 2.4, Part A of the Circular to Shareholders dated 29 April 2025, which are necessary for the day-to-day operations of JHM Group provided that transactions are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public as well as are not detrimental to the minority shareholders of the Company and such approval, shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company, at which time the mandate will lapse, unless the mandate is renewed by a resolution passed at that meeting;
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

AND THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

**Ordinary
Resolution 7**

9. ORDINARY RESOLUTION

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED SHARE BUY-BACK AUTHORITY")

"THAT subject to Sections 112, 113 and 127 of the Act, the provisions of the Listing Requirements and all other applicable laws, rules, regulations and guidelines for the time being in force, the Directors of the Company be and are hereby authorised, to make purchase(s) of ordinary shares in the Company on Bursa Securities subject to the following: -

- (a) The maximum number of shares which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company for the time being;
- (b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits of the Company; and

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

As Special Business : (Cont'd)

To consider and if thought fit, to pass with or without modifications the following resolutions :- (Cont'd)

9. **ORDINARY RESOLUTION
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN
SHARES ("PROPOSED SHARE BUY-BACK AUTHORITY") (CONT'D)**

- (c) Upon completion of the purchase by the Company of its own shares, the Directors of the Company are authorised to deal with the shares so bought-back in their absolute discretion in any of the following manner:-
- (i) cancel the shares so purchased; or
 - (ii) retain the shares so purchased as treasury shares and held by the Company; or
 - (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or
 - (iv) distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them; or
 - (v) transfer all or part of the treasury shares for purposes of an employees' share scheme, and/or as purchase consideration; or

in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authority for the time being in force;

AND THAT the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the said authority will lapse unless renewed by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed under Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the Listing Requirements and other relevant guidelines issued by the Bursa Securities or any other relevant authorities.

AND THAT the Directors of the Company be and are authorised to take all such steps to implement, finalise and give full effect to the Proposed Share Buy-Back Authority with full power to assent to any conditions, modifications, revaluations and/or amendments as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter in accordance with the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authorities."

**Ordinary
Resolution 8**

10. To transact any other business for which due notices shall have been given in accordance with the Companies Act 2016.

By Order of the Board,

CHEE WAI HONG (BC/C/1470)
SSM PC No. 202008001804
TAN SHE CHIA (MAICSA 7055087)
SSM PC No. 202008001923
Company Secretaries

Penang

Date: 29 April 2025

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes :

1. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. The proxy form must be duly completed and deposited at the Registered Office of the Company, Suite 16.06, MWE Plaza, No. 8, Lebuhraya Farquhar, 10200 George Town, Pulau Pinang not less than 48 hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint not more than 2 proxies to attend and vote at the same meeting.
4. Where a member appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 69 of Company's Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("**ROD**") as at 21 May 2025 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
9. All resolutions as set out in this notice of Twentieth Annual General Meeting are to be voted by poll.

Explanatory Note on Ordinary Business

Item 1 of the Agenda

To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.

This item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

Ordinary Resolution 1 – Payment of Directors' fees and Directors' benefits

The proposed Ordinary Resolution 1 is to facilitate payment of Directors' fees and Directors' benefits on current financial year basis, calculated based on the number of scheduled general meeting, Board and Committee meetings for 2025 and assuming that all Non-Executive Directors will hold office until the end of the financial year. In the event the Directors' fees and Directors' benefits proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees and benefits to meet the shortfall.

Ordinary Resolutions 2, 3 and 4– Re-election of Directors

The following Directors are standing for re-election as Directors of the Company pursuant to Article 95 of the Company's Constitution respectively at the Twentieth AGM of the Company and being eligible have offered themselves for re-election in accordance with the Company's Constitution :-

- a) Dato' Seri Tan King Seng
 - b) Mr. Cheah Choon Ghee
 - c) Mr. Lim Chun Thang
- (collectively referred to as "**Retiring Directors**")

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Note on Ordinary Business (Cont'd)

The Board has through the Nomination Committee ("NC") carried out the necessary assessment of the Retiring Directors and concluded that the Retiring Directors met the criteria as prescribed under Paragraph 2.20A of the Listing Requirements and the Fit and Proper Policy of the Company on character, experience, integrity, competence and time commitment to effectively discharge their role as Directors.

The Board has also through the NC assessed the performance and contribution of each of the Retiring Directors, including the assessment on the independence of Mr. Lim Chun Thang, being an Independent Non-Executive Director ("INED"). The Board is satisfied with the performance of each of the Retiring Directors and the independence of the INED.

The Board has endorsed the NC's recommendation to seek shareholders' approval for the re-election of the Retiring Directors. The details and profiles of the Retiring Directors are provided in the Directors' profile on page 13 of the Annual Report 2024.

Explanatory Note on Special Business

Ordinary Resolution 6 – Authority to issue shares

Renewal of authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 6, if passed, will give authority to the Board of Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company without convening a general meeting. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM.

As at the date of this Notice, the Company has not issued any new shares pursuant to the general authority granted to the Directors at the Nineteenth AGM held on 27 May 2024 and which will lapse at the conclusion of the Twentieth AGM to be held on 28 May 2025.

A renewal of this authority is being sought at the Twentieth AGM under proposed Ordinary Resolution 6.

Pursuant to Section 85 of the Companies Act 2016 read together with Article 57 of the Constitution of the Company, the shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company.

The proposed Ordinary Resolution 6, if passed, would allow the Directors to issue new shares to any person under the said mandate without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to issuance.

This authority if granted will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, acquisition(s) and/or settlement of banking facility(ies).

Ordinary Resolution 7 – Proposed New Shareholders' Mandate

The proposed Ordinary Resolution 7, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the Group's day-to-day operations and are in the ordinary course of business which carried out on an arm's length basis based on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. The details of the proposal are set out in Part A of the Circular/Statement to Shareholders dated 29 April 2025.

Ordinary Resolution 8 - Proposed Share Buy-Back Authority

The proposed Ordinary Resolution 8, if passed, will allow the Directors of the Company to exercise the power of the Company to purchase up to 10% of the total number of issued shares of the Company at any time within the time period stipulated in the Listing Requirements.

The details of the proposal are set out in Part B of the Circular/Statement to Shareholders dated 29 April 2025.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"). (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming AGM.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 6 as stated in the Notice of Twentieth AGM of the Company for the details.

PROXY FORM

JHM CONSOLIDATION BERHAD
Company No. 200501009101 (686148-A)
(Incorporated in Malaysia)

CDS Account No.	
No. of ordinary shares held	

I/We (FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Registration No.) of

..... (FULL ADDRESS) being a

*member/members of **JHM CONSOLIDATION BERHAD** (the “Company”), hereby appoint

Name of Proxy	NRIC No./Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Address			
E-mail	Contact No.		

*and

Name of Proxy	NRIC No./Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Address			
E-mail	Contact No.		

or failing him/her, *the Chairman of the meeting, to attend and vote for *me/ us and on *my/ our behalf at the Twentieth Annual General Meeting of the Company to be held at Marjorie 2, Level 11, Iconic Marjorie Hotel, No. 239A, Jalan Sultan Azlan Shah, 11900 Bayan Lepas, Penang, Malaysia on Wednesday, 28 May 2025 at 2.30 p.m. and at every adjournment thereof to vote as indicated below :

Resolutions		For	Against
Ordinary Resolution 1	Approval of payment of Directors’ fees and Directors’ benefits for the financial year ending 31 December 2025		
Ordinary Resolution 2	Re-election of Dato’ Seri Tan King Seng as Director		
Ordinary Resolution 3	Re-election of Mr. Cheah Choon Ghee as Director		
Ordinary Resolution 4	Re-election of Mr. Lim Chun Thang as Director		
Ordinary Resolution 5	Re-appointment of Messrs. Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to fix the Auditors’ remuneration		
Ordinary Resolution 6	Authority to issue shares		
Ordinary Resolution 7	Proposed New Shareholders’ Mandate for the Recurrent Related Party Transactions of a revenue or trading nature		
Ordinary Resolution 8	Proposed Share Buy Back Authority		

Please indicate with an “X” in the spaces provided above as to how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

In the case of a vote taken by a show of hands, the First Proxy shall vote on *my/our behalf.

As witness my hand this day of , 2025.

.....
Signature of Member (s)/ Common Seal
Contact No.:

* Strike out whichever is not desired

Notes :

1. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. The proxy form must be duly completed and deposited at the Registered Office of the Company, Suite 16.06, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than 48 hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint not more than 2 proxies to attend and vote at the same meeting.
4. Where a member appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“**Central Depositories Act**”), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**Omnibus Account**”), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 69 of Company’s Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors (“**ROD**”) as at 21 May 2025 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
9. All resolutions as set out in this notice of Twentieth Annual General Meeting are to be voted by poll.

Please fold here to seal



THE COMPANY SECRETARIES
JHM CONSOLIDATION BERHAD
Company No. 200501009101 (686148-A)
Suite 16.06, MWE Plaza
No. 8, Lebuh Farquhar
10200 George Town, Pulau Pinang

Please fold here to seal

JHM Consolidation Berhad

200501009101 (686148-A)

**15-1-21 Bayan Point,
Medan Kampung Relau,
11900 Penang.**

Tel : 604 646 5121

Fax : 604 645 7326

www.jhm.net.my