KPS CONSORTIUM BERHAD

198501011364 (143816-V)

ANNUAL REPORT 2024

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Corporate Information

BOARD OF DIRECTORS

Datuk Chua Hock Gee
Non-Independent Non-Executive Chairman

Lau Fook Meng
Executive Director

Hew Chee Hau
Independent Non-Executive Director

Cheng Lai Chuan
Independent Non-Executive Director

Wong See Mei
Independent Non-Executive Director

COMPANY SECRETARIES

Lim Seck Wah
(MAICSA 0799845)
(SSM Practicing Certificate No. 202008000054)

Kong Mei Kee
(MAICSA 7039391)
(SSM Practicing Certificate No.202008002882)

AUDIT COMMITTEE

Chairman : **Hew Chee Hau**
Member : **Cheng Lai Chuan**
Member : **Wong See Mei**

NOMINATION COMMITTEE

Chairman : **Cheng Lai Chuan**
Member : **Hew Chee Hau**
Member : **Wong See Mei**

REMUNERATION COMMITTEE

Chairman : **Cheng Lai Chuan**
Member : **Hew Chee Hau**
Member : **Wong See Mei**

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad, Main Market
Stock Code: 9121

WEBSITE

http://www.kpsconsortium.com.my

EMAIL

info@kpsconsortium.com.my

Corporate Information *(cont'd)*

REGISTERED OFFICE

Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: (603) 26924271
Fax: (603) 27325388
Email: mega-info@megacorp.com.my

PRINCIPAL PLACE OF BUSINESS

Lot 622, Jalan Lapis Dua, Kampung Sementa
Batu 6, Jalan Kapar
42200 Klang
Selangor Darul Ehsan
Tel: (603) 32915566
Fax: (603) 32914489

REGISTRAR

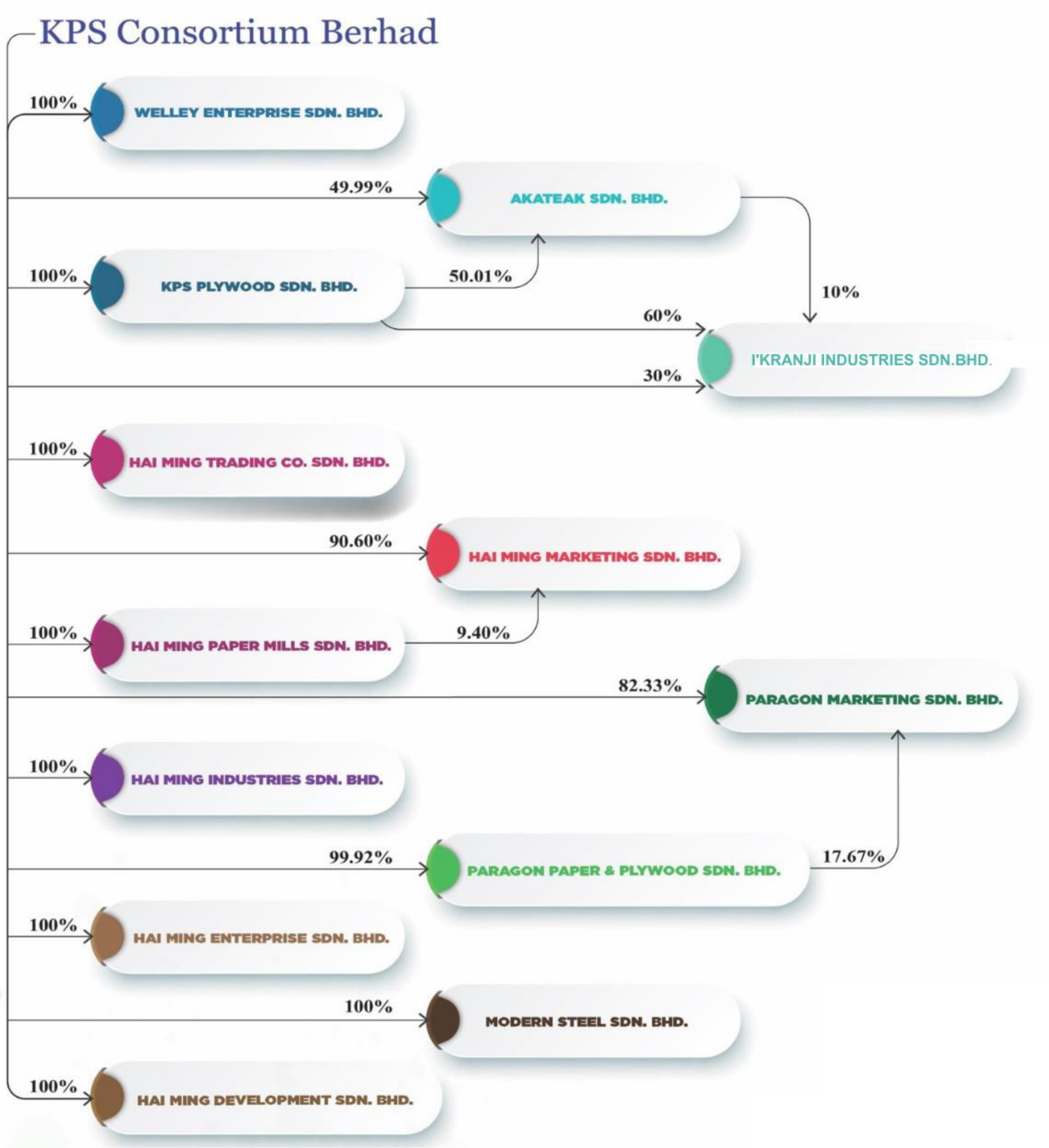
Mega Corporate Services Sdn. Bhd.
Registration No. 198901010682 (187984-H)
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: (603) 26924271
Fax: (603) 27325388
Email: mega-sharereg@megacorp.com.my
Website: www.megacorp.com.my

AUDITORS

Grant Thornton Malaysia PLT
(201906003682 & LLP0022494-LCA)
(Member Firm of Grant Thornton International Ltd.)
Chartered Accountants (AF 0737)
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: (603) 26924022
Fax: (603) 27325119
Website: www.grantthornton.com.my

Corporate Structure

As at 28 March 2025



Profile of the Board of Directors

At the date of this report, the Board of Directors of KPS Consortium Berhad ("KPSCB" or "the Company") comprises one (1) Non-Independent Non-Executive Chairman, one (1) Executive Director and three (3) Independent Non-Executive Directors.

The Board meets quarterly and additional Board Meetings are held as and when required. The Board met five (5) times during the financial year ended 31 December 2024.

Particulars of the Directors are as follows:-

DATUK CHUA HOCK GEE, male, Malaysian, age 64, was appointed as an Executive Director of KPSCB on 24 May 2014 and re-designated to Executive Chairman on 19 January 2015. On 4 April 2018, he was re-designated to Non-Independent Non-Executive Chairman. He obtained Diploma in Electrical Engineering from a Polytechnic.

From 1982 to 1984, he worked as Production cum Engineering Superintendent in United Malaysia Timber Products Sdn. Bhd. in Kemaman, Terengganu. He was in charge of planning of raw material, manpower requirements and monitoring all the maintenance and up-keep factory machinery.

From 1985 to 1991, he was with Lion Group Berhad as Senior Project Executive and Project Coordinator at Mechanical (M&E) Department. He was involved in vast projects including aquaculture project in Puchong, Selangor Darul Ehsan; Kuala Sedili, Johor; Kota Belut and Tawau, Sabah. He was also responsible in planning and executing overall mechanical and engineering renovation in Parkson Sg. Wang and Keramunsing, Sabah. He set up the preventive maintenance system in ASM Steel Mill Sdn. Bhd., Bukit Raja, Klang, Selangor Darul Ehsan.

From 1992 to 2004, he was appointed as an Executive Director of Syarikat CHG Plywood Sdn. Bhd., Syarikat Cheng Hin Timber Industry, Syarikat Galas Setia and OSK Timber Concession Sdn. Bhd. He was responsible in the overall planning of the companies' operations which involved raw material, manufacturing and marketing. He was assigned to develop new products and explore into a new market sector. He was in charge in planning, searching and developing of alternative source of materials and mechanisation of process manufacturing.

From 2007 till to-date, he is an active member in the Palm Plywood Project Phase 1 and 2 funded by Levy Fund of Ministry of Plantation Industries and Commodity which is also directly involved. This project involved the collaboration of Malaysian Timber Industry Board ("MTIB"), Forest Research Institute Malaysia, Malaysia Palm Oil Board and Universiti Putra Malaysia ("UPM").

From 2011 until present, he is a consultant for JES Development Ptd. Ltd., Singapore involving in international timber products trading.

Datuk Chua attended four (4) out of five (5) Board of Directors' Meetings held during the financial year ended 31 December 2024.

LAU FOOK MENG, male, Malaysian, age 73, was appointed as an Executive Director of KPSCB on 19 September 2002. He is a Chartered Accountant. He obtained his Fellowship from the Institute of Chartered Accountant of England & Wales. Upon graduation, he joined Asiatic Development Berhad in 1981 as an Accountant until 1983. In 1984, he joined Unico Holdings Berhad as the Group Accountant and left in 1992. From 1993 to 2002, he was the General Manager of Nichmurni Sdn. Bhd.

Mr. Lau attended all five (5) Board of Directors' Meetings held during the financial year ended 31 December 2024.

HEW CHEE HAU, male, Malaysian, age 48 was appointed as an Independent Non-Executive Director of KPSCB on 10 December 2020. He has a Degree of Accounting from University of Malaya and a Member of Malaysian Institute of Accountants.

Mr. Hew Chee Hau is a Chartered Accountant. He is a Managing Director in several companies providing accounting, tax advisor, corporate secretarial and corporate advisory services. He also serves as corporate advisor and strategic partner in financial and strategic planning to propel execution of growth strategies in several businesses in Malaysia for more than 10 years.

Mr. Hew Chee Hau is the Chairman of the Audit Committee. He is also a member of the Nomination Committee and Remuneration Committee.

Mr. Hew attended all five (5) Board of Directors' Meetings held during the financial year ended 31 December 2024.

Profile of the Board of Directors *(cont'd)*

CHENG LAI CHUAN, male, Malaysian, age 53 was appointed as an Independent Non-Executive Director of KPSCB on 29 March 2023. He obtained his Masters in Educational/Instructional Technology from University of Maine, Degree of Bachelor of Science from Western Michigan University and Diploma in Computer Science from RIMA College.

Mr. Cheng Lai Chuan is currently the Principal of AI Smartual Learning Sdn. Bhd. since 2018, which successfully developed three platforms for Education and Corporate Industry use. He also helps in Sustainability Reports of Public Listed Companies in Malaysia, Singapore, and Hong Kong.

He was the Investors Relations and Sustainability Director of SCGM Berhad and Business Development Manager in the Sales and Marketing Department for the subsidiary company, Lee Soon Seng Plastic Industries Sdn. Bhd.

He began his career as a Junior Research Analyst with CH Williams Talhar and Wong from 1995 till 1999. He joined Kong Sun Sdn. Bhd. as Marketing Executive. RHB Banking Group as Personal Financial Consultant, CIMB-Principal Asset Management as Vice President Institutional Equity Sales from 2000 to 2009.

Mr. Cheng then joined SCGM Plaza Sdn. Bhd. as General Manager from 2005 to 2011 overseeing the construction of Kulai Centre Point from conceptualization to design and the shopping centre's construction.

Mr. Cheng is the Chairman of the Nomination Committee and Remuneration Committee. He is also a member of the Audit Committee.

Mr. Cheng attended all five (5) Board of Directors' Meeting held during the financial year ended 31 December 2024.

WONG SEE MEI, female, Malaysian, age 36 was appointed as an Independent Non-Executive Director of KPSCB on 29 March 2023. She has a Diploma, Major in Graphic Design & Advertising from THE ONE Academy of Communication Design.

Ms Wong has more than 10 years of experience in Graphic Design & Advertising. She began her career as Head & Senior graphic designer in an event company in Exquisite Impression Sdn. Bhd. from 2010 till 2011.

She then joined Keyframe Design House as a Graphic designer in 2011 and subsequently joined Banway Marketing Sdn. Bhd., a printing company as a Senior graphic designer from October 2011 to February 2020.

She is currently the R&D Manager in Value Plus Industries Sdn. Bhd., a furniture company where she specializes in hardware and timber materials and furniture drawing since 2020.

She is also a freelance graphic designer in logo design, packaging design and layout and print design.

Ms Wong is also a member of the Audit Committee, Nomination Committee and Remuneration Committee.

Ms Wong attended four (4) out of five (5) Board of Directors' Meeting held during the financial year ended 31 December 2024.

Note:
All the above-named Directors of the Company have no family relationship with any director or major shareholder of the Company; and have not been convicted of any offences within the past five (5) years and do not have any conflict of interest in the Company and its group.

Profile of Key Senior Management

LAU FOOK MENG
Malaysian, male, age 73
As detailed on Page 5 - Profile of The Board of Directors in this Annual Report.

LOW TECK CHEONG
Malaysian, male, age 63
Qualification: Diploma in Business Administration

Mr. Low Teck Cheong joined Hai Ming Industries Sdn. Bhd. on 15 June 2009 as General Manager. He has been working with KPSCB group for more than fifteen (15) years. He is a Director to the Board of the subsidiaries of KPSCB since 2015 namely, Hai Ming Industries Sdn. Bhd., Hai Ming Paper Mills Sdn. Bhd. and Hai Ming Trading Co. Sdn. Bhd. where he is in charge of paper converting division and other trading divisions.

He is not a Director of any public company. He does not have any family relationship with any director or major shareholder of KPSCB group.

He has not been convicted of any offences within the past five (5) years and does not has any conflict of interest in the Company and its group.

KOH KOK HOOR
Malaysian, male, age 41
Qualification: Secondary school education

Mr. Koh Kok Hoor has been working in KPSCB group for more than nineteen (19) years. He is a Director to the Board of subsidiaries of KPSCB since 2004. He is in charge of purchasing and marketing in the building materials division.

Mr. Koh Kok Hoor is the son of Mr. Koh Poh Seng, the major shareholder of KPSCB group. He is not a Director of any public company.

He has not been convicted of any offences within the past five (5) years and does not has any conflict of interest in the Company and its group.

YONG CHEE WEI
Malaysian, male, age 43
Qualification: Higher National Diploma in Mechanical Engineering, UPM

Mr. Yong Chee Wei worked in a Taiwanese company as Assistant Production Manager for eight (8) years. He joined KPS Consortium Berhad group since 2010. He is a Director of Hai Ming Development Sdn. Bhd., Hai Ming Marketing Sdn. Bhd. and Modern Steel Sdn. Bhd. Currently, he oversees Paragon Paper & Plywood Sdn. Bhd., I'Kranji Industries Sdn. Bhd. and Hai Ming Trading Co. Sdn. Bhd..

Mr. Yong Chee Wei is the son-in-law of Mr. Koh Poh Seng, the major shareholder of KPSCB group. He is not a Director of any public company.

He has not been convicted of any offences within the past five (5) years and does not has any conflict of interest in the Company and its group.

CHUAH KONG WOOI
Malaysian, male, age 51
Qualification: Diploma in Civil & Structural Engineering

Mr. Chuah Kong Wooi has over 25 years of experience, progressing from site supervision to senior leadership roles in sales and marketing within the construction materials industry. He joined Akateak Sdn. Bhd. ("Akateak") in 2018 as Marketing Manager. On 10 October 2023, he was appointed as the Director of Akateak.

He is not a Director of any public company. He has not been convicted of any offences within the past five (5) years and does not has any conflict of interest in the Company and its group.

5-Year Group Financial Highlights

	RM '000				
	2024	2023	2022	2021	2020
Revenue from continuing operations	1,050,472	1,079,792	943,298	656,854	735,991
Profit/(loss) from continuing operation before tax	20,596	22,462	19,833	18,460	(6,520)
Profit/(Loss) from continuing operation after tax	16,067	17,470	15,829	14,726	(10,339)
Total comprehensive income/(loss) for the financial year	16,067	17,470	20,341	14,726	(10,339)
Total comprehensive income/(loss) for the financial year attributable to owner of the Company	16,064	17,466	15,828	14,726	(9,732)
Total assets	514,411	540,240	563,649	536,206	491,949
Equity attributable to owner of the parent	337,225	321,158	296,888	276,541	261,349
In RM **Net assets per share**	2.07	2.08	2.01	1.87	1.77
In Sen **Earnings/(Loss) per share**	9.88	11.29	10.71	9.96	(6.58)

Management Discussion & Analysis

Overview of Group's Business and Operations

KPS Consortium Berhad (KPSCB), established in 1985 and headquartered in Klang, Selangor, is an investment holding company with a diversified portfolio of businesses operating mainly in Malaysia. The Group is listed on the Main Market of Bursa Malaysia under the stock code 9121. Over the years, KPSCB has strategically expanded its operations, positioning itself as a key player in various sectors including paper manufacturing, building materials, and general trading.

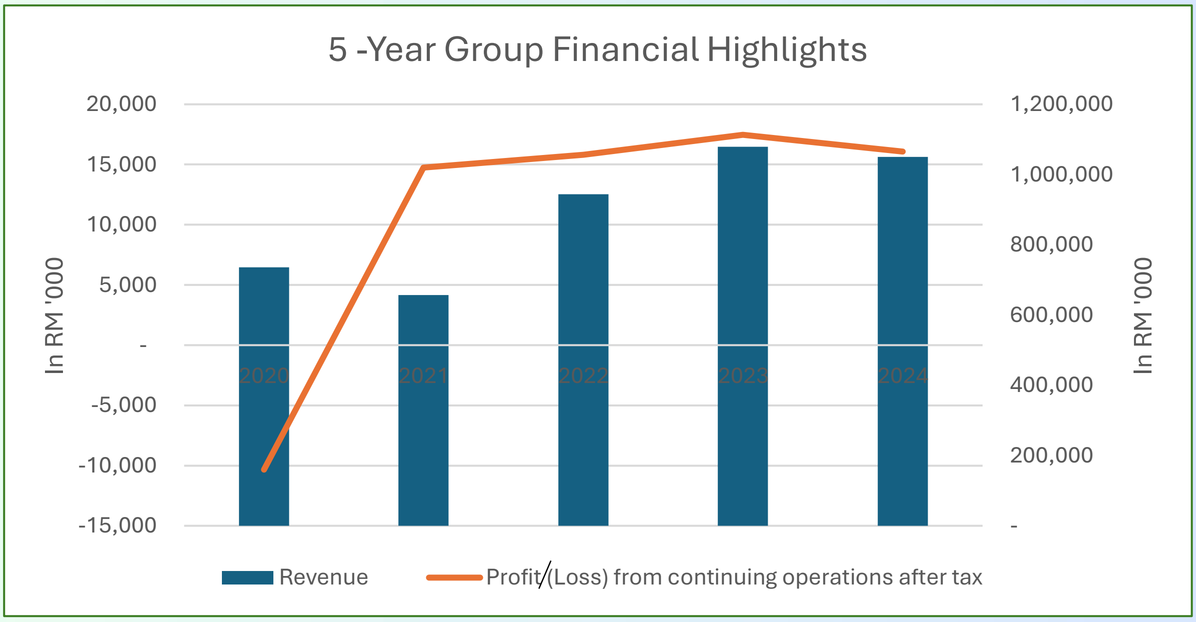
The Group's core business activities are organized into five main segments: paper milling, paper converting, building materials, investment and management, and other trading. In its paper milling operations, KPSCB produces a range of tissue paper products, while its paper converting segment focuses on transforming paper into consumer-ready products. The building materials segment involves the wholesale and retail of wooden doors, plywood, and construction-related items. Additionally, the Group provides investment holding and management services, and is engaged in the trading of paper products, stationery, and general household goods through its diversified trading segment

Review of Financial Results and Financial Condition

1. Financial Performance Review

Over the five-year period (2020–2024), the Group demonstrated resilience amid significant macroeconomic challenges, including the COVID-19 pandemic and subsequent recovery phase. Revenue from continuing operations declined sharply in 2021 (RM656.85 million) compared to 2020 (RM735.99 million), reflecting pandemic-related disruptions. However, strategic initiatives such as operational streamlining and market repositioning drove a robust recovery, with revenue surging to RM943.30 million in 2022 and peaking at RM1,079.79 million in 2023. The marginal decline to RM1,050.47 million in 2024 suggests moderating demand or competitive pressures, necessitating further market diversification.

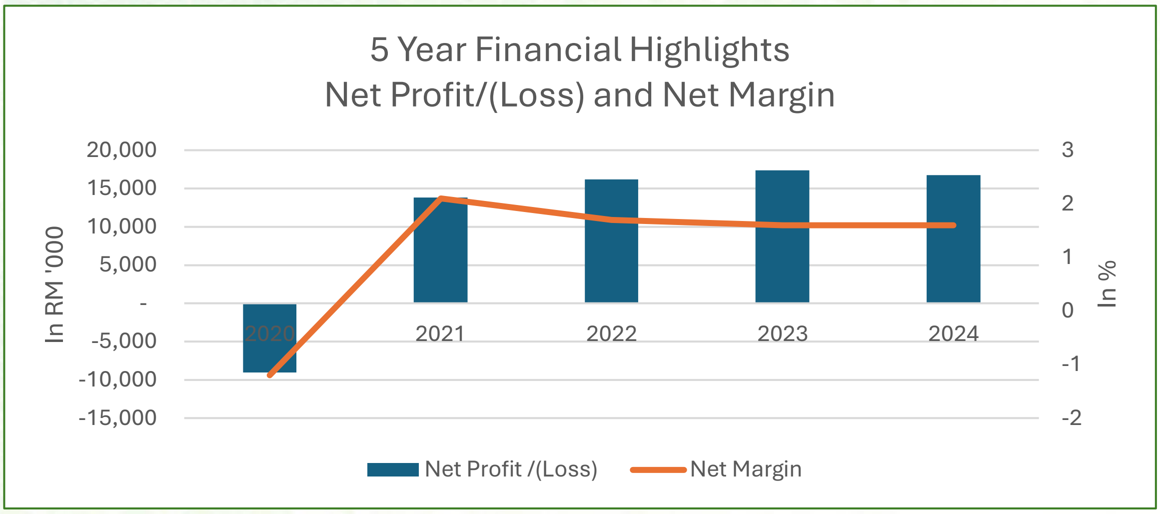
Profitability followed a similar trajectory, with a pre-tax loss of RM6.52 million in 2020 reversing to sustained profitability from 2021 (RM18.48 million pre-tax) onward. Post-tax profits grew steadily, reaching RM17.47 million in 2023 before easing to RM16.07 million in 2024. This moderation highlights rising input costs, inflationary pressures, or potential one-time expenditures impacting margins. Management remains focused on cost optimization and operational efficiency to safeguard profitability.



Management Discussion & Analysis *(cont'd)*

2. Operational Highlights and Comprehensive Income

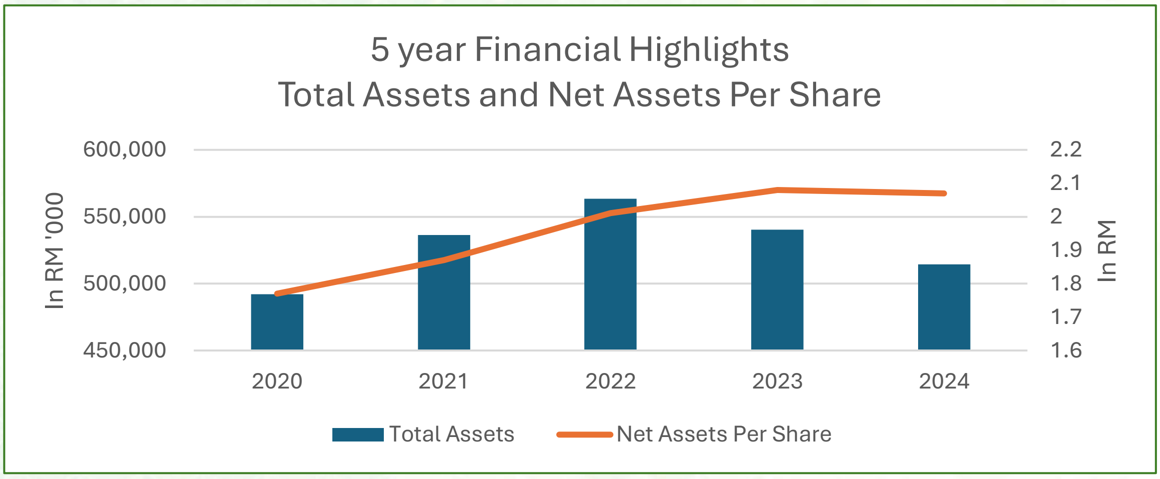
The Group's total comprehensive income mirrored core profitability trends, except in 2022, where it rose to RM20.34 million compared to RM15.83 million in post-tax profit. This variance stemmed from non-operational gains, such as asset revaluations, underscoring the Group's exposure to external financial volatilities. While such gains bolstered 2022 performance, they emphasize the need for robust risk management frameworks to mitigate future uncertainties.



3. Liquidity and Capital Resources

Total assets declined from RM563.65 million in 2022 to RM514.41 million in 2024, reflecting strategic divestments of non-core assets and prudent capital allocation. Concurrently, equity attributable to owners grew consistently, rising from RM261.35 million in 2020 to RM337.23 million in 2024, driven by retained earnings and disciplined dividend policies. This strengthened equity base enhances the Group's capacity to pursue growth opportunities while maintaining financial stability.

Net assets per share improved from RM1.77 in 2020 to RM2.07 in 2024, signalling sustained shareholder value creation. Earnings per share (EPS) recovered from a loss of 6.58 Sen in 2020 to a peak of 11.29 Sen in 2023, though it moderated to 9.88 Sen in 2024. Management acknowledges the need to address EPS volatility through enhanced earnings quality and sustainable growth strategies.



Management Discussion & Analysis *(cont'd)*

4. Key Challenges and Risks

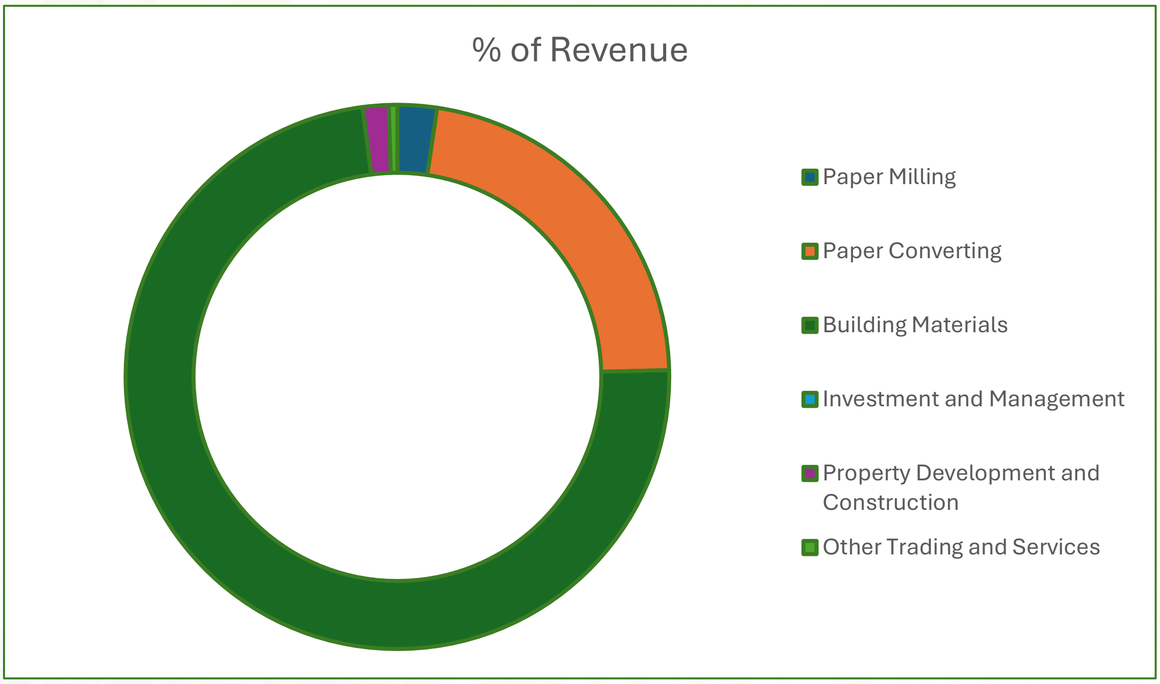
The Group faces headwinds including inflationary cost pressures, supply chain disruptions, and intensifying market competition. The 2024 dip in revenue and profitability underscores these challenges, necessitating agile responses such as pricing strategies, supplier diversification, and technological adoption. Additionally, exposure to foreign exchange fluctuations and interest rate volatility remains a material risk, requiring proactive hedging and liquidity management.

5. Future Outlook and Strategic Priorities

Looking ahead, the Group is committed to sustaining long-term growth through the following initiatives:

- Cost Management: Rigorous oversight of operational expenses and supply chain efficiencies to protect margins.
- Revenue Diversification: Expansion into new markets and product segments to reduce dependency on cyclical industries.
- Strategic Investments: Leveraging the strong equity base to fund technology upgrades, acquisitions, or R&D for competitive differentiation.
- Stakeholder Communication: Enhanced transparency in reporting to align investor expectations with performance trends.

The Group has demonstrated resilience in navigating post-pandemic challenges, achieving sustained revenue growth and equity accumulation. However, the evolving macroeconomic environment demands proactive strategies to address cost pressures, competitive dynamics, and regulatory shifts. Management remains committed to long-term value creation through innovation, operational excellence, and stakeholder-centric governance. Regular updates will be provided to ensure alignment with Bursa Malaysia's disclosure standards and investor expectations.



	Paper Milling	Paper Converting	Building Materials	Investment and Management	Property Development and Construction	Other Trading and Services
Revenue	24,580,630	233,885,448	770,657,008	260,000	16,018,635	5,330,219
%	2.34%	22.26%	73.34%	0.02%	1.52%	0.51%

Management Discussion & Analysis *(cont'd)*

1. Paper Milling

The Paper Milling segment contributed RM24.58 million in external revenue during 2024, representing a modest but stable performance. Despite generating no inter-segment revenue, the segment achieved a profit of RM3.38 million, primarily supported by finance income of RM145,139. However, profitability was constrained by significant depreciation costs (RM1.60 million) and non-cash expenses (RM246,686), likely linked to asset impairments or inventory adjustments. The segment's assets totaled RM27.05 million, reflecting investments in machinery and infrastructure, while liabilities remained manageable at RM5.19 million, primarily tied to trade payables. Moving forward, modernizing aging equipment and optimizing production efficiency will be critical to sustaining margins amid rising operational costs.

2. Paper Converting

The Paper Converting segment generated RM233.89 million in revenue, making it the second-largest contributor to the Group's top line. However, it reported a loss of RM875,564, driven by high finance costs (RM991,468) and substantial non-cash expenses (RM664,762). These losses highlight operational inefficiencies, potentially due to underutilized assets or pricing pressures in traditional packaging markets. With segment assets of RM59.16 million and liabilities of RM12.85 million, the segment faces liquidity challenges that necessitate restructuring. Strategic shifts toward eco-friendly packaging solutions and cost rationalization could mitigate risks and align the segment with growing sustainability trends.

3. Building Materials

As the Group's cornerstone, the Building Materials segment delivered RM770.66 million in revenue, accounting for 73% of total consolidated revenue. It achieved a robust profit of RM18.47 million, bolstered by non-cash income of RM4.65 million, likely from asset revaluations or reversals of prior impairments. However, the segment also faced significant tax expenses (RM4.12 million), reflecting its high profitability. With RM348.28 million in assets, including inventory and property investments, and liabilities of RM21.55 million, the segment maintains a strong balance sheet. Its performance remains tied to construction sector demand, necessitating diversification into industrial and sustainable materials to hedge against cyclical risks.

4. Investment and Management

This segment reported minimal external revenue (RM260,000) and a loss of RM178,781, primarily serving as the Group's internal management hub. Its assets totalled RM157.26 million, including unallocated corporate holdings, while liabilities were negligible at RM158,402. While not a direct revenue driver, this segment plays a critical role in liquidity management and strategic oversight of subsidiaries. Future focus could include optimizing returns from subsidiaries and exploring joint ventures in high-growth ASEAN markets.

5. Property Development and Construction

The Property Development segment generated RM16.02 million in revenue and a profit of RM2.05 million, supported by non-cash income of RM837,450, likely from project revaluations. Capital expenditure of RM616,050 signaled investments in new projects, though high liabilities (RM50.14 million) underscore reliance on project financing. With Malaysia's affordable housing initiatives gaining momentum, prioritizing cost-effective developments could enhance profitability and reduce debt dependency.

6. Other Trading and Services

This segment contributed RM5.33 million in revenue and a profit of RM115,263, demonstrating stable but limited growth. Low tax expenses (RM61,023) and manageable liabilities (RM1.48 million) reflect efficient operations. While small in scale, the segment's consistent performance suggests potential for gradual expansion into niche markets, such as specialty trading or logistics services.

Management Discussion & Analysis *(cont'd)*

Our Matters with Sustainability

At KPSCB, sustainability is more than a compliance obligation—it is a strategic imperative driving long-term business resilience, environmental stewardship, and societal impact. The financial year ended 2024 (FYE 2024) demonstrated substantial progress across our sustainability pillars: Environmental, Social, and Governance (ESG). This MD&A elaborates on the key sustainability trends, material outcomes, and future outlook that shaped our approach throughout the year.

1. Strategic Integration of ESG

Sustainability governance has been embedded into the core structure of KPSCB through a multi-tiered framework encompassing the Board of Directors, Sustainability Committee, and departmental champions. This governance mechanism ensured alignment with both Bursa Malaysia's Sustainability Reporting Guidelines and the Global Reporting Initiative (GRI) Standards. Strategic decisions across our Manufacturing and Trading Divisions were informed by material ESG issues and aligned with selected UN Sustainable Development Goals (SDGs).

2. Environmental Performance

Reduction in Carbon Footprint:
KPSCB made measurable gains in reducing Scope 1 and Scope 2 emissions across both divisions. Scope 1 CO_2 emissions from petrol usage dropped dramatically—from 127,404.51 litres in Trading (2023) to just 10,118.65 litres in 2024, while Scope 2 emissions also declined significantly (from 3,557.54 tonnes in 2023 to 2,812.81 tonnes in 2024). These reductions were a result of operational efficiency, electrification initiatives, and a shift towards cleaner energy.

Water and Waste Management:
Water usage in the Trading Division fell sharply by over 22,000 cubic meters from the previous year, highlighting successful implementation of conservation strategies. Additionally, the Manufacturing Division recorded 173.963 tonnes of waste, with plans underway to expand formal waste tracking across all operations.

Air Emissions and Compliance:
Paragon Paper & Plywood Sdn Bhd continued to meet stringent air quality thresholds, reinforcing our compliance posture and commitment to cleaner production processes.

3. Social Responsibility

Human Capital Development:
Total training hours increased more than threefold, from 255 hours in 2023 to 821 hours in 2024, reflecting our strategic investment in employee capacity building. Furthermore, zero incidents of workplace fatalities or lost-time injuries were recorded, underscoring the success of our Occupational Safety and Health (OSH) initiatives.

Diversity and Inclusion:
Our workforce grew to 309 employees, with an increasing percentage of female representation (36.9%) and senior employees over 50 years of age (41.1%), demonstrating inclusivity across gender and age demographics. These efforts contribute to fostering a balanced and resilient organisation.

Ethical Conduct and Integrity:
100% of employees across all levels were trained in anti-bribery and anti-corruption policies, and no incidents of corruption were reported in 2024. The Whistleblower and Human Rights policies continued to serve as cornerstones for ethical conduct and stakeholder protection.

Management Discussion & Analysis *(cont'd)*

4. Governance and Risk Management

Robust governance practices were upheld with oversight from the Board and Sustainability Committee. Risk assessments, ethical supply chain practices, and stakeholder engagement processes contributed to greater transparency and accountability. The third-party assurance of the sustainability data further enhanced our credibility and investor confidence.

5. Stakeholder Engagement and Materiality

In 2024, we deepened our stakeholder engagement through surveys, dialogues, and collaborative initiatives. The materiality assessment identified 18 ESG issues of critical importance, guiding our strategic priorities in areas such as emissions management, ethical sourcing, occupational safety, and community engagement.

6. Challenges and Opportunities

Despite a year of notable progress, challenges such as rising turnover among general workers (114 in 2024) and the absence of direct community donations highlight areas for future improvement. Nonetheless, opportunities abound in renewable energy adoption, Scope 3 emission reductions, and expanding digital reporting tools for ESG metrics.

Outlook for 2025 and Beyond

KPSCB remains committed to evolving our sustainability framework in line with global and national ESG benchmarks. In 2025, our focus will pivot towards:

- Expanding renewable energy integration.
- Formalizing Scope 3 emissions reporting beyond employee commuting.
- Advancing zero-waste strategies across divisions.
- Enhancing DEI and employee wellness programs.
- Strengthening our community engagement efforts.

Our long-term vision is clear: to integrate sustainability into every decision, build inclusive growth, and create enduring value for all stakeholders. With a disciplined approach and purpose-driven leadership, we are poised to lead KPS Consortium Berhad into a more sustainable and resilient future

Forward-Looking Statements

As KPSCB charts its path forward into 2025 and beyond, we remain guided by our commitment to sustainable value creation, operational resilience, and strategic agility in an increasingly complex global landscape.

Sustainability as a Strategic Growth Lever

Sustainability will continue to play a pivotal role in shaping our corporate strategy. Building on the solid progress achieved in 2024, we are expanding our focus towards a low-carbon economy by strengthening our climate-related disclosures, scaling up renewable energy integration across our manufacturing operations, and improving our Scope 3 emissions visibility. Our forward sustainability agenda includes setting measurable carbon reduction targets, embedding circular economy principles, and fostering partnerships aligned with the United Nations Sustainable Development Goals (UN SDGs).

Financial Outlook

Our financial strategy remains centered on maintaining healthy margins, optimizing supply chain costs, and enhancing operational efficiency through digital transformation. While inflationary pressures and rising interest rates pose macroeconomic headwinds, we are confident that our focus on lean operations, sustainable sourcing, and responsible capital allocation will continue to drive profitability and long-term shareholder returns.

Management Discussion & Analysis *(cont'd)*

Alignment with Malaysia's National Growth Plan

KPSCB aligns itself with Malaysia's national growth agenda, particularly the MADANI Economy framework, which emphasises inclusivity, sustainability, and innovation. We aim to support national goals by:

- Promoting local employment and supplier development,
- Expanding ESG compliance in line with Bursa Malaysia's mandatory sustainability disclosures,
- Investing in green technologies that advance Malaysia's net-zero 2050 ambition.

Our business strategy supports the government's vision for a high-value economy through ethical governance, equitable growth, and social responsibility.

Geopolitical and Global Trade Risks

Looking ahead, we are also mindful of emerging geopolitical risks. The potential return of U.S. tariffs under a future Trump administration, particularly targeting global supply chains and commodities, could disrupt trade flows and raw material costs. In anticipation, KPSCB is proactively diversifying its supplier base, strengthening regional sourcing, and exploring hedging strategies to manage exposure to price volatility.

Furthermore, we remain attuned to the global regulatory shift towards carbon border adjustment mechanisms (CBAM), ESG-linked investor demands, and increased scrutiny of environmental performance by international buyers. Our ESG governance and reporting practices are continuously enhanced to meet these evolving expectations and safeguard our market access.

Commitment to Resilience and Shared Value

As we enter a new financial year, our strategic priorities are clear: deepen sustainability integration, strengthen stakeholder trust, and pursue growth that is both profitable and purposeful. Whether through ethical sourcing, employee empowerment, or climate resilience, we are committed to delivering shared value across all dimensions of our business.

We recognize that the future will be shaped by dynamic externalities from climate change to trade policies and our agility, transparency, and purpose-driven leadership will remain key to navigating these challenges and seizing new opportunities.

Sustainability Statement

Sustainability is an essential part of shaping a better future, and it drives every step we take at KPS Consortium Berhad (KPSCB). In today's rapidly evolving world, businesses have a responsibility to contribute positively to society while protecting the environment. This Sustainability Report captures our efforts to uphold this responsibility by embedding sustainable practices into our operations and decision-making processes.

Throughout FYE 2024, we have taken deliberate steps to reduce our environmental impact, empower our workforce, and strengthen our relationships with the communities we serve. By fostering innovation and collaboration, we are laying the groundwork for long-term value creation that benefits not just our stakeholders, but also future generations.

This report reflects our commitment to transparency and accountability as we work toward meaningful progress. Together, we aim to grow responsibly, ensuring that sustainability remains at the heart of everything we do.

MESSAGE FROM OUR CHAIRMAN

Dear Esteemed Stakeholders,

It is with a sense of responsibility and gratitude that I address you as the Chairman of KPS Consortium Berhad. Reflecting on 2024, I am pleased to share the progress we have made on our sustainability journey, driven by our commitment to creating long-term value for our stakeholders and the environment. Sustainability remains central to our operations, with our recycling initiative exemplifying this focus. By converting recycled papers into quality toilet rolls, we aim to conserve resources and encourage meaningful change.

This year, we continued to prioritize integrity and accountability, completing 100% of our Anti-Bribery and Anti-Corruption training in 2023, with plans to renew this effort in 2025. This underscores our dedication to ethical practices and ensuring integrity in all we do.

Our sustainability efforts also extended to reducing energy consumption, minimizing emissions, and improving waste management across operations. At the same time, we invested in initiatives that support employee well-being and strengthen community ties, reflecting our commitment to creating positive change.

While the path to sustainability is continuous and challenging, the progress we have made drives us to strive for even greater impact. We remain focused on listening to stakeholders, evolving our efforts, and adopting innovative approaches to remain resilient in an ever-changing world.

On behalf of the Board, I extend my sincere gratitude to our employees, customers, business partners, and communities. Your trust and support motivate us to continue building a better, more sustainable future for everyone.

With sincere appreciation,

Datuk Chua Hock Gee
Non-Independent Non-Executive Chairman
KPS Consortium Berhad

Sustainability Statement *(cont'd)*

ABOUT KPS CONSORTIUM BERHAD

KPS Consortium Berhad's annual Sustainability Statement outlines the company's initiatives and progress towards sustainable development for the financial year ended 2024. The report fulfils the company's commitment to transparency and accountability, addressing the expectations of its diverse stakeholders.

By emphasising open communication and detailed disclosure, the company aims to build trust and strengthen relationships with its stakeholders, including employees, investors, customers, business partners, suppliers, and the communities where it operates. The Sustainability Statement aligns with the company's Annual Report and corporate website. Additional material issues, such as corporate governance, internal operations, and business activities, are covered in other sections of the reporting framework

To manage sustainability matters, KPSCB has adopted an informal sustainability governance structure, described in the statement. This approach ensures that sustainability considerations remain integrated into the company's decision-making processes and operational practices.

The company recognises that sustainability is an ongoing journey, requiring continuous effort to enhance performance and achieve meaningful targets. While some data is collected with the assistance of third parties, the company remains committed to refining its practices and improving its reporting to meet the highest standards of accuracy and reliability.

REPORTING STANDARDS

KPSCB's annual Sustainability Statement outlined the company's initiatives and progress towards sustainable development for the financial year ended 2024. The report was prepared to fulfil the company's commitment to transparency and accountability while addressing the expectations of its diverse stakeholders.

By emphasising open communication and detailed disclosure, the company aimed to build trust and strengthen relationships with its stakeholders, including employees, investors, customers, business partners, suppliers, and the communities where it operates. The Sustainability Statement was aligned with the company's Annual Report and corporate website. Additional material issues, such as corporate governance, internal operations, and business activities, were covered in other sections of the reporting framework.

To manage sustainability matters, KPSCB had adopted sustainability governance structure, which was described in the statement. This approach ensured that sustainability considerations remained integrated into the company's decision-making processes and operational practices.

The company recognised that sustainability is an ongoing journey, one that requires continuous effort to enhance performance and achieve meaningful targets. While some data was collected with the assistance of third parties, the company remains committed to refining its practices and improving its reporting to meet the highest standards of accuracy and reliability

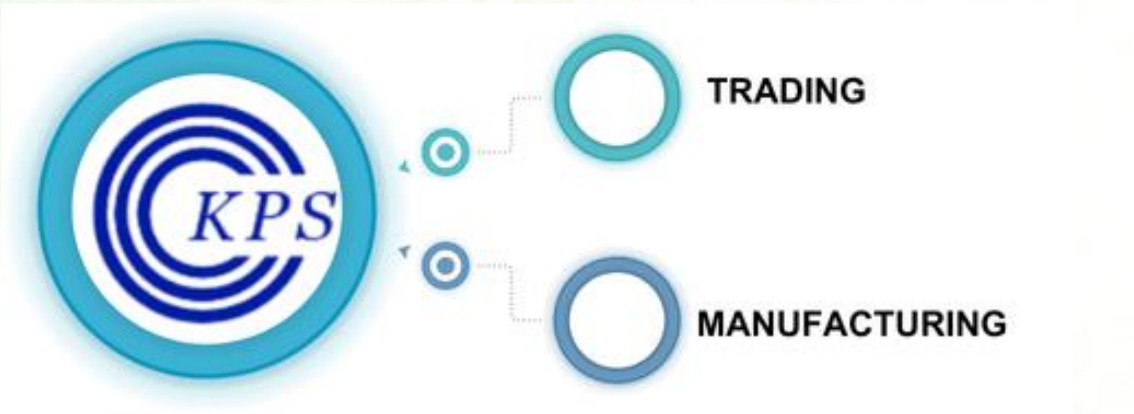
Sustainability Statement *(cont'd)*

SCOPE OF REPORT

KPSCB's Sustainability Report for the financial year ended 31 December 2024 centred on the key aspects of its business, namely the Manufacturing and Trading divisions. As vital components of the Company's operations, the report seeks to showcase the sustainability initiatives and their impact within these areas.

Within the Manufacturing Division, the 2024 Sustainability Report encompassed Paragon Paper & Plywood Sdn. Bhd. and I'Kranji Industries Sdn. Bhd., both of which played a crucial role in the production of essential materials. Their sustainability performance was assessed based on environmental practices, resource efficiency, and operational sustainability.

Meanwhile, the Trading Division consisted of multiple subsidiaries that were integral to the Company's business operations. The report included Welley Enterprise Sdn. Bhd., Akateak Sdn. Bhd., Hai Ming Enterprise Sdn. Bhd., Modern Steel Sdn. Bhd., KPS Plywood Sdn. Bhd., Hai Ming Industries Sdn. Bhd., Paragon Marketing Sdn. Bhd., Hai Ming Paper Mills Sdn. Bhd., Hai Ming Trading Co. Sdn. Bhd., and Hai Ming Marketing Sdn. Bhd.. Given the diverse nature of this division, the report emphasised key sustainability initiatives, particularly in supply chain management, responsible sourcing, and corporate responsibility.



Business Division	Company Name (Reference in the Report)
Manufacturing	Paragon Paper & Plywood Sdn. Bhd.
	I'Kranji Industries Sdn. Bhd.
Trading	Welley Enterprise Sdn. Bhd.
	Akateak Sdn. Bhd.
	Hai Ming Enterprise Sdn. Bhd.
	Modern Steel Sdn. Bhd.
	KPS Plywood Sdn. Bhd.
	Hai Ming Industries Sdn. Bhd.
	Paragon Marketing Sdn .Bhd.
	Hai Ming Paper Mills Sdn. Bhd.
	Hai Ming Trading Co. Sdn. Bhd.
	Hai Ming Marketing Sdn. Bhd.

By defining these boundaries, KPSCB sought to provide a clear and transparent overview of its sustainability progress across its core business divisions. The report reaffirmed the company's commitment to responsible business practices, ensuring that environmental and social considerations remained embedded in its long-term strategy.

Sustainability Statement *(cont'd)*

REPORTING FRAMEWORKS

For the financial year ended 31 December 2024, KPSCB has prepared its Sustainability Report, aligning with globally recognized frameworks to ensure transparency, accountability, and comparability. The report follows the Bursa Malaysia Sustainability Reporting Guidelines to meet regulatory standards and ESG best practices. It also adheres to the Global Reporting Initiative (GRI) Standards, providing a comprehensive view of the company's economic, environmental, and social performance. By adopting these frameworks, KPSCB reaffirms its commitment to responsible business practices and long-term value creation for stakeholders.

ASSURANCE

The Sustainability Statement for FYE 2024 has not undergone a formal assurance process. However, the information and data disclosed have been reviewed by the respective data owners and business divisions to ensure a fair representation of KPS Group's sustainability efforts and outcomes. As part of our commitment to transparency and continuous improvement, we will in consultation with the internal auditor, implement a review process for the future sustainability statements.

SUSTAINABILITY APPROACH

Embracing sustainability was a key priority in 2024, reflected in our two main divisions: Manufacturing and Trading.

In the Manufacturing Division, efforts were geared towards minimizing our environmental footprint. Implementing energy-efficient technologies such as Solar Panel at our Ikranji plant and promoting waste reduction were just the beginning. Sustainable sourcing such as using recycled paper and developing eco-friendly products underscored our commitment to innovation and resource efficiency.

Sustainability Statement *(cont'd)*

SUSTAINABILITY APPROACH *(cont'd)*

Together, these initiatives demonstrated our dedication to responsible business practices and our commitment to creating a positive impact on the environment, society, and the economy.

KPSCB ALIGNMENT WITH UN-SDG

KPSCB is wholeheartedly committed to aligning its business practices with the United Nations Sustainable Development Goals (SDGs). Our approach encompasses various initiatives across our Manufacturing and Trading Divisions, demonstrating our dedication to contributing to a more sustainable and equitable world.

Manufacturing Division

Within the Manufacturing Division, our efforts are focused on several key SDGs:

1. **Affordable and Clean Energy (SDG 7):** We are exploring methods to implement energy-efficient technologies and practices. By optimising our energy consumption, we aim to reduce our carbon footprint and contribute to global efforts to combat climate change.

2. **Decent Work and Economic Growth (SDG 8):** KPS places great importance on providing a safe and inclusive work environment. We are committed to fair labour practices and offering opportunities for professional development, thereby fostering economic growth and decent work for all employees.

3. **Responsible Consumption and Production (SDG 12):** Our manufacturing processes will be our key focus to minimise waste and promote recycling. By sourcing raw materials responsibly and focusing on resource efficiency, we strive to reduce the environmental impact of our operations.

Sustainability Statement *(cont'd)*

KPSCB ALIGNMENT WITH UN-SDG *(cont'd)*

Trading Division

In the Trading Division, our initiatives align with the following SDGs:

1. **Industry, Innovation, and Infrastructure (SDG 9):** We are exploring innovative practices to enhance the efficiency and sustainability of our supply chain. By leveraging technology and best practices, we aim to build resilient and sustainable infrastructure.

2. **Sustainable Cities and Communities (SDG 11):** Our commitment to community engagement is reflected in our support for local development projects. We are seeking in initiatives that improve the quality of life in the communities where we operate, ensuring sustainable urban development.

3. **Partnerships for the Goals (SDG 17):** Collaboration is at the heart of our sustainability strategy. We engage with stakeholders, including suppliers, customers, and local communities, to address sustainability challenges and opportunities. By fostering partnerships, we aim to drive collective action towards achieving the SDGs.

Through our dedicated efforts in both the Manufacturing and Trading Divisions, KPSCB continues to align its business practices with the Sustainable Development Goals. Our commitment to sustainability is evident in our actions and initiatives, reflecting our dedication to creating a positive impact on the environment, society, and the economy. By integrating the SDGs into our strategic framework, we are contributing to a sustainable future for all.

MOVING FORWARD WITH PURPOSE

Moving forward with purpose was central to our vision at KPSCB in 2024. We strengthened our foundations by embedding sustainability into our core operations, aligning with the Sustainable Development Goals (SDGs) and creating long-term value for our stakeholders.

Our Manufacturing Division is exploring energy-efficient technologies, sustainable sourcing, and eco-friendly product development, aiming to minimise our environmental impact. These efforts were supported by robust governance and ethical practices.

In the Trading Division, we focused on responsible sourcing and ethical supply chain management, promoting sustainable practices and supporting community development. Stakeholder collaboration and open communication ensured we remained responsive to their needs.

As we move into 2025, our purpose is clear: to build a sustainable future. We are exploring areas that need investment into research and development, drive innovation, and foster continuous improvement. Our commitment to responsible business practices will guide us in creating a positive impact on the environment, society, and the economy.

STAKEHOLDER ENGAGEMENT

In 2024, KPSCB continued its efforts to engage with stakeholders as part of its sustainability journey. We understand the importance of maintaining open communication to build trust and strengthen relationships with employees, investors, customers, suppliers, business partners, and local communities.

Sustainability Statement *(cont'd)*

STAKEHOLDER ENGAGEMENT *(cont'd)*

Throughout the year, we worked to improve our engagement practices by:

1. **Regular Dialogue:** We held meetings, briefings, and consultations to better understand stakeholder expectations and explore ways to align our practices accordingly;

2. **Surveys and Feedback Mechanisms:** We gathered input from employees, customers, and suppliers to identify areas where we can improve and make meaningful changes;

3. **Community Engagement:** We participated in community initiatives with the aim of addressing local needs and contributing positively to their well-being; and

4. **Sustainability Reporting:** We provided updates on our sustainability performance, sharing our progress openly through accessible reports.

These efforts reflect our commitment to improving how we engage with stakeholders and respond to their needs. Additionally, the materiality assessment we conducted in 2024 offered us valuable insights into the ESG issues that matter most to our stakeholders. While there is still much to learn and improve, we are working to address these priorities and develop initiatives that create positive impacts and long-term value.

We are grateful for the continued support of our stakeholders and remain committed to making steady progress in our sustainability practices. We recognise that this is an ongoing journey, and we are striving to do better every step of the way.

Stakeholder Group	Frequency & Engagement Type	Concerns	Management Strategies
Customers (Current & Prospective)	Continuous interactions through periodic meetings, satisfaction surveys, and CRM systems	- Product pricing - Quality of customer service and product - Adherence to regulations - Business ethics	- Strategic pricing initiatives - Swift and effective customer service resolutions - Enforcement of a stringent quality management system
Employees	Regular interactions via onboarding programs, performance reviews, and company-wide gatherings	- Career growth and training - Health and safety at work - Employee morale and satisfaction - Workplace environment	- Comprehensive educational and career development programs - Rigorous health and safety initiatives - Continuous employee engagement and communication efforts

Sustainability Statement *(cont'd)*

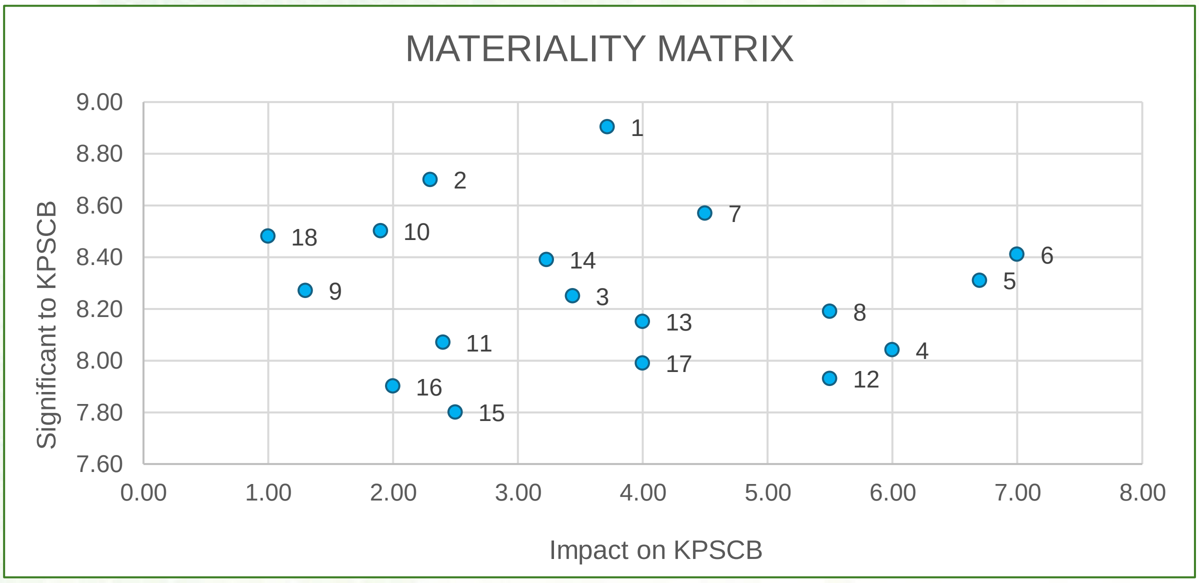
STAKEHOLDER ENGAGEMENT *(cont'd)*

Stakeholder Group	Frequency & Engagement Type	Concerns	Management Strategies
Suppliers	Occasional connections through performance assessments and compliance training	- Equity in supplier selection - Compliance with regulations - Expectations on pricing and payment terms - Product standards and quality	- Transparent supplier negotiation and selection processes - Ongoing improvements to procurement procedures - Clear communication of product specifications and quality benchmarks
Investors and Financiers	Yearly and quarterly engagements including general assemblies, financial announcements, and media briefings	- Corporate governance and ethics - Financial outcomes affecting ESG factors - Business risks - Public image	- Detailed Annual and Sustainability Reports - Introduction of diverse, cost-effective products - Regular financial performance updates - Active media engagement
Business Partners	Sporadic interactions through meetings, social functions, and product introductions	- Timeliness and conditions of payments - Terms of reference - Evaluations - Observance of human rights	- Establishment of comprehensive SOPs - Efficient SOP monitoring and enforcement
General Public	Non-regular engagement via public dialogues and interactive sessions	- Community environmental impact	- Collaboration with subject matter experts - Transparency through detailed public reporting
Governments and Regulators	As-needed basis through regulatory meetings, consultations, and compliance reporting	- Regulatory conformance - Safety standards in the workplace - Environmental regulation adherence	- Commitment to responsible reporting and marketing - Rigorous compliance with legal and regulatory standards, supported by a dependable reporting and monitoring systems

Sustainability Statement *(cont'd)*

MATERIALITY ASSESMENT

In 2024, KPSCB undertook a comprehensive materiality assessment to identify and prioritise the environmental, social, and governance (ESG) issues that are most significant to our stakeholders and our business. This process ensured that our sustainability strategy remains focused on areas of greatest impact and relevance.



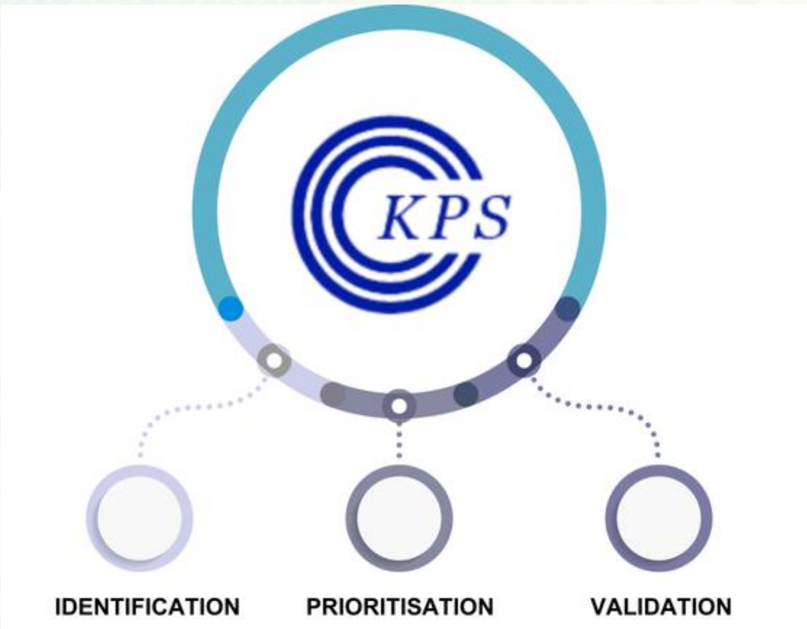
Number	Indicator
1	Economic Performance
2	Procurement Practices
3	Source of Raw Materials
4	Energy Practices
5	Water Effluent system
6	Emissions Discharge
7	Effluents and Waste practices
8	Enviromental compliance
9	Ethical Supplier Assessment
10	Supporting the Local Communities
11	Labour Management and Relationship
12	Occuplational Health and Safety
13	Training and Staff Develpoment
14	Non-Discrimination policy
15	Child Labour and Forced Labor
16	Security practices
17	Human Rights
18	Customer Privacy regulations / data protection

Sustainability Statement *(cont'd)*

MATERIALITY ASSESMENT *(cont'd)*

Approach and Methodology

The materiality assessment involved a structured approach that included the following steps:



Identification of Material Issues:

- We reviewed industry standards, best practices, and global sustainability frameworks, including the Global Reporting Initiative (GRI) Standards and the United Nations Sustainable Development Goals (SDGs), to guide us in identifying relevant ESG issues.
- Feedback from stakeholders, such as employees, investors, customers, suppliers, and local communities, helped us better understand which ESG issues are most important to them and our business.

Prioritisation of Material Issues:

- We considered the importance of these issues to our stakeholders and the potential impact on our business operations.
- To help us focus on what matters most, we developed a matrix to prioritise these issues. This was a learning process, and we are continuously working to improve how we address these priorities.

Validation and Review:

- The prioritised issues were reviewed by our senior management and sustainability committee to ensure they are in line with our corporate strategy and goals.
- While we have taken steps to validate these issues, we acknowledge there is always room for growth and welcome feedback to refine our approach further.

Sustainability Statement *(cont'd)*

MATERIALITY ASSESMENT *(cont'd)*

Approach and Methodology *(cont'd)*

Key Material Issues

The materiality assessment identified several key ESG issues that are of paramount importance to KPSCB :

Environmental Impact	Social Responsibility	Governance Practices
Energy efficiency and emissions reduction.	Employee welfare and development	Ethical business conduct and compliance.
Waste management and recycling	Community engagement and support.	Transparency and accountability in reporting.
Sustainable sourcing and resource efficiency.	Health and safety in the workplace.	Risk management and corporate governance.

Each issue was carefully evaluated to understand its relevance to stakeholders and its potential impact on our operations. Based on this analysis, we developed a materiality matrix to identify and focus on the areas most critical to our strategic direction and stakeholder expectations.

SUSTAINABILITY GOVERNANCE

KPCSB is committed to integrating sustainability into its core operations and decision-making processes. Our sustainability governance framework is designed to ensure that environmental, social, and governance (ESG) considerations are embedded across all levels of the organisation. This framework provides clear oversight and accountability, driving our sustainability agenda forward.

Governance Structure

Our sustainability governance structure comprises several key components:

Key Components	Responsibilities
Board of Directors: The Board of Directors holds ultimate responsibility for the company's sustainability strategy and performance. They provide strategic guidance and oversight, ensuring that sustainability initiatives align with the company's overall objectives and long-term goals.	• Provide strategic direction and oversight for sustainability initiatives. • Approve sustainability policies and ensure alignment with corporate objectives.
Sustainability Committee: The Sustainability Committee, chaired by a member of the Board, oversees the development and implementation of the company's sustainability policies and practices. The committee reviews sustainability performance, identifies areas for improvement, and ensures compliance with relevant regulations and standards.	• Oversee the development and implementation of sustainability policies. • Review and assess sustainability performance and compliance.

Sustainability Statement *(cont'd)*

SUSTAINABILITY GOVERNANCE *(cont'd)*

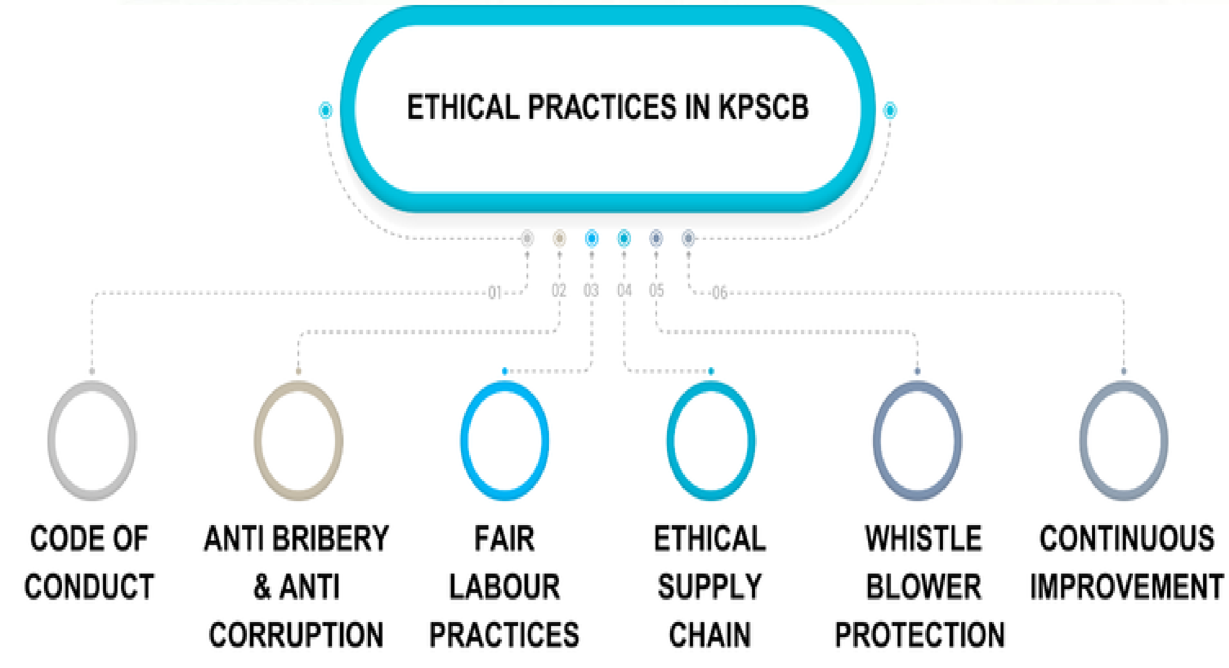
Governance Structure *(cont'd)*

Key Components	Responsibilities
Departmental Sustainability Champions: Each department within the company has designated Sustainability Champions who are responsible for promoting and implementing sustainability initiatives at the departmental level. These champions play a crucial role in fostering a culture of sustainability and ensuring that ESG practices are embedded in their respective areas of operation.	• Promote and implement sustainability initiatives within their departments. • Foster a culture of sustainability and ensure ESG practices are embedded in operations.

Our sustainability governance framework ensures that KPSCB remains committed to responsible business practices and sustainable growth. By embedding ESG considerations across all levels of the organisation, we are better equipped to address sustainability challenges and seize opportunities for long-term value creation. Our dedicated governance structure provides the oversight and accountability necessary to drive our sustainability agenda forward, ensuring a positive impact on the environment, society, and the economy.

ETHICAL PRACTICES IN KPSCB

In 2024, KPSCB continued to uphold the highest standards of ethical conduct across all business operations. Our commitment to transparency, accountability, and integrity remained at the forefront of our corporate governance framework.



Sustainability Statement *(cont'd)*

ETHICAL PRACTICES IN KPSCB *(cont'd)*

Code of Conduct

Our Code of Conduct guides employees, directors, and business partners in promoting honesty, integrity, and fairness. It covers areas like anti-corruption, anti-bribery, and conflict of interest, which we strive to uphold to the best of our ability.

Anti-Corruption and Anti-Bribery

We maintain a zero-tolerance approach to corruption and bribery, with regular training to improve awareness and compliance.

Fair Labour Practices

We aim to create a safe, inclusive, and respectful workplace, advocating for fair wages, non-discrimination, and the prohibition of forced or child labour.

Ethical Supply Chain

We work towards ensuring our supply chain aligns with ethical standards, using due diligence and setting clear expectations through our Supplier Code of Conduct.

Whistleblower Protection

Our whistleblower policy supports the reporting of unethical behaviour with confidentiality and protection from retaliation.

Continuous Improvement

We regularly review and update our policies, striving to do better and earn the trust of our stakeholders through responsible practices.

ANTI-BRIBERY AND ANTI-CORRUPTION

In 2024, KPSCB reinforced its commitment to combating bribery and corruption, recognising that maintaining the highest standards of ethical conduct is vital for fostering trust and integrity in our business operations.

KPSCB HAD ZERO CASE OF SUBSTANTIATED COMPLAINTS PERTAINING TO ANTI-BRIBERY & CORRUPTION AND GIFT GIVING INCIDENT ACROSS THREE FINANCIAL YEARS

Sustainability Statement *(cont'd)*

ANTI-BRIBERY AND ANTI-CORRUPTION *(cont'd)*

Anti-Bribery and Anti-Corruption	FYE 2022	FYE 2023	FYE 2024
Percentage of operations assessed for corruption-related risks	100%	100%	100%
Confirmed incidents of corruption and action taken	0 case	0 case	0 case

Zero-Tolerance Policy:

KPSCB remains committed to upholding a zero-tolerance policy towards bribery and corruption. We strive to conduct all business activities with integrity and in compliance with relevant laws and regulations. All forms of bribery, whether direct or indirect, are strictly prohibited, and this policy applies to employees, directors, business partners, and third-party representatives acting on behalf of KPSCB.

Comprehensive Policies and Guidelines:

Our anti-bribery and anti-corruption policies aim to provide guidance on recognising, preventing, and reporting unethical behaviour. These policies outline key practices, including:

1. Gifts and Hospitality: Guidelines ensure transparency in the giving and receiving of gifts and hospitality, requiring employees to report and seek approval for instances that exceed set thresholds;

2. Facilitation Payments: Prohibited under all circumstances, employees are encouraged to report such requests immediately; and

3. Conflicts of Interest: Employees are required to disclose potential conflicts of interest, ensuring impartiality and integrity in decision-making.

Training and Awareness:

KPSCB committed to preventing bribery and corruption, recognising the legal, reputational, and financial risks involved. While a comprehensive ABAC training was conducted for our employees in year 2023, subsequent new employees were briefed on ABAC Policy upon joining.

Moving forward, we are committed to reinstating this training to equip employees with the knowledge and tools needed to uphold ethical standards and act with integrity.

Sustainability Statement *(cont'd)*

ANTI-BRIBERY AND ANTI-CORRUPTION *(cont'd)*

Training and Awareness *(cont'd):*

By learning from this, we aim to strengthen our approach and uphold the trust placed in us by our stakeholders.

We strive to continuously improve our anti-bribery and anti-corruption efforts. We regularly review and update our policies and procedures to help ensure they remain relevant and aligned with best practices and regulatory requirements.

While we are still working to strengthen these efforts, we remain focused on fostering a culture of integrity and ethical behaviour. Through these ongoing improvements, we hope to build trust with our stakeholders and demonstrate our commitment to acting as a responsible and ethical organisation.

WHISTLEBLOWING POLICY

In 2024, KPSCB showed its commitment to honesty and fairness through its whistleblowing policy. This policy gave employees and others a safe way to report problems like unethical behaviour or breaking rules, without being afraid of punishment.

The company promised to protect anyone who reported issues from harassment and treated such reports seriously. Reports had to be made honestly, and false claims could lead to action against those making them. All reports were handled privately, though staying anonymous might make investigations harder.

EMAIL	LETTER
whistleblowing@kpsconsortium.com.my	KPS Consortium Berhad Lot 622, Jalan Lapis Dua, Kampung Sementa Batu 6, Jalan Kapar 42200 Klang Selangor Darul Ehsan. Attention: Executive Director

KPSCB's whistleblowing policy reflects its commitment to ethical practices and transparency. By providing a safe way to report concerns, the company strives to address issues fairly and responsibly, fostering trust and accountability among stakeholders.

Sustainability Statement *(cont'd)*

HUMAN RIGHTS POLICY

KPSCB upholds human rights through fair labour practices, non-discrimination, and prevention of forced or child labour.

By engaging with communities and refining its policies, KPSCB strives to foster respect and accountability in its operations and beyond.

KPSCB's whistleblowing policy reflects its commitment to ethical practices and transparency. By providing a safe way to report concerns, the company strives to address issues fairly and responsibly, fostering trust and accountability among stakeholders.

Upholding Human Rights	FYE 2022	FYE 2023	FYE 2024
Number of substantiated complaints concerning human rights violations	0	0	0

DATA PRIVACY POLICY

KPCSB is aware of the ever-evolving threats to our data security and privacy and is committed to complying with the Personal Data Protection Act 2010.

We actively identify and assess security threats and vulnerabilities and implement appropriate mitigation actions accordingly. These include evaluating the cyber resilience of our IT infrastructure. We conduct regular awareness trainings and briefings to help internal users recognise common phishing attempts and other threats, creating a culture of security within KPCSB and for all our employees personally.

KPCSB has recorded zero data breaches over the past three financial years, demonstrating its proactive cybersecurity approach through continuous monitoring, risk assessments, and robust data protection measures to uphold privacy and security standards.

Data Privacy and Securities	FYE 2022	FYE 2023	FYE 2024
Number case of breach data	0	0	0

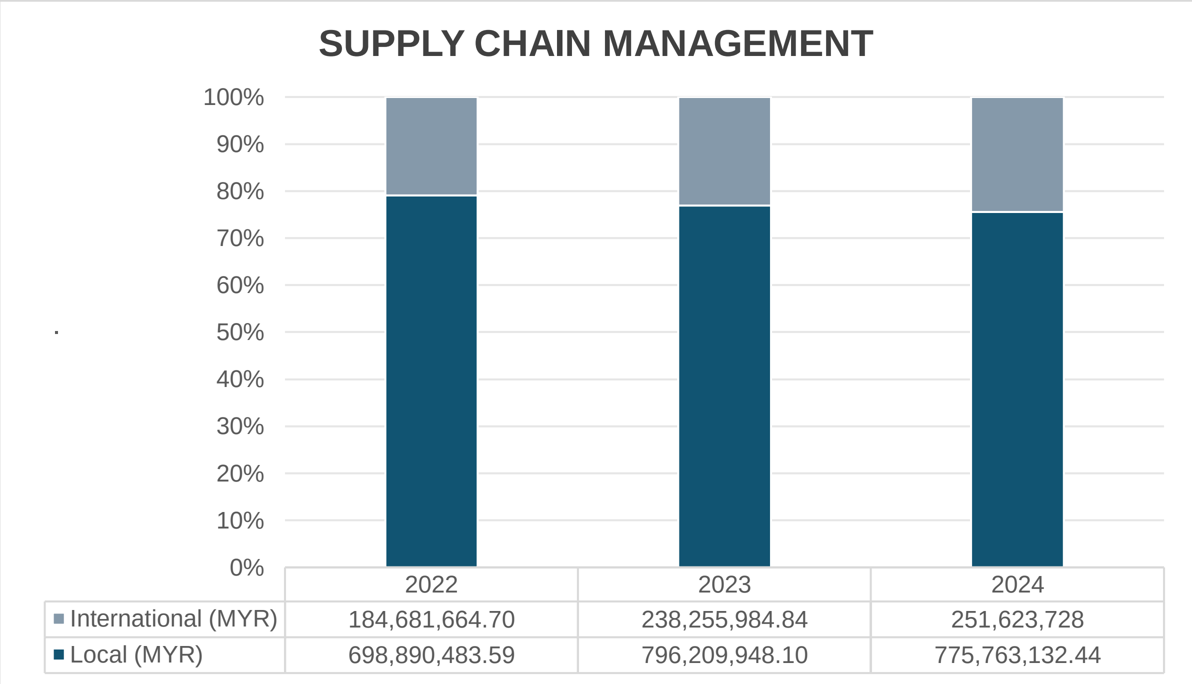
SUPPLY CHAIN MANAGEMENT

KPSCB remains committed to strengthening its local supply chain, though recent trends reflect a gradual shift in supplier composition. In FYE 2024, 75.51% of suppliers were sourced locally, compared to 76.97% in 2023 and 79.10% in 2022, while reliance on international suppliers increased to 24.49%.

Despite this shift, KPSCB continues to prioritize partnerships with local businesses to support regional economic growth, foster collaboration, and enhance supply chain resilience. By balancing local and international sourcing, the company ensures supply chain diversification while remaining dedicated to sustainable procurement practices.

Sustainability Statement *(cont'd)*

SUPPLY CHAIN MANAGEMENT *(cont'd)*



Supply Chain Management	FYE 2022	FYE 2023	FYE 2024
Local (Percentage)	79.10	76.97	75.51
International (Percentage)	20.90	23.03	24.49

ENVIRONMENTAL MATTERS

KPSCB places a strong emphasis on environmental sustainability and responsible resource management. The company is actively working towards becoming more environmentally friendly by incorporating sustainable practices into its operations, with the aim of minimizing environmental impact and promoting resource efficiency, particularly in areas such as energy, water, and waste management.

In line with regulatory requirements, KPSCB engages in initiatives such as recycling and the use of environmentally friendly materials, reflecting its commitment to sustainability as a business priority.

By continually striving to enhance its practices, KPSCB demonstrates its dedication to integrating sustainability into its operations and collaborating with stakeholders to support long-term environmental goals.

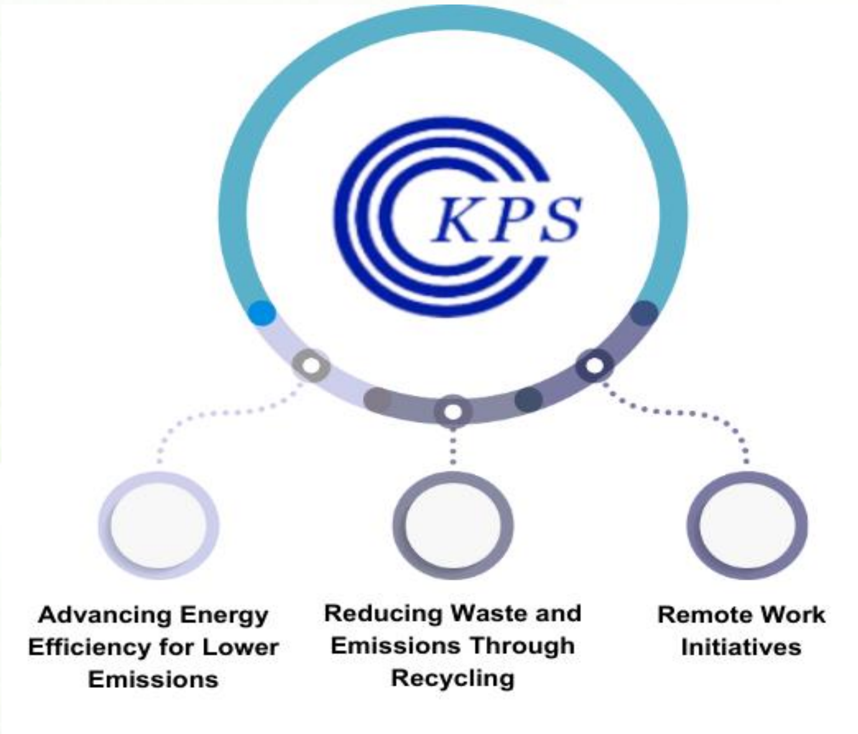
Sustainability Statement *(cont'd)*

ENVIRONMENTAL MATTERS (cont'd)

SCOPE 1: GHG EMISSIONS

Scope 1 emissions are the direct greenhouse gas (GHG) emissions that come from sources a company owns or controls. This includes emissions from fuel combustion in company-owned vehicles, boilers, furnaces, and manufacturing processes.

The table below presents the carbon dioxide emissions generated by petrol consumption across the Manufacturing and Trading sectors for the years 2022, 2023, and 2024. These emissions play a significant role in the companies' total carbon footprint, underscoring the importance of adopting eco-friendly strategies and initiatives to minimize environmental impact.



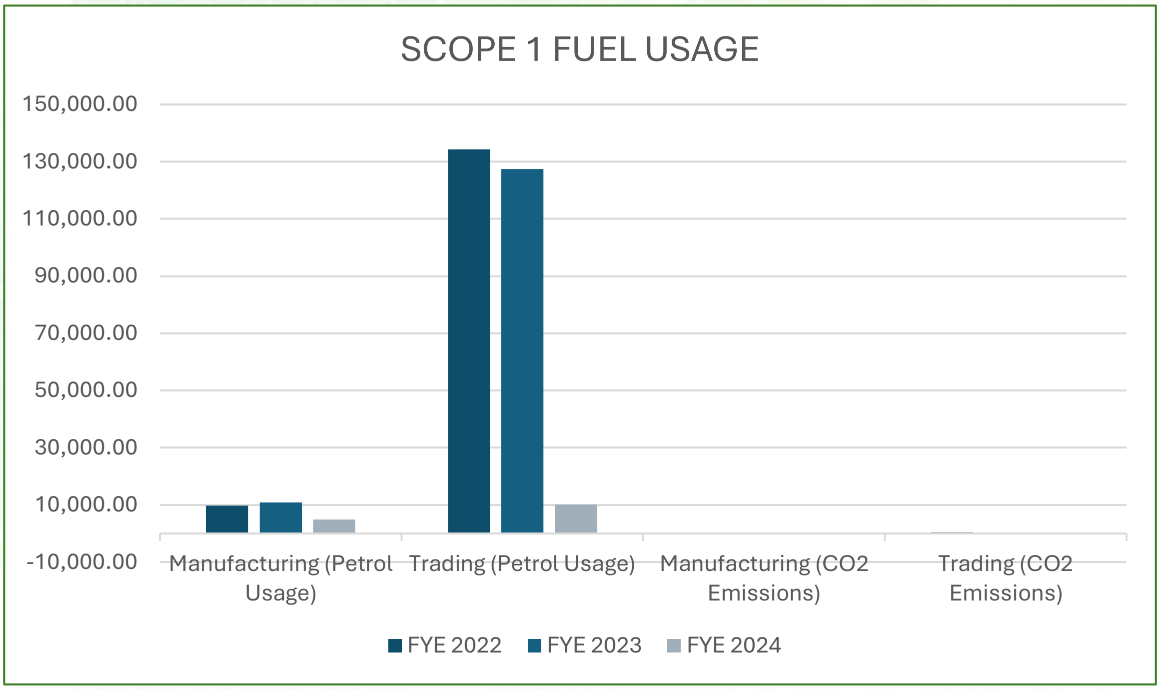
Initiatives for Sustainable Growth in Manufacturing	
Advancing Energy Efficiency for Lower Emissions	Improving energy efficiency in manufacturing reduces energy use and lowers CO2 emissions through practical steps like using energy-saving equipment and streamlining operations.
Reducing Waste and Emissions Through Recycling	Reducing waste and improving recycling can lower the environmental impact of manufacturing by cutting emissions and supporting sustainable production through material reuse.
Remote Work Initiatives	Promoting remote work can reduce commuting, lower petrol use, and cut CO2 emissions. Using virtual collaboration tools helps businesses stay efficient while reducing their transport-related environmental impact.

Sustainability Statement *(cont'd)*

ENVIRONMENTAL MATTERS *(cont'd)*

SCOPE 1: GHG EMISSIONS *(cont'd)*

By exploring on methods to adopt these essential measures, companies in the trading and manufacturing sector can make meaningful progress in lowering their CO2 emissions and fostering more sustainable operations. These actions not only help combat climate change but also reflect a strong commitment to corporate responsibility and long-term environmental sustainability.



Division[1]	Petrol Usage (L) FYE 2022	Petrol Usage (L) FYE 2023	Petrol Usage (L) FYE 2024
Manufacturing	9,641.46	108,54.63	4,884.16
Trading	134,356.22	127,404.51	10,118.65

The data shows a significant reduction in petrol usage (measured in litres) in both the Manufacturing and Trading sectors by FYE 2024. While Manufacturing saw a sharp decline from 10,854.63 litres in 2023 to 4,884.16 litres in 2024, the Trading sector experienced an even more dramatic drop from 127,404.51 litres in 2023 to just 10,118.65 litres in 2024.

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[1] *Data for Scope 1 Petrol Usage declared from: Paragon Paper & Plywood Sdn. Bhd., I'Kranji Industries Sdn. Bhd., Hai Ming Development Sdn. Bhd., Welley Enterprise Sdn. Bhd., Akateak Sdn. Bhd., Hai Ming Enterprise Sdn. Bhd., Modern Steel Sdn. Bhd., KPS Plywood Sdn. Bhd., Hai Ming Industries Sdn. Bhd., Paragon Marketing Sdn. Bhd., Hai Ming Paper Mills Sdn. Bhd., Hai Ming Trading Co. Sdn. Bhd., Hai Ming Marketing Sdn. Bhd..*

Sustainability Statement *(cont'd)*

ENVIRONMENTAL MATTERS *(cont'd)*

SCOPE 2: GHG EMISSIONS *(cont'd)*

Division	CO_2 Emissions (tonnes) FYE 2022	CO_2 Emissions (tonnes) FYE 2023	CO_2 Emissions (tonnes) FYE 2024
Manufacturing	22.65	25.51	11.47
Trading	315.74	299.40	23.77

Source: DEFRA. The emission factor used is 2.35kg/CO_2.

For FYE 2024, direct GHG emissions from diesel-powered lorry and forklift operations were recorded across the Group's Manufacturing and Trading sectors. The total diesel consumption for FYE 2024 was 316,834.21 litres, resulting in 842.78 tonnes of CO_2 emissions, calculated using DEFRA emission factors.

A detailed breakdown is as follows:

Division[2]	Lorry Diesel (L) FYE 2024	Forklift Diesel (L) FYE 2024	Total Diesel (L) FYE 2024	CO2 Emissions (tonnes) FYE 2024
Manufacturing	8,907.55	23,633.8	32,541.39	86.56
Trading	244,684.68	39,608.14	284,292.82	756.22

Source: DEFRA. The emission factor used is 2.66kg/CO_2.

The higher diesel usage in the Trading segment is attributed to extensive logistics and distribution activities, particularly from lorry transportation, which accounted for over 86% of the sector's total diesel consumption.

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[2] *Data for Scope 1 Diesel Usage declared from: Paragon Paper & Plywood Sdn Bhd, I'Kranji Industries Sdn. Bhd., Akateak Sdn. Bhd., KPS Plywood Sdn. Bhd., Hai Ming Industries Sdn. Bhd., Paragon Marketing Sdn. Bhd., Hai Ming Paper Mills Sdn. Bhd., Hai Ming Trading Co. Sdn. Bhd..*

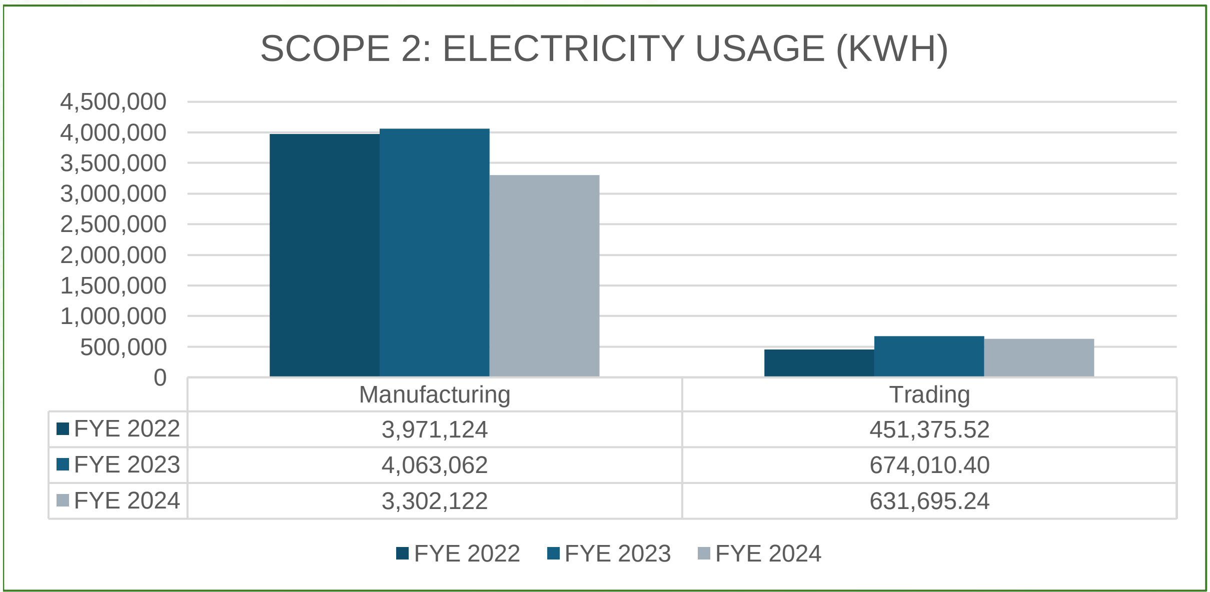
Sustainability Statement *(cont'd)*

ENVIRONMENTAL MATTERS *(cont'd)*

SCOPE 2: GHG EMISSIONS

Scope 2 emissions are indirect greenhouse gas emissions from the purchase of electricity, steam, heating, or cooling used by a company. While the company itself does not generate these emissions, they result from energy production by external power providers.

KPSCB's Scope 2 emissions mainly originate from the energy consumption within its Manufacturing and Trading Divisions. As outlined in the accompanying table, these emissions result from purchased energy sources that power operations in these sectors.



Division	CO_2e (in tonnes) FYE 2022	CO_2e (in tonnes) FYE 2023	CO_2e (in tonnes) FYE 2024	Total CO_2e (in tonnes)
Manufacturing	2,982.31	3,051.36	2,555.84	8,513.56
Trading	338.98	506.18	256.97	1,319.56*
Total Emissions	**3,321.29**	**3,557.54**	**2,812.81**	**9,691.64**

Source: Grid Emission Factor (GEF) in Malaysia, Publication 25-11-2024. GEF used for Peninsular, Sabah, Sarawak are 0.774, 0.525, and 0.199 respectively.

** Note 1: All companies under Trading division will use GEF factor 0.774, except for Hai Ming Enterprise Sdn. Bhd., Hai Ming Paper Mills Sdn. Bhd. and Hai Ming Trading Co. Sdn. Bhd..*

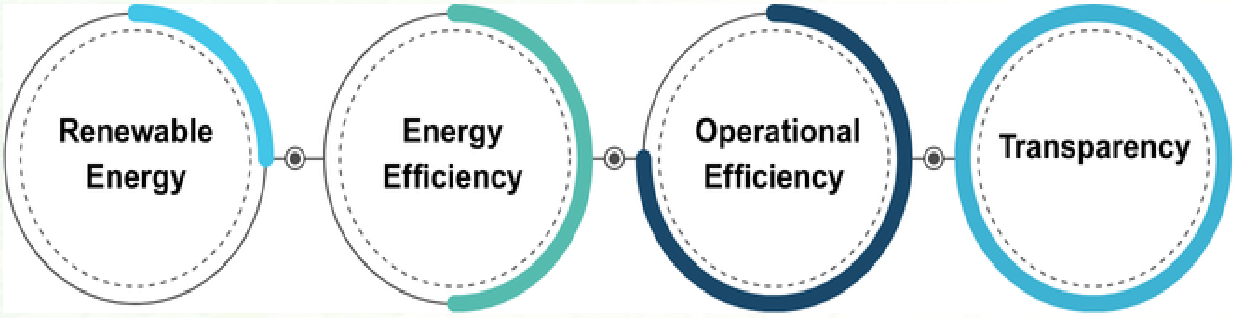
Sustainability Statement *(cont'd)*

ENVIRONMENTAL MATTERS *(cont'd)*

SCOPE 2: GHG EMISSIONS *(cont'd)*

KPSCB's Scope 2 emissions from purchased electricity have varied over the past three years, reflecting changes in energy usage. Emissions from the Manufacturing Division peaked at 3,051.36 tonnes in FYE 2023 but dropped to 2,555.84 tonnes in FYE 2024. The Trading Division also saw emissions decrease from 506.18 tonnes in FYE 2023 to 256.97 tonnes in FYE 2024.

Overall, total Scope 2 emissions fell from 3,557.54 tonnes in FYE 2023 to 2,812.81 tonnes in FYE 2024, showing progress toward lower emissions. KPSCB remains committed to exploring ways to improve energy practices and support sustainability goals.



Initiatives	
Renewable Energy	We are exploring ways to use more solar power to reduce reliance on grid electricity and lower emissions.
Energy Efficiency	We are working on adopting energy-saving technologies and conducting audits to improve energy use.
Operational Efficiency	We aim to refine workflows and explore energy-efficient machinery to cut unnecessary power use .
Transparency	We are aligning with ESG frameworks and tracking progress to strengthen accountability and improve reporting.

By focusing on these continuous improvement measures, KPSCB can advance its sustainability strategy, optimize energy use, and align with national and global ESG expectations.

Sustainability Statement *(cont'd)*

ENVIRONMENTAL MATTERS *(cont'd)*

SCOPE 3: GHG EMISSIONS (EMPLOYEE COMMUTING)

Scope 3 emissions include all other indirect greenhouse gas emissions that occur in a company's value chain, both upstream and downstream. These emissions result from activities such as supplier operations, business travel, employee commuting, waste disposal, and product use by customers.

For KPSCB, employee commuting is a key component of its Scope 3 emissions, representing the greenhouse gases produced as staff travel between their homes and workplaces using both cars and motorcycles as transportation methods.

In our latest assessment of Scope 3 emissions, we have once again quantified the CO_2 emissions generated from employee commuting, focusing on different modes of transportation. The 2024 data reflects a significant shift in commuting patterns, with total travel distances amounting to 1,670.8 km and 504.5 km for different transport modes over 345 days. Correspondingly, CO_2 emissions have been calculated at 0.2748 tonnes and 0.0573 tonnes, based on emission factors specific to each mode of transport.

Mode of Transportation	Total Distance FYE 2023	Total Distance FYE 2024[3]	CO_2 Emissions FYE 2023	CO_2 Emissions FYE 2024
Car	65,184km	1670.8km	11.6705	0.2748
Motorcycles	285,312km	504.5km	23.7479	0.0573

Source: DEFRA. Emission factor for cars and motorcycles are 0.1645 and 0.1136 respectively.

[3] *Data for Scope 3 Employee Commuting declared from: Paragon Paper & Plywood Sdn. Bhd., I'Kranji Industries Sdn. Bhd., Akateak Sdn. Bhd., Hai Ming Enterprise Sdn. Bhd., Modern Steel Sdn. Bhd., KPS Plywood Sdn. Bhd., Hai Ming Industries Sdn. Bhd., Hai Ming Paper Mills Sdn. Bhd., Hai Ming Trading Co. Sdn. Bhd.*

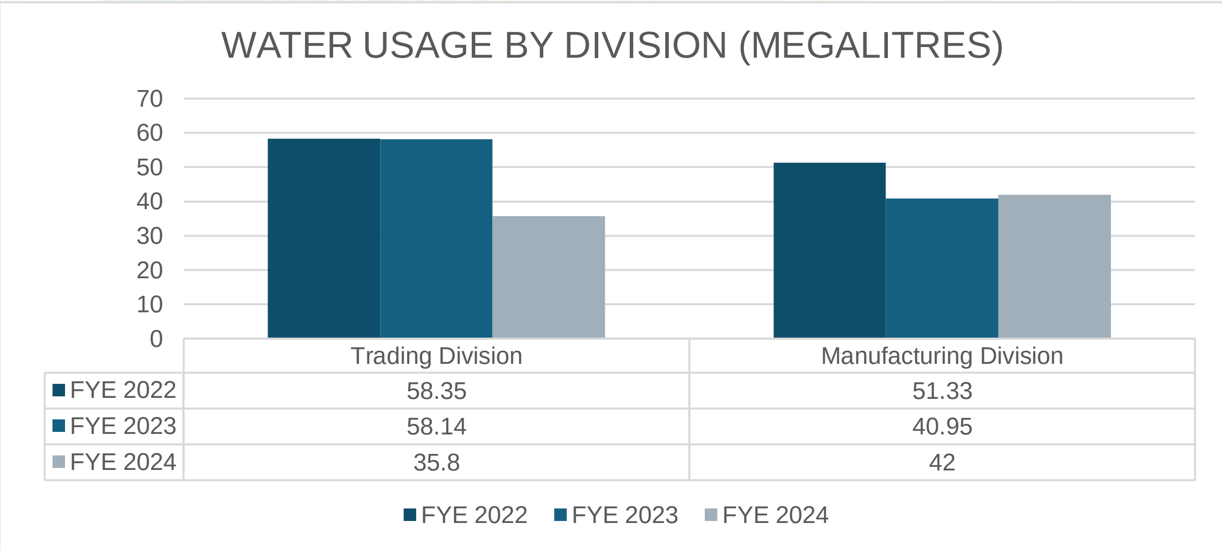
Sustainability Statement *(cont'd)*

ENVIRONMENTAL MATTERS *(cont'd)*

WATER MANAGEMENT

At KPSCB Group, preserving water resources remains a key priority in our sustainability strategy. Throughout the fiscal years 2022, 2023, and now 2024, we have consistently focused on tracking and optimizing water consumption across our manufacturing and trading divisions to reduce our ecological footprint.

KPSCB Group's water consumption trends over the past three years indicate varying usage patterns across its Manufacturing and Trading divisions.



In the Manufacturing Division, water usage dropped from 51,325 cubic meters in 2022 to 40,953 cubic meters in 2023, then rose slightly to 42,001 cubic meters in 2024.The Trading Division saw stable usage in 2022 and 2023, around 58,000 cubic meters, before a sharp reduction to 35,801.10 cubic meters in 2024, suggesting improved water management or efficiency measures.

Division	FYE 2022 (m^3)	FYE 2023 (m^3)	FYE 2024 (m^3)
Manufacturing	51,325	40,953	42,001.0
Trading	58,353	58,135	35,801.1
Total Water Usage	109,678	99,088	77,802.1

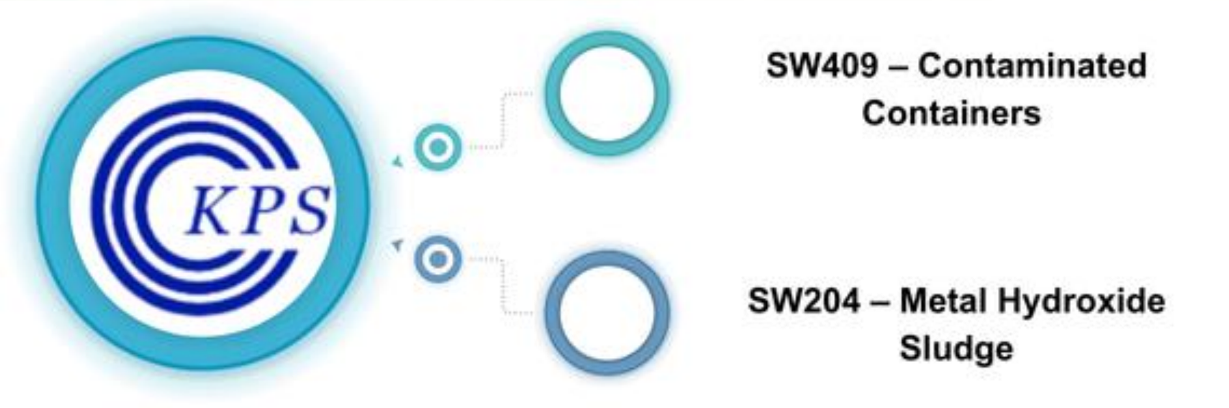
Sustainability Statement *(cont'd)*

ENVIRONMENTAL MATTERS *(cont'd)*

WASTE MANAGEMENT

As part of KPSCB's ongoing commitment to environmental stewardship and sustainable business practices, waste management remains a key focus area within its Environmental, Social and Governance (ESG) agenda. In 2024, the Group made progress in formalising its waste management reporting, beginning with the Manufacturing Division under PPP. While this year's data collection efforts were limited to this division, it represents a foundational step towards enhancing visibility and control over waste-related impacts across the organisation.

During the reporting period, the Manufacturing Division generated a total of **173.963 tonnes of waste**, comprising **82.5 tonnes of domestic waste** and **91.463 tonnes of scheduled waste**. The scheduled waste recorded included two principal categories:



SW204 – Metal Hydroxide Sludge, typically originating from industrial processes involving metal finishing and surface treatment.

SW409 – Contaminated Containers (e.g., drums and carboys), which are by-products from the handling and storage of chemicals and other substances.

KPSCB is working to improve waste efficiency and expand data collection across business units. Efforts include better waste segregation and training staff on proper handling. The Group is also exploring partnerships with certified recyclers and adopting digital tools for accurate waste tracking. These steps reflect its commitment to reducing environmental impact and enhancing sustainability practices.

AIR EMISSIONS

Environmental Compliance at Paragon Paper & Plywood Sdn. Bhd. ("PPP") Chemor, Perak:

Sustainability Statement *(cont'd)*

ENVIRONMENTAL MATTERS *(cont'd)*

AIR EMISSIONS *(cont'd)*

PPP in Chemor, Perak, prioritizes environmental stewardship while maintaining the production of high-quality paper products. In line with this commitment, the company continuously tracks and evaluates its air emissions to uphold regulatory compliance and actively reduce its environmental impact.

A thorough review of air emission data for Boiler No.2 (PK PMD80349) at PPP has yielded positive findings for this financial year as the inspection date as of 25th November 2024. The assessment confirms that the mill's operations remain well within the regulatory thresholds outlined in EQCAR 2014 for key pollutants, including total particulate matter, nitrogen oxides, sulfur dioxide, and carbon monoxide. Furthermore, the boiler's emission rates continue to comply with acceptable environmental standards, reflecting the company's unwavering commitment to air quality management and responsible industrial practices.

With a proactive approach to environmental stewardship, PPP upholds regulatory compliance and promotes sustainability through continuous monitoring, innovation, and collaboration. Its dedication reinforces its role as a responsible corporate citizen, contributing to both the community and the planet.

SOCIAL MATTERS

KPSCB focused on social matters and building strong stakeholder relationships in 2024. The company supported employee welfare with training, fair labour practices, and policies on diversity and inclusion to create a skilled and motivated workforce.

Health and safety were key priorities, with measures like safety protocols, regular training, and protective equipment to ensure employee well-being.

KPSCB also upheld ethical business practices, promoting transparency, fairness, and responsibility. This commitment extended to the supply chain, supporting human rights, fair labour, and sustainability.

EMPLOYEE ENGAGEMENT AND WELFARE

KPSCB showed its dedication to employee engagement and well-being in 2024 by organising activities that foster teamwork and a sense of belonging. At Paragon Paper Mills in Chemor, a gotong-royong activity brought employees together to clean and improve the factory surroundings, strengthening camaraderie and improving the workspace.

The Company also focused on employee welfare through fair labour practices, skills development opportunities, and efforts to maintain a safe and supportive environment, reflecting its commitment to valuing and supporting its workforce.

Looking ahead, KPSCB aims to increase employee engagement activities to further nurture teamwork, collaboration, and a positive workplace culture. By continuing these efforts, the Company hopes to create even more meaningful opportunities for employees to connect and grow together.

Sustainability Statement *(cont'd)*

SOCIAL MATTERS *(cont'd)*

EMPLOYEE ENGAGEMENT AND WELFARE *(cont'd)*

Gotong Royong in KPS (PPP)

Gotong Royong in KPS (PPP)

Sustainability Statement *(cont'd)*

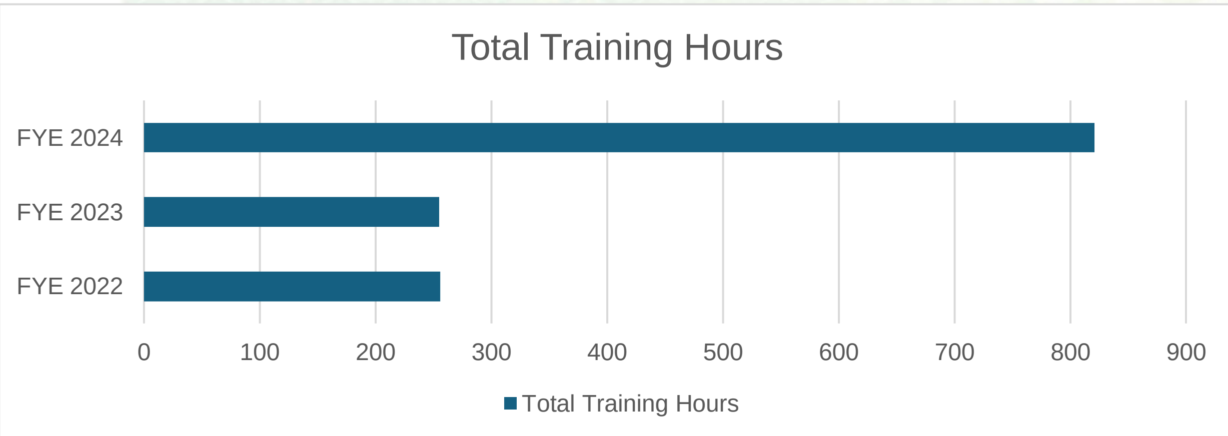
SOCIAL MATTERS *(cont'd)*

EMPLOYEE ENGAGEMENT AND WELFARE *(cont'd)*

Gotong Royong in KPS (PPP)

EMPLOYEE DEVELOPMENT AND TRAINING

KPSCB remained committed to fostering the growth and development of its employees in 2024 through targeted training initiatives. A total of 842 training hours were conducted during the financial year, underscoring the company's dedication to equipping employees with the skills and knowledge needed to enhance their performance and career progression.



**The data for FYE2022 is unavailable as it was reported in lump sum without category breakdown, and no Bursa KPI list was in place then.*

Sustainability Statement *(cont'd)*

SOCIAL MATTERS *(cont'd)*

EMPLOYEE DEVELOPMENT AND TRAINING *(cont'd)*

Year	Total Training Hours
FYE 2022*	256
FYE 2023	255
FYE 2024	821

**The data for FY2022 is unavailable as it was reported in lump sum without category breakdown, and no Bursa KPI list was in place then.*

- Total Training Hours by Employee Category (FYE 2023 & FYE 2024)

FYE 2023	
Employee Category	**Total Training Hours**
Management	4
Executives	73
Non-Executives	0
General Workers	178

FYE 2024	
Employee Category	**Total Training Hours**
Management	247
Executives	342
Non-Executives	232
General Workers	0

With a total workforce of 309 employees, the average training hours per employee amounted to approximately **2.65 hours** in 2024. While this represents the company's foundational efforts, KPSCB continues to evaluate and refine its training programs to ensure alignment with organisational goals and employee development needs.

These efforts reflect KPSCB's commitment to creating a knowledgeable and empowered workforce, vital to achieving both individual growth and overall business success.

OCCUPATIONAL SAFETY AND HEALTH

Promoting a safe and healthy work environment remained an important focus in FYE2024, supported by Occupational Safety and Health (OSH) initiatives. The organisation conducted 126 hours of safety training with 69 employees participating, aimed at equipping them with skills to identify hazards, follow safety regulations, and respond to risks. Below are the data for Occupational Safety and Health for three financial years.

Sustainability Statement *(cont'd)*

SOCIAL MATTERS *(cont'd)*

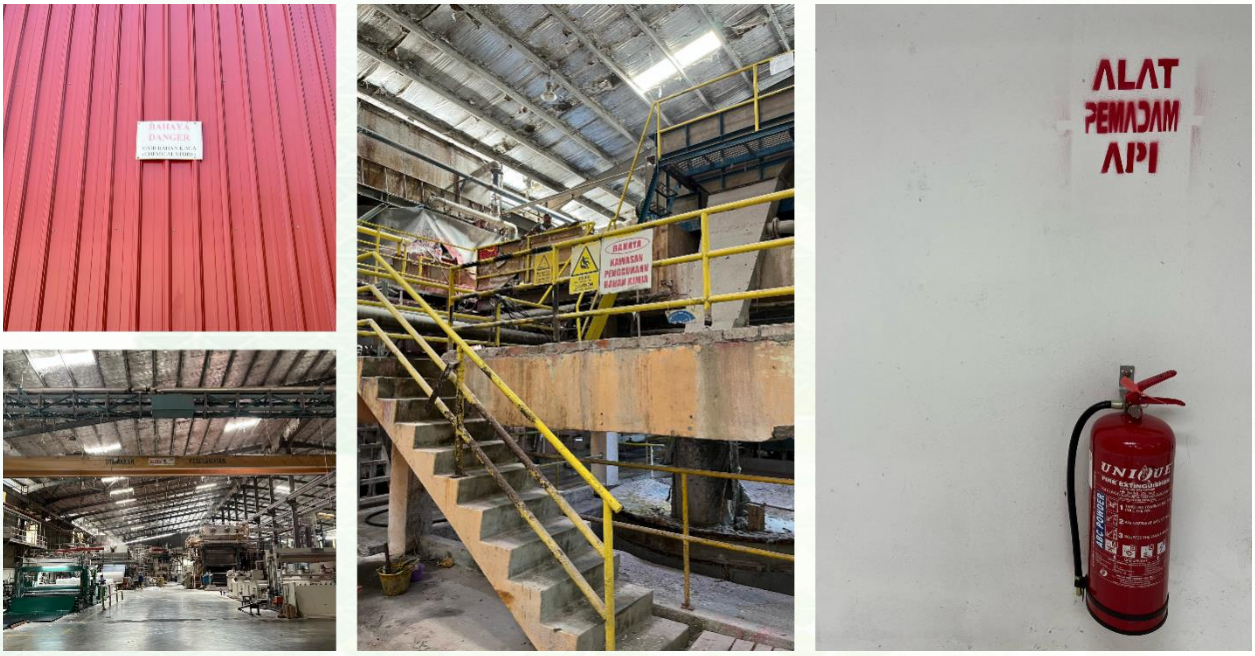
OCCUPATIONAL SAFETY AND HEALTH *(cont'd)*

Year	Number of Employees Trained under Health & Safety
FYE 2022	10
FYE 2023	1
FYE 2024	69

Year	Number of lost time incident rate
FYE 2022	16
FYE 2023	0
FYE 2024	0

Year	Number of work-related fatalities at work sites
FYE 2022	1
FYE 2023	0
FYE 2024	0

Beyond training, efforts were made to improve safety policies and practices to align with industry standards and regulatory requirements. Employees were encouraged to share safety concerns, promoting open communication and a sense of shared responsibility for maintaining a safe workplace.



Safety Measures in KPS (PPP)

Sustainability Statement *(cont'd)*

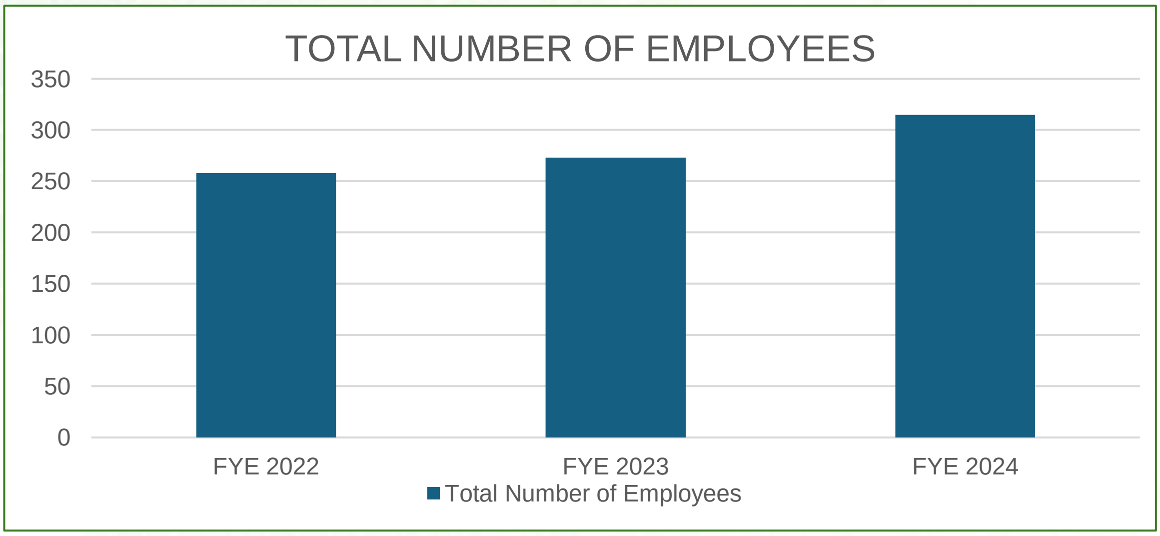
SOCIAL MATTERS *(cont'd)*

DIVERSITY EQUALITY AND INCLUSION

In 2024, the organisation focused on fostering an inclusive and supportive environment for everyone. Efforts were made to ensure fair opportunities and create initiatives that encourage personal and professional growth. These steps reflect a commitment to building a positive workplace culture that values collaboration and mutual respect.

KPSCB COMPOSITION

KPSCB has seen consistent growth in its workforce over the past three financial years, reflecting the company's commitment to strengthening its operations and achieving organisational goals. In the financial year ended 2024, the organisation employed a total of 308 individuals across all divisions. This represented an increase from 273 employees in FYE 2023 and 258 employees in FYE 2022.



Year	Total Number of Employees
FYE 2022	258
FYE 2023	273
FYE 2024	309

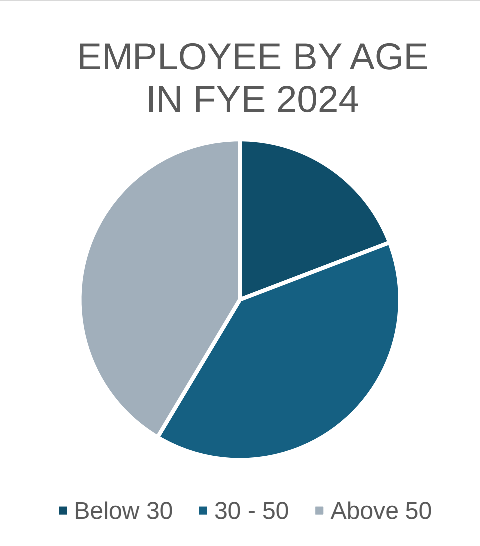
KPSCB has focused on building a skilled and diverse workforce to meet operational demands and support sustainability goals.

Through steady workforce growth and fostering a collaborative culture, KPSCB continues to prioritize progress and sustainability while supporting its employees' growth and well-being.

Sustainability Statement *(cont'd)*

SOCIAL MATTERS *(cont'd)*

EMPLOYEE BY AGE



The workforce for the financial year ended 2024 included a total of 309 employees, showcasing a diverse distribution by both age and gender. This composition reflected the organisation's commitment to fostering an inclusive workplace, with representation across multiple age brackets to support a range of perspectives, experiences, and contributions.

KPSCB's workforce comprises individuals from various age groups, each contributing uniquely to the organisation. Employees under 30 make up 19.4% (60 individuals) of the workforce, bringing fresh perspectives and energy. Those aged 30 to 50 represent 39.5% (122 individuals) and contribute valuable skills and expertise. Meanwhile, employees over 50 account for 41.1% (127 individuals), offering guidance and institutional knowledge that support long-term goals.

Year	Below 30 (%)	30 – 50 (%)	Above 50 (%)
FYE 2022*	18.2	45.0	36.8
FYE 2023	19.5	47.0	33.5
FYE 2024	19.4	39.5	41.1

**The data for FY2022 is unavailable as it was reported in lump sum without category breakdown, and no Bursa KPI list was in place then.*

- Age by Employee category (Percentage)

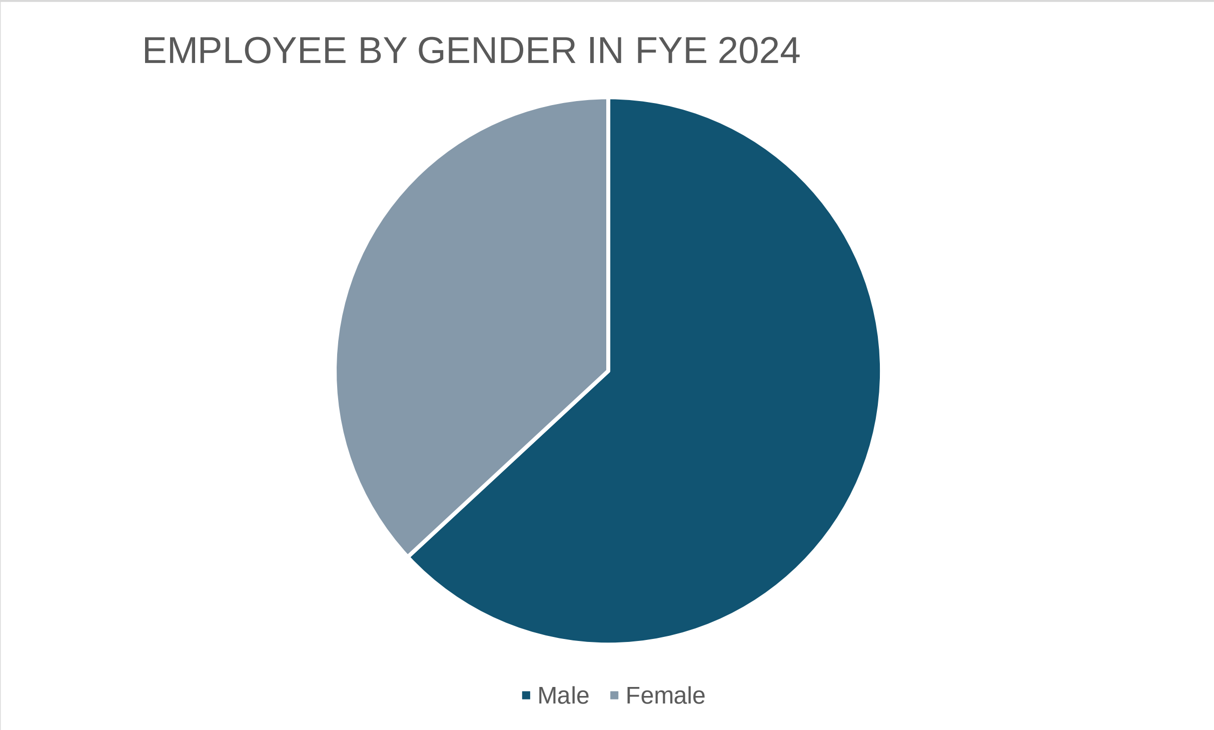
FYE 2023			
Employee Category	**Below 30 (%)**	**30 – 50 (%)**	**Above 50 (%)**
Management	0.00	46.15	53.85
Executives	16.67	62.50	20.83
Non-Executives	0.00	0.00	0.00
General Workers	23.85	45.18	30.97

FYE 2024			
Employee Category	**Below 30 (%)**	**30 – 50 (%)**	**Above 50 (%)**
Management	23.1	15.4	61.5
Executives	8.7	52.2	39.1
Non-Executives	12.2	45.2	42.6
General Workers	26.0	39.2	34.8

Sustainability Statement *(cont'd)*

SOCIAL MATTERS *(cont'd)*

EMPLOYEE BY GENDER



By fostering a gender-diverse workforce, the organisation upheld its commitment to fairness and inclusivity. The contributions of all employees played a vital role in encouraging collaboration, driving innovation, and supporting long-term goals.

Year	Male (%)	Female (%)
FYE 2022*	65.1	34.9
FYE 2023	68.0	32.0
FYE 2024	63.1	36.9

**The data for FY2022 is unavailable as it was reported in lump sum without category breakdown, and no Bursa KPI list was in place then.*

- Gender by Employee category (Percentage)

FYE 2023		
Employee Category	**Male (%)**	**Female (%)**
Management	100.0	0.0
Executives	44.0	56.0
Non-Executives	0.0	0.0
General Workers	72.0	28.0

Sustainability Statement *(cont'd)*

SOCIAL MATTERS *(cont'd)*

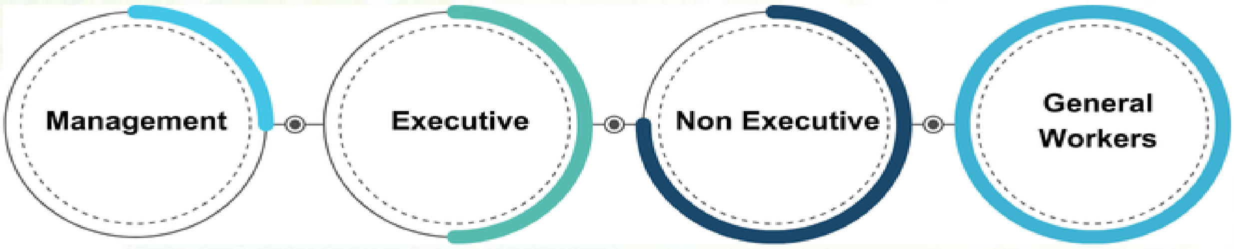
EMPLOYEE BY GENDER *(cont'd)*

FYE 2024		
Employee Category	**Male (%)**	**Female (%)**
Management	69.5	30.5
Executives	43.5	56.5
Non-Executives	60.0	40.0
General Workers	72.8	27.2

In conclusion, the workforce for 2024 exhibited a well-balanced distribution across different age groups, with notable representation from younger, mid-career, and senior employees. This diversity highlights the organisation's ability to attract talent across all age brackets, fostering a dynamic and inclusive work environment that benefits from a wide range of experiences and perspectives.

EMPLOYEE BY CATEGORY

The workforce of KPSCB for the financial year ended 2024 was structured across four key categories: management, executive, non-executive, and general workers. This categorisation highlights the diverse roles within the organisation, reflecting its operational needs and hierarchy.

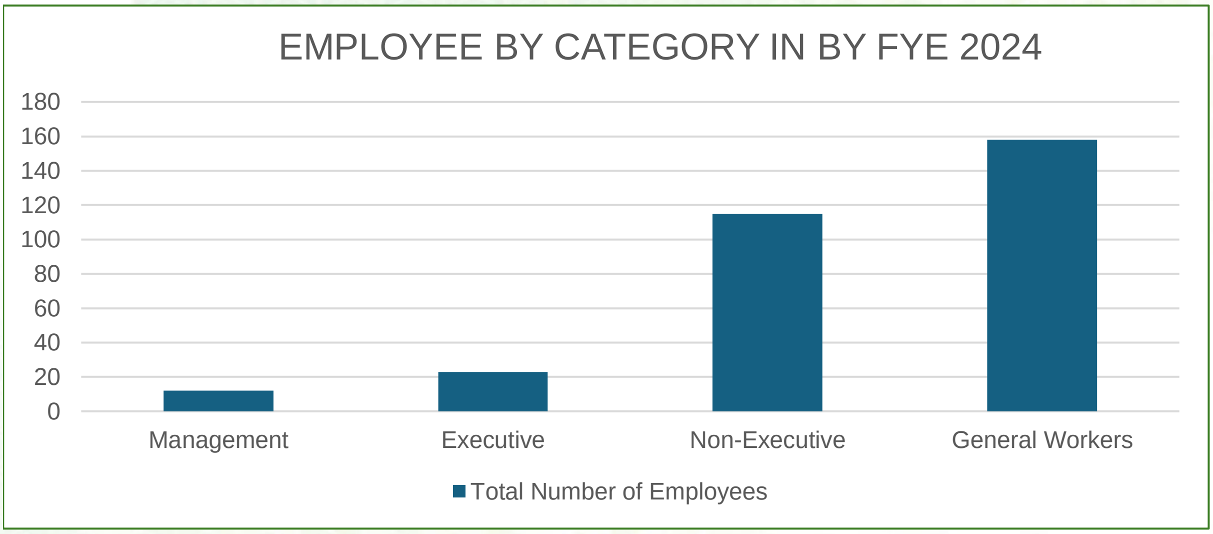


Employee Category	Description
Management	• Includes senior leadership, directors, managers, and supervisors. • Responsible for strategic decision-making, policy implementation, and overseeing operations.
Executive	• Includes mid-level professionals such as team leads, specialists, and department heads. • Focus on executing plans, managing teams, and ensuring operational efficiency.
Non-Executive	• Includes administrative staff, coordinators, and support roles. • Handle day-to-day tasks, documentation, and operational support.
General Workers	• Includes manual laborers, technicians, and entry-level workers. • Perform hands-on tasks and operational duties as required.

Sustainability Statement *(cont'd)*

SOCIAL MATTERS *(cont'd)*

EMPLOYEE BY CATEGORY *(cont'd)*



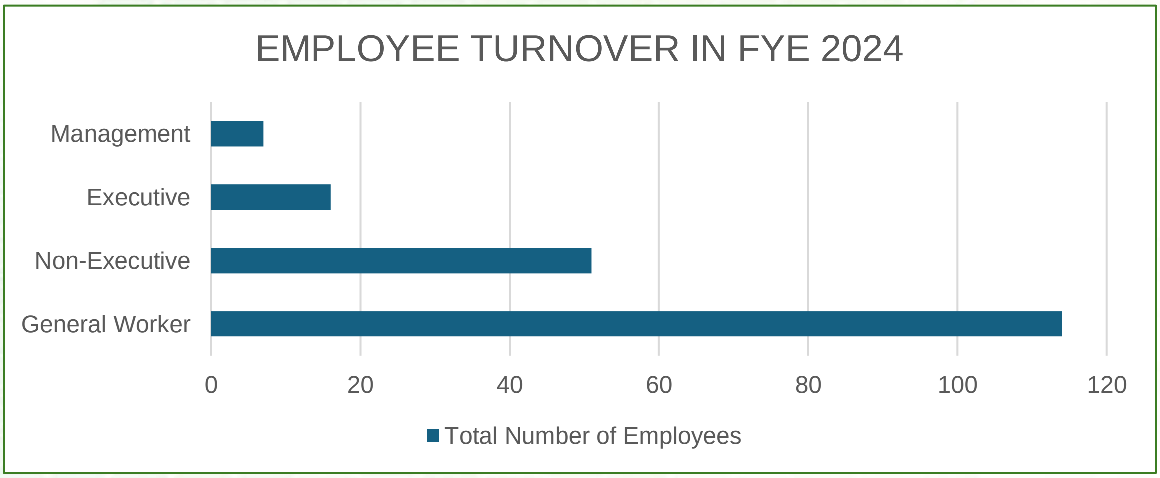
Year	Management	Executive	Non-Executive	General Workers
FYE 2022	7	31	0	220
FYE 2023	7	25	0	241
FYE 2024	13	23	115	158

This distribution highlights the organisation's effort to maintain a balanced workforce that meets both operational and business needs. By aligning roles with employees' skills, the organisation encourages collaboration and synergy across all levels, ensuring a dynamic work environment.

Each workforce category contributes uniquely to productivity and success, reflecting a commitment to adaptability, efficiency, and long-term sustainability.

EMPLOYEE TURNOVER

The employee turnover for the financial year ended 2024 reflected the movement of personnel across different categories within the organisation.



Sustainability Statement *(cont'd)*

SOCIAL MATTERS *(cont'd)*

EMPLOYEE BY TURNOVER *(cont'd)*

Year	Management	Executive	Non-Executive	General Worker
FYE 2022	0	2	0	5
FYE 2023	0	4	0	8
FYE 2024	7	16	51	114

In 2024, the organisation experienced turnover across various workforce categories, including 7 management employees, 16 executives, 51 non-executives, and 114 general workers. While the turnover among management and executive roles was relatively low, the changes in non-executive and general worker categories highlight the dynamic nature of these roles and their evolving demands.

The organisation continues to focus on managing workforce transitions thoughtfully while maintaining efficiency. Efforts to support employee retention and engagement remain a priority, reflecting a commitment to fostering a stable and motivated workforce for the future.

COMMUNITY ENGAGEMENT

While no specific community engagement activities were conducted during the financial year ended 2024, KPSCB remains committed to its mission of contributing to societal well-being. The focus was on strengthening internal capabilities and aligning resources to better prepare for impactful and sustainable initiatives in the future.

KPSCB is continuously exploring ways to engage with and support communities more effectively. By laying a strong foundation, the organisation aims to create meaningful programs that deliver lasting value and positively impact the communities it serves.

DONATIONS

Although KPSCB did not make direct donations in 2024, the organisation remained committed to fostering social impact through initiatives like employee engagement and operational sustainability. These efforts align with its goal of creating long-term value for society.

By focusing on strengthening its foundation, KPSCB aims to ensure future contributions and community projects are meaningful and impactful. The company continues to explore ways to support communities, reflecting its dedication to social responsibility.

CONCLUSION

In conclusion, 2024 was a year of ongoing efforts toward sustainability, where the organisation took steps to balance economic growth, environmental care, and social responsibility. Through careful resource management and focused initiatives, progress was made toward aligning with long-term goals and global standards.

The organisation remains dedicated to improving its sustainability efforts in the future, striving to adapt and grow while creating meaningful contributions to the environment, community, and stakeholders. This reflects a genuine commitment to building a better and more sustainable future.

Sustainability Statement *(cont'd)*

Performance Data Table (Bursa ESG Reporting Platform)

Indicator	Measurement Unit	FYE 2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	0
Executive	Percentage	0
Non-executive/Technical Staff	Percentage	0
General Workers	Percentage	0
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0
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	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	23.1
Management Between 30-50	Percentage	15.4
Management Above 50	Percentage	61.5
Executive Under 30	Percentage	8.7
Executive Between 30-50	Percentage	52.5
Executive Above 50	Percentage	39.1
Non-executive/Technical Staff Under 30	Percentage	12.2
Non-executive/Technical Staff Between 30-50	Percentage	45.2
Non-executive/Technical Staff Above 50	Percentage	42.6

Sustainability Statement *(cont'd)*

Performance Data Table (Bursa ESG Reporting Platform) *(cont'd)*

Indicator	Measurement Unit	FYE 2024
General Workers Under 30	Percentage	26.0
General Workers Between 30-50	Percentage	39.2
General Workers Above 50	Percentage	34.8
Gender Group by Employee Category		
Management Male	Percentage	69.5
Management Female	Percentage	30.5
Executive Male	Percentage	43.5
Executive Female	Percentage	56.5
Non-executive/Technical Staff Male	Percentage	60.0
Non-executive/Technical Staff Female	Percentage	40.0
General Workers Male	Percentage	72.8
General Workers Female	Percentage	27.2
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.0
Female	Percentage	20.0
Under 30	Percentage	0
Between 30-50	Percentage	40.0
Above 50	Percentage	60.0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	3,933.817
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	69

Sustainability Statement *(cont'd)*

Performance Data Table (Bursa ESG Reporting Platform) *(cont'd)*

Indicator	Measurement Unit	FYE 2024
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	247
Executive	Hours	342
Non-executive/Technical Staff	Hours	232
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	7
Executive	Number	16
Non-executive/Technical Staff	Number	51
General Workers	Number	114
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	75.51
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	77.8021
Bursa (Waste Management)		
Bursa C10(a) Total Waste Generated	Metric Tonnes	173.963
Bursa C10(a)(i) Total waste diverted from disposal	Metric Tonnes	91.463
Bursa C10(a)(ii) Total waste directed to disposal	Metric Tonnes	82.5

Sustainability Statement *(cont'd)*

Performance Data Table (Bursa ESG Reporting Platform) *(cont'd)*

Indicator	Measurement Unit	FYE 2024
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric Tonnes	878.02
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric Tonnes	2812.81
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric Tonnes	0.3321
(*) Restated		

Corporate Governance Overview Statement

The Board of Directors of KPS Consortium Berhad ("the Company") ("the Board") continues to believe the practice of good corporate governance is important in achieving sustainable growth as well as engenders trust and infuses confidence among its shareholders and stakeholders. The Board remains committed towards governing, guiding and monitoring the direction of the Company with the objective of enhancing long term sustainable value creation aligned to the interests of shareholders and stakeholders.

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad (“Bursa Securities”). The objective of this statement is to provide an overview of the application of the corporate governance practices of the Group during the financial year ended 31 December 2024 with reference to the three (3) main principles, i.e. Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders as set out in the latest Malaysian Code on Corporate Governance (“MCCG” or “Code”).

The Board has also provided specific disclosures on the application of each Practices in its Corporate Governance Report (“CG Report”). The CG Report is announced together with the Annual Report of the Company on 30 April 2025. The Corporate Governance Overview Statement should be read in tandem with the CG Report to provide comprehensive disclosure of the application of each principles and practices set out in the MCCG during the financial year.

The CG Report can be accessed from the Company’s website at www.kpsconsortium.com.my. The Board is pleased to provide the following statement, which outlines the main corporate governance that has been in place throughout the financial year.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

- **Board Responsibilities**

  The Company is headed by the Board, which assumes responsibility for the Company’s leadership and is collectively responsible for meeting the objectives and goals of the Company.

  Board Responsibilities

  The Board takes full responsibility for the performance of the Group. The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:-

  - Reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Group’s business;
  - Overseeing the conduct of the Group’s business and evaluating if its businesses are being properly managed;
  - Identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
  - Ensuring that all candidates appointed to senior management positions are of sufficient caliber, including the orderly succession of senior management personnel;
  - Overseeing the development and implementation of shareholder communications policy; and
  - Reviewing the adequacy and integrity of the Group’s internal control and management information systems.

Corporate Governance Overview Statement *(cont'd)*

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

- **Board Responsibilities (cont'd)**

Board Responsibilities (cont'd)

The roles and responsibilities of the Non-Independent Non-Executive Chairman and Executive Director are distinct, separate and clearly defined with no overlapping roles. The Non-Independent Non-Executive Chairman holds the principal obligations in focusing, guiding, addressing, supervising, regulating, managing and controlling as well as communicating the Company's goals and objectives, as well as all significant corporate matters, corporate restructuring plans, business extension plans and proposals.

The Non-Independent Non-Executive Chairman is also responsible for proposing, developing and implementing applicable and relevant new policies and procedures. The Board has established three (3) Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee that are delegated with specific responsibilities and authorities to assist the Board in executing its duties and to provide the Board with recommendations and advice. The delegation of authority to the Committees enables the Board to achieve operational efficiency by empowering each Committee to review, report and make recommendations to the Board on matters relevant to their roles and responsibilities. Each Committee is governed by its own Terms of Reference which sets out its functions and duties, composition, rights and meeting procedures. These Terms of Reference are reviewed periodically in accordance with the needs of the Company and taking into account the changes in the business, governance and legal environment that may have an impact on the discharge of the Committees' duties and responsibilities.

The Chairman of the Board is not a member of the Audit Committee, Nomination Committee and Remuneration Committee and does not involve in all three (3) Board Committees.

Board Charter

The Board is guided by a Board Charter which sets out the principles governing the Board of Directors of the Company and adopts the principles of good governance and practice in accordance with applicable laws, rules and regulations in Malaysia. The Board Charter also sets out the respective roles and responsibilities of the Board, board committees, individual Directors and managements; and issues and decisions reserved for the Board.

The Board Charter was last reviewed on 25 April 2025 and is made publicly available on the Company's website at www.kpsconsortium.com.my.

Code of Conduct

The Company's Code of Conduct encompasses transparency, integrity, accountability and corporate social responsibility. The Board, in discharging its duties and responsibilities, is guided by the Code of Conduct.

The Code of Conduct is formulated to enhance the standard of corporate governance and behavior with a view to achieve the following objectives:-

- To establish standard of ethical conduct for directors based on acceptable belief and values that one upholds.
- To uphold the spirit of social responsibility and accountability of the Company in line with the legislations, regulations and guidelines governing it.

Corporate Governance Overview Statement *(cont'd)*

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

- **Board Responsibilities *(cont'd)***

Code of Conduct (cont'd)

The Board is committed to adhering to best practices in corporate governance and observing the highest standards of integrity and behavior in all activities conducted by the Company and the Group, including the interaction with its shareholders, employees, creditors, customers and within the community and environment in which the Company and the Group operate. The Code of Conduct is made publicly available on the Company's website at www.kpsconsortium.com.my in line with Practice 3.1 of the Code.

Whistleblowing Policy

The Board has established its Whistleblowing Policy and encourages employees within the Group to report suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. The Whistleblowing Policy which was published in the Company's website provides and facilitates a mechanism for any individual to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

The Whistleblowing Policy can be viewed at the Company's website at www.kpsconsortium.com.my.

Anti-Bribery Policy and Framework

The Company does not endorse to bribery, be it giving or accepting the ill-gotten monies.

The Company has adopted the Anti-Bribery Policy and Framework pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009. All staff have been trained, briefed and acknowledged on the Company's policy of Anti-Bribery. The aforesaid Anti-Bribery Policy can be assessed from the Company's website at www.kpsconsortium.com.my.

Company Secretary

The Board is supported by experienced and qualified Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators. The Board receives regular advice, updates and notices from the Company Secretaries to ensure compliance with applicable laws, regulations and corporate governance matters.

The appointment and removal of Company Secretaries are at the purview of the Board.

Sustainability of Business

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social and governance aspects is taken into consideration. It is an ongoing process that the Board reviews the Group's business plan for diversification, to keep the business relevant and sustainable.

In respect of the paper converting segment, the Company continuously explores and embraces technology to conserve the environment by converting, and recycling the waste papers into tissue papers, toiletries and other paper products for good usage. The Company had continuously used a waste water recycling system towards the last quarter of the financial year under review and the recycled water could be reused for soaking used papers for tissue making.

Corporate Governance Overview Statement *(cont'd)*

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

- **Board Responsibilities *(cont'd)***

Supply of and Access to Information

The Board is regularly updated on the regulatory changes and reports on financial, operational, corporate, regulatory, business development and audit matters at the quarterly meetings supported with the Board papers or upon specific requests, for decisions to be made on an informed basis to effective discharge of Board's responsibilities.

Good practices have been observed in the timely dissemination of meeting agenda, including the relevant Board and Board Committee papers to all Directors prior to the Board and Board Committee meetings, to facilitate the Board for decisions making and to deal with matters arising from such meetings. The Executive Director and/or the Management would furnish a comprehensive explanation of pertinent issues. The issues are then deliberated and discussed thoroughly by the Board prior to decision making.

In addition, the Board members are updated on the Company's activities and its operations on a regular basis. All Directors have access to all information of the Company on a timely basis in an appropriate manner and quality necessary to enable them to discharge their duties and responsibilities.

Upholding Integrity in Financial Reporting

It is the Board's commitment to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of the Group's financial results to Bursa Malaysia, the annual financial statements of the Group and the Company as well as the Chairman's statement and review of the Group's operations in the Annual Report, where relevant. A statement by the Directors of their responsibilities in preparing the financial statements is set out in the ensuing paragraph.

The Board is responsible for ensuring that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016 and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group as at the end of the financial year and of the results and cash flow of the Group for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2024, the Group has adopted the approved accounting standard and policies and applied them consistently, prudently and reasonably. The Directors also consider that all applicable approved accounting standards have been followed in the preparation of the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The financial statements have been prepared on a going concern basis.

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

Corporate Governance Overview Statement *(cont'd)*

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

- **Board Composition**

At the date of this statement, the Board consists of five (5) members, comprising one (1) Non-Independent Non-Executive Chairman, one (1) Executive Director and three (3) Independent Non-Executive Directors. This composition fulfills the requirements as set out under MMLR, which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent. In the event of any vacancy in the Board resulting in non-compliance with Paragraph 15.02 (1) of the MMLR, the Company must fill the vacancy within three (3) months. The profile of each Director is set out in this Annual Report. The Directors, with their differing backgrounds and specializations, collectively bring with them a wide range of experience and expertise in areas such as finance; accounting and audit; marketing and operations.

The Independent Non-Executive Directors uphold their independent view objectively to safeguard the interests, not only of the Group, but also of shareholders and stakeholders. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality. In the opinion of the Board, the appointment of a Senior Independent Non-Executive Director to whom any concerns should be conveyed is not necessary. The Board operates in an open environment in which opinions and information are freely exchanged and in these circumstances any concerns need not be focused on a single director as all members of the Board fulfill this role individually and collectively.

Board Independence

The Board recognises the importance of establishing criteria on independence to be used in the annual assessment of its Independent Non-Executive Directors. Although the definition of independence according to MMLR is used, the Board will take pertinent measures to formalise such independence criteria to, inter-alia, their independent decision on any proposal brought up in the Board Meeting for deliberation. The Company does not have a formal policy to limit the tenure of Independent Non-Executive Directors to nine (9) years. The Board also noted the period to comply with the MMLR on the twelve (12) years tenure limit for Independent Directors.

The Board noted the recommendation of the Code 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 justification and support from the Board before putting to Shareholders on two-tier voting. The Board also noted the twelve (12) years maximum tenure limit. The Company does not have term limits for both Executive Directors and Independent Directors as the Board believes that continued contribution by Directors provides benefits to the Board and the Group as a whole. The integrity of Independent Directors is not necessarily comprised by the long period of serving.

Foster Commitment of Directors

The Board ordinarily meets at least once every quarter, scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. There were five (5) Board meetings for the financial year 2024. Board and Board Committee papers which are prepared by the Management, provide the relevant facts and analysis for the convenience of Directors. The meeting agenda, the relevant reports and Board papers are furnished to Directors and Board Committee members well before the meeting to allow the Directors to have sufficient time to peruse for effective discussion and decision-making during meetings.

Corporate Governance Overview Statement *(cont'd)*

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

- **Board Composition *(cont'd)***

Foster Commitment of Directors (cont'd)

At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. The Chairman of the Audit Committee informs the Directors at each Board meetings of any salient matters noted by the Audit Committee and which require the Boards' attention or direction. All pertinent issues discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by way of minutes of meetings.

Board Meetings

There were five (5) Board meetings held during the financial year ended 31 December 2024, with details of Directors' attendance set out below:-

	Name of Directors	Attendance
(a)	Datuk Chua Hock Gee	4/5
(b)	Lau Fook Meng	5/5
(c)	Hew Chee Hau	5/5
(d)	Cheng Lai Chuan	5/5
(e)	Wong See Mei	4/5

It is the practice of the Company for the Directors to devote sufficient time and effort to carry out their responsibilities. All Board members are required to notify the Chairman before accepting any new directorships notwithstanding that MMLR allows a Director to sit on the boards of five (5) listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment.

Nomination Committee

A Nomination Committee has been established, with specific terms of reference, by the Board, comprising exclusively Independent Non-Executive Directors as follows:-

Chairman	:	Cheng Lai Chuan Independent Non-Executive Director
Members	:	Hew Chee Hau Independent Non-Executive Director
	:	Wong See Mei Independent Non-Executive Director

The Nomination Committee is chaired by an Independent Non-Executive Director and is primarily responsible for assessing the performance and effectiveness of the Directors, the Board and Board Committees on an annual basis. The Nomination Committee will review if there is a need for additional Board members or replacements. The Nomination Committee may get the source of referral from the panel Board members, senior management or third-party referral to source for suitably qualified candidates. The Nomination Committee will assess objectively before recommending to the Board for further deliberation. The final decision on the appointment of a candidate recommended by the Nomination Committee rests with the Board. The Board is entitled to the services of the Company Secretary who ensure that all appointments are properly made upon obtaining all necessary information from the Directors.

Corporate Governance Overview Statement *(cont'd)*

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

- **Board Composition *(cont'd)***

Nomination Committee (cont'd)

In assessing and evaluating the suitability of candidates for recommendation to the Board for appointment as well as Directors who are seeking re-election, the Nomination Committee will consider the criteria set out in the Directors' Fit and Proper Policy including skills, knowledge, expertise and experience, professionalism, integrity, competency, commitment, contribution and performance.

In accordance with the Constitution of the Company, one-third (1/3) of the Directors or, if their number is not three (3) or multiple of three (3), then the number nearest one-third (1/3), shall retire from office at each Annual General Meeting ("AGM") and offer themselves for re-election at AGM. Directors who are appointed by the Board to fill casual vacancies or as additional directors during the financial year are subject to re-election by shareholders at the next AGM following their appointments. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

At the forthcoming AGM, Mr. Hew Chee Hau and Mr. Cheng Lai Chuan will retire by rotation pursuant to Clause 78 of the Company's Constitution. All retiring directors being eligible, offer themselves for re-election.

The evaluation process was carried out through a set of questionnaires which was duly completed by each Nomination Committee Member in respect to each of the Directors seeking for re-election with reference to Directors' Fit and Proper Policy. The Nomination Committee assessed and satisfied and made recommendations to the Board for the re-election of all the retiring Directors.

At present, the Board does not have a formal policy on gender diversity but acknowledges the recommendation of the MCCG on gender diversity. Nonetheless, the Board support the gender diversity policy and has one (1) female Independent Non-Executive Director on the Board (i.e. 20% woman director). The Board will continue to provide a working environment that is conducive, fair and with equal opportunities within the Group and to commit to zero tolerance of workplace harassment, age, religion, ethnicity, race or gender discrimination.

The Nomination Committee concluded that each Board member is competent and committed in discharging his duties and responsibilities. During the annual assessment exercise, the Directors are given a performance evaluation form to complete. In addition, Directors who are members of the Board Committees are given additional performance evaluation sheets for the respective Board Committees to complete. Sufficient time is given to the Directors to complete the forms. All assessments and evaluations carried out by the Nomination Committee were properly documented. The results of the annual assessment of the Board, the Board Committees and individual Directors for the financial year were all satisfactory.

The Directors who are subject to re-election and/or appointment at the next Annual General Meeting shall be assessed by the Nomination Committee before a recommendation is made to the Board and shareholders for the re-election and/or appointment. Appropriate assessment and recommendation by the Nomination Committee would be based on inter-alia the yearly assessment conducted.

Directors' Training

All members of the Board have attended the Mandatory Accreditation Programme Part I and Part II, prescribed by Bursa Securities as of today. Directors are encouraged to attend seminars and/or conferences organized by relevant regulatory authorities and professional bodies to keep abreast with latest developments in the market place and new statutory and regulatory requirements. The training needs of each Director would be assessed and proposed by the individual Director. Each Director determines the areas of training that he may require for personal development as a Director or as a member of the Board Committees.

Corporate Governance Overview Statement *(cont'd)*

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

- **Board Composition *(cont'd)***

Directors' Training (cont'd)

During the financial year ended 31 December 2024, all the Board members attended a diverse range of training programmes during the year to enhance their knowledge and skills in specific areas. Details of trainings attended by the Directors during the financial year ended 31 December 2024 are as below:-

Name of Directors	Training Programmes
Datuk Chua Hock Gee	• ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : Introduction to ESG and TCFD and ESG Metrics and Reporting • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : TCFD Framework and Recommendations and GRI Indicators and Performance Measures • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : TCFD Scenario Analysis and Risk Assessment and GRI Materiality and Stakeholder Engagement • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability - TCFD Disclosure and Reporting Process and GRI Assurance and Verification • ESG and TCFD Masterclass : Frameworks and Strategies for TCFD Governance and Implementation and GRI and TCFD Integration and Reporting Synergies • ESG and TCFD Masterclass : Frameworks and Strategies for GRI and TCFD Future Trends and Emerging Issues
Lau Fook Meng	• Mandatory Accreditation Programme Part II: Leading for Impact • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : Introduction to ESG and TCFD and ESG Metrics and Reporting • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : TCFD Framework and Recommendations and GRI Indicators and Performance Measures • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : TCFD Scenario Analysis and Risk Assessment and GRI Materiality and Stakeholder Engagement • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability - TCFD Disclosure and Reporting Process and GRI Assurance and Verification • ESG and TCFD Masterclass : Frameworks and Strategies for TCFD Governance and Implementation and GRI and TCFD Integration and Reporting Synergies • ESG and TCFD Masterclass : Frameworks and Strategies for GRI and TCFD Future Trends and Emerging Issues

Corporate Governance Overview Statement *(cont'd)*

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

- **Board Composition *(cont'd)***

Directors' Training (cont'd)

Name of Directors	Training Programmes
Hew Chee Hau	• Mandatory Accreditation Programme Part II: Leading for Impact • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : Introduction to ESG and TCFD and ESG Metrics and Reporting • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : TCFD Framework and Recommendations and GRI Indicators and Performance Measures • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : TCFD Scenario Analysis and Risk Assessment and GRI Materiality and Stakeholder Engagement • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability - TCFD Disclosure and Reporting Process and GRI Assurance and Verification • ESG and TCFD Masterclass : Frameworks and Strategies for TCFD Governance and Implementation and GRI and TCFD Integration and Reporting Synergies
Cheng Lai Chuan	• Mandatory Accreditation Programme Part II: Leading for Impact • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : Introduction to ESG and TCFD and ESG Metrics and Reporting • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : TCFD Framework and Recommendations and GRI Indicators and Performance Measures • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : TCFD Scenario Analysis and Risk Assessment and GRI Materiality and Stakeholder Engagement • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability - TCFD Disclosure and Reporting Process and GRI Assurance and Verification • ESG and TCFD Masterclass : Frameworks and Strategies for TCFD Governance and Implementation and GRI and TCFD Integration and Reporting Synergies • ESG and TCFD Masterclass : Frameworks and Strategies for GRI and TCFD Future Trends and Emerging Issues

Corporate Governance Overview Statement *(cont'd)*

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

- **Board Composition *(cont'd)***

Directors' Training (cont'd)

Name of Directors	Training Programmes
Wong See Mei	• Mandatory Accreditation Programme Part II: Leading for Impact • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : Introduction to ESG and TCFD and ESG Metrics and Reporting • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : TCFD Framework and Recommendations and GRI Indicators and Performance Measures • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability : TCFD Scenario Analysis and Risk Assessment and GRI Materiality and Stakeholder Engagement • ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability - TCFD Disclosure and Reporting Process and GRI Assurance and Verification • ESG and TCFD Masterclass : Frameworks and Strategies for TCFD Governance and Implementation and GRI and TCFD Integration and Reporting Synergies • ESG and TCFD Masterclass : Frameworks and Strategies for GRI and TCFD Future Trends and Emerging Issues

- **Remuneration**

A Remuneration Committee has been established by the Board, comprising exclusively Non-Executive Directors as follows:-

Chairman	:	Cheng Lai Chuan Independent Non-Executive Director
Members	:	Hew Chee Hau Independent Non-Executive Director
		Wong See Mei Independent Non-Executive Director

The Remuneration Committee has been entrusted by the Board to determine the levels of remuneration to attract and retain quality Directors to lead and manage the business of the Group. The Remuneration Committee is entrusted under its term of reference to assist the Board, amongst others, to recommend to the Board the remuneration of the Executive Directors. In the case of Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by abstaining the Non-Executive Directors concerned from discussion on their individual remuneration. During the financial year under review, the Committee met once attended by all members.

Corporate Governance Overview Statement *(cont'd)*

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

- **Remuneration *(cont'd)***

Aggregate remuneration of Directors categorised into appropriate components are as follows:

Listed Issuer	Fees (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits-in-Kind (RM)	Other Emoluments# (RM)	Total (RM)
Company **Independent and Non-Executive Director**							
Hew Chee Hau	20,000	-	-	-	-	3,750	23,750
Cheng Lai Chuan	20,000	-	-	-	-	3,750	23,750
Wong See Mei	20,000	-	-	-	-	3,750	23,750
Subtotal	60,000	-	-	-	-	11,250	71,250
Non-Independent Non-Executive Chairman							
Datuk Chua Hock Gee	36,000	-	-	-	-	-	36,000
Subtotal	36,000	-	-	-	-	-	36,000
Group							
Lau Fook Meng	32,577	-	27,346	-	-	343	60,266
Subtotal	32,577	-	27,346	-	-	343	60,266
Total	**128,577**	-	**27,346**	-	-	**11,593**	**167,516**

Inclusive of EPF and travelling allowances.

The remuneration of key management personnel for the financial year ended 31 December 2024 are set out below:

Key Management Personnel	Number	Salary/ Fees (RM)	Allowance (RM)	Bonus (RM)	Benefit-in-Kind (RM)	Other Emoluments# (RM)	Total (RM)
RM250,001-300,000	-	-	-	-	-	-	-
RM200,001-250,000	-	-	-	-	-	-	-
RM150,001-200,000	1	150,774	-	-	-	21,853	172,627
RM100,001-150,000	2	162,700	-	-	-	20,925	267,161
RM50,000-100,000	2	105,923	-	-	-	6,424	112,347
RM50,000 and below	-	-	-	-	-	-	-

Inclusive of EPF and travelling allowances.

Corporate Governance Overview Statement *(cont'd)*

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

- **Audit Committee**

In assisting the Board in discharging its duties on financial reporting, the Board has established an Audit Committee ("AC"), comprising wholly Independent Non-Executive Directors, with Mr. Hew Chee Hau as the AC Chairman. The composition of the AC, including its roles and responsibilities, are set out in the AC Report of this Annual Report. One of the key responsibilities of the AC in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa and the annual statutory financial statements.

The terms of reference of AC shall provide for the requirements that the former key audit partner is subject to observe a cooling-off period of at least three (3) years before he or she could be appointed as a member of AC. The terms of reference can be viewed at the Company's website at www.kpsconsortium.com.my.

As the Board understands its role in upholding the integrity of financial reporting by the Company, the Company acknowledges the importance of maintaining auditor independence in accordance with applicable laws and best practices. While the Company does not currently have a formal policy in place governing the provision of non-audit services by the external auditor, any such services are considered on a case-by-case basis by the Audit Committee. The Audit Committee continues to monitor and evaluate the scope of non-audit services and may consider formalizing a policy in the future to further align with evolving governance standards.

In assessing the independence of External Auditors, the AC requires written assurance by the External Auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

Collectively, the AC has a wide range of necessary skills to discharge their duties. All members are financially literate and they understand matters under the purview of the AC including the financial reporting process.

The AC members, particularly the AC Chairman, undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Throughout the year, the Directors received regular updates and briefings, particularly on regulatory, industry and legal developments, including information on significant changes in business and procedures instituted to mitigate such risks.

The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial year under review. The Directors continue to undergo relevant training programmes to further enhance their skills and knowledge in the discharge of their stewardship role.

A report of the AC is set out in the later part of this Annual Report.

Corporate Governance Overview Statement *(cont'd)*

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT *(cont'd)*

- **Risk Management and Internal Control Framework**

During the financial year under review, the Board has yet to establish a structured risk management framework to manage business risks, although Management has an informal process to identify and evaluate significant risks faced by the Group. This represents a departure from MCCG which stipulates the need for the Board to establish a sound framework to actively identify, assess and monitor key business risks faced by the Group to safeguard shareholder's investment and the Group's assets. The Board is aware of the importance of such a framework and will take measures to formalise one, which is expected to consider the risk appetite of various companies in the Group as well as the Group itself.

The internal audit function of the Group is outsourced to an independent professional firm, whose work is performed impartially and with due professional care, in accordance with the International Professional Practices Framework of the Institute of Internal Auditors, incorporated, which sets out professional standards on internal audit. It undertakes regular reviews of the adequacy and effectiveness of the Group's system of internal controls and risk management process, as well as the appropriateness and effectiveness of the corporate governance practices. The Internal Audit reports directly to the AC. Further details on the internal audit function can be seen in the Audit Committee Report and the Internal Control Statement in this Annual Report.

The objective of the internal audit function is to review the adequacy and integrity of the internal control systems of key business units.

The AC reviews and approves the annual internal audit plan before the Internal Auditors carry out their functions. All audit findings are reported to the AC and areas of improvement and audit recommendations identified are communicated to the Management for further action.

The Statement on Risk Management and Internal Control is set out in the later part of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

- **Communication with Stakeholders**

The Board recognises the importance of being transparent and accountable to the Company's investors and, as such, has various channels to maintain communication with them. The various channels of communication are through the quarterly announcements on financial results to Bursa, relevant announcements and circulars, when necessary, the AGM and Extraordinary General Meetings and through the Group's website where shareholders can access pertinent information concerning the Group.

AGM, which is the principal forum for shareholders dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. All the Board members attended the 38th AGM.

The Group embrace technological advancement by issuing electronic Annual Report which is environmentally friendly and cost saving. The Annual Report can be downloaded at the Company's website at www.kpsconsortium.com.my.

- **Conduct of General Meetings**

Shareholders are encouraged to attend the AGM and any other general meetings of the Company where shareholders are given the opportunity to raise questions or concerns with regards to the Group as a whole. Such meetings also serve as a platform for shareholders to have direct access to the Board.

Corporate Governance Overview Statement *(cont'd)*

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *(cont'd)*

- **Conduct of General Meetings *(cont'd)***

  The Company at all times dispatched its notices of the AGM and any other general meetings of the shareholders, Annual Report and related circulars to shareholders at least twenty-one (21) days before the AGM and any other general meetings of the shareholders, unless otherwise required by laws, in order to provide sufficient time to shareholders to understand and evaluate the matters involved as well as to make necessary arrangements to attend, participate and vote either in person, by corporate representative, by proxy or by attorney, to exercise their ownership rights on an informed basis during the AGM and any other general meetings of the shareholders. Where special business items are to be transacted, a full explanation is provided in the notice of the AGM and any general meetings of the shareholders or the related circulars to shareholders in order to assist the shareholders' understanding of the matters and the implication of their decision in voting for or against a resolution.

  Paragraph 8.29A of the MMLR provides that all resolutions set out in the notice of any general meeting shall be voted by poll where every one share has one vote. It also provides that a scrutineer independent of the polling process shall be appointed to validate the votes cast. The outcome of the AGM and any other general meetings of the shareholders are announced to Bursa Malaysia on the same day the meeting is held.

  The Chairman of the AGM and any other general meetings of the shareholders, will invite the shareholders to raise questions pertaining to the Company's financial performance and other items for adoption at the meeting, before putting a resolution to vote.

- **Compliance Statement**

  The Board is satisfied that the Company had applied most of the principles and best practices of the Code during the financial year. The Board is committed and will continue to enhance compliance with the Code within the Company and the Group.

  This Corporate Governance Overview Statement has been approved by the Board of the Company on 25 April 2025.

Audit Committee

The Board of Directors of KPSCB is pleased to present the report of Audit Committee for the financial year ended 31 December 2024.

The primary objective of the audit committee is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to the corporate accounting and practices for the Company and all its subsidiaries ("Group") and to ensure the adequacy and effectiveness of the Group's internal control measures.

1. Members

The current members of the Committee and their respective designations are as follows:-

Chairman	:	Hew Chee Hau Independent Non-Executive Director
Members	:	Cheng Lai Chuan Independent Non-Executive Director
	:	Wong See Mei Independent Non-Executive Director

The Audit Committee consists of three (3) members all of whom are Independent Non-Executive Directors. The Company has complied with Paragraph 15.09(1) (b) of the MMLR, which requires the Audit Committee members to be Non-Executive Directors, with a majority of them being Independent Directors.

2. Terms of Reference

The Terms of Reference of the Audit Committee is made publicly available on the Company's website at www.kpsconsortium.com.my.

Composition

The Audit Committee shall be appointed by the Board of Directors from amongst themselves and shall be composed of no fewer than three (3) members and must be all Non-Executive Directors of whom the majority must be Independent Directors.

At least one (1) member of the Committee:-

i. must be a member of the Malaysian Institute of Accountants ("MIA"); or

ii. if he is not a member of the MIA, he must have at least three (3) years of working experience and:-

- he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
- he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or

iii. fulfills such other requirements as prescribed or approved by the Exchange.

No alternate Director shall be appointed as a member of the Committee.

The Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board.

In the event of any vacancy in the Audit Committee resulting in the number of members being reduced to below three, the Company must fill the vacancy within three (3) months.

The review of the terms of office and performance of the Audit Committee and each of its members will be carried out by the Nomination Committee annually.

Audit Committee *(cont'd)*

3. Audit Committee Meetings Attendance

The Committee shall meet at least once every quarter and such additional meetings as the Chairman shall decide in order to fulfill its duties. In addition, the Chairman may call a meeting of the Audit Committee if a request is made by any committee member, any Executive Director, or the External Auditors.

In order to form a quorum, the majority of members present must be Independent Directors.

The Audit Committee conducted five (5) meetings for the financial year ended 31 December 2024. Details of attendance of the Audit Committee members during this financial period are set out as below:-

Name of Committee Member	No. of meetings attended/ held during member's tenure
Hew Chee Hau	5/5
Cheng Lai Chuan	5/5
Wong See Mei	4/5

4. Summary of work of the Audit Committee

The works carried out by the Audit Committee during the financial year were summarised as follows:-

(a) Reviewed the Company's quarterly financial report through discussions with Management before recommending to the Board's consideration and approval.

(b) Reviewed the annual audited financial statements of the Company prior to submission to the Board for consideration and approval which focused particularly on changes in accounting policy, significant and unusual events/transactions and compliance with applicable approved accounting standards in Malaysia.

(c) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control prior to submission to the Board for consideration and approval for inclusion in the Annual Report of the Company.

(d) Reported to the Board on matters discussed and addressed at the Audit Committee meetings.

(e) Reviewed with the External Auditors, the audit planning memorandum, audit strategy and scope of work for the year.

(f) Reviewed with the Internal Auditors on their findings and recommendations with respect to system and control weaknesses and management's responses to these recommendations and actions taken to improve the system of internal control and procedures.

(g) Reviewed the status of compliance of the Company with the Malaysian Code of Corporate Governance, which are within the scope and function of the Audit Committee, for the purpose of disclosure in the Corporate Governance Overview Statement pursuant to the requirement of paragraph 15.25 of the MMLR.

(h) Considered the nomination of external auditors for recommendation to the Board for re-appointment.

Audit Committee *(cont'd)*

5. Internal Audit Function

The internal audit function is essential in assisting the Audit Committee in reviewing the state of the system of internal control maintained by the Management.

The Company outsourced its internal audit function to an internal audit consulting company. The audit team members are independent of the activities audited by them. The internal auditors review and assess the Group's system of internal control and report to the Committee functionally.

The Internal Auditor reports to the Audit Committee four (4) times a year and provides the Audit Committee with independent views on the adequacy, integrity and effectiveness of the system of internal control after its reviews. The Audit Committee approves the annual internal audit plan before the commencement of the internal audit reviews for each financial year.

During the financial year, the internal auditors carried out a total of three (3) audits and one (1) follow-up review on the Company's subsidiaries focusing on selection of award of contract to sub-contractors, project budget monitoring, verification of payment certificate and progress claim, variation order, evaluation on the adequacy and effectiveness of management controls in sales, credit controls, inventory and petty cash. Evaluation was meant for some improvements on procedures and thereafter presented their internal audit reports to the Audit Committee. Areas of weakness were identified and communicated to the Audit Committee and the management for improvement.

The Audit Committee had also conducted review of the Internal Auditors' performance and was satisfied with their performance. The key assessment criteria of this review are:-

(a) Scope of internal audit;

(b) Competency;

(c) Resources of the internal audit function;

(d) Necessary authority to carry out its work;

(e) Audit independently, to perform with impartiality, proficiency and due professional care; and

(f) Engagement with the Audit Committee.

6. Authority

The Committee is authorised by the Board:-

i. To investigate any matter within its terms of reference;

ii. To have the resources which required to perform its duties;

iii. To have full and unrestricted access to any information pertaining to the Company;

iv. To have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);

v. To obtain independent professional or other advice; and

vi. To convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees, whenever deemed necessary.

Audit Committee *(cont'd)*

7. Functions

The functions of the Committee are as follows:-

(a) The Committee shall review, appraise and report to the Board on:-

- the discussion with the external auditors, prior to the commencement of audit, the audit plan which states the nature and scope of the audit and to ensure coordination of audit where more than one (1) audit firm is involved;
- the review with the external auditors, his evaluation of the system of internal controls, his management letter and management's response;
- the discussion of problems and reservations arising from the external audits, the audit report and any matters the external auditors may wish to discuss;
- the assistance given by the employees of the Group to the external and internal auditors; and
- any related party transaction and conflict of interest situation that may arise within the Group or Company, including any transaction, procedure or course of conduct that raises questions of management integrity.

(b) To review where appropriate whether there is a reason to believe that the Group's external auditors are not suitable for re-appointment;

(c) To consider any question of resignation or dismissal of the external auditors;

(d) To review quarterly reporting and year-end financial statements of the Group before submission to the Board, focusing particularly on:-

- changes in or implementation of major accounting policy;
- significant adjustments arising from the audit;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements.

(e) To review the following in respect of internal audit function:-

- adequacy of the scope, functions, competency and resources of the Internal Audit Department and that it has the necessary authority to carry out its work;
- internal audit programmes;
- the major findings of internal audit investigations and management's responses, and ensure that appropriate actions are taken on the recommendations of the Internal Audit Department;
- appraisal or assessments of the performance of the senior staff of the Internal Audit Department;
- approval of any appointment or termination of senior staff member of the Internal Audit Department; and
- resignation of senior internal audit staff member and providing the resigning staff member an opportunity to submit his/her reason for resignation.

Audit Committee *(cont'd)*

7. Functions *(cont'd)*

(f) To consider the major findings of internal audit investigations and Management's response;

(g) To recommend the nomination and appointment of external auditors as well as the audit fee;

(h) To promptly report any matters resulting in breach of MMLR to the Board. Where the Committee is of the opinion that such matter reported by it to the Board has not been satisfactorily resolved, the Committee shall promptly report such matter to Bursa Malaysia; and

(i) Any other function that may be mutually agreed upon by the Committee and the Board, which would be beneficial to the Company and ensure the effective discharge of the Committee's duties and responsibilities.

Statement on Risk Management and Internal Control

The Board of Directors ("the Board") is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 December 2024. The disclosure in this Statement is presented pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITIES

The Board acknowledges its overall risk management responsibilities, understands the principal risks of its business segments, i.e., building materials trading, paper converting, paper milling, property development and construction, and other general product trading, that the Group involves, and accepts that all business ventures require the incurrence and balancing of risk and return to generate reasonable returns to the shareholders.

In overseeing the effectiveness of the systems of risk management and internal control, the Board, together with the Audit Committee ("AC"), derive its comfort on these systems through the following processes:

- The Group Management review of the financial results for business units;
- The AC reviews the integrity of the interim financial results, annual report and audited financial statements in consultation with Management;
- The Board and AC deliberation on the External Audit Memorandum on the annual financial audit and risk and control issues noted, if any, during their statutory audit;
- The Internal Audit function assesses and reports to the AC on governance practices, risk management and internal control systems of the Group; and
- Management assures that the Group's risk management and internal control systems are in place and operating adequately.

RISK MANAGEMENT

The Board defined its group risk management policy. The Executive Director continues to drive the Group's risk management, assisted by respective Branch Managers. The Executive Director and Branch Managers are jointly responsible for identifying, evaluating, monitoring, and managing significant risks appropriately and promptly and assuring the Board that the Group's risk management and internal control systems are adequate and effective.

Despite the decrease in sales and gross profit margin compared to 2023, the Group cushioned the negative impact through its ongoing cost control measures. The Group also improved its net cash from operating activities, significantly reduced its borrowings and strengthened its cash position. This position will allow the Group to take advantage of potential business opportunities and reduce its exposure to uncertainty due to the current market conditions and sentiments resulting from the intense tariff war and global negotiations.

INTERNAL CONTROLS

In addition to the risk management processes, the Group has implemented the following procedures to ensure effective risk detection, prevention, mitigation, and "checks and balances". In summary, these key control frameworks and procedures are as follows:

- The establishment of Board Committees, and the presence of independent directors to oversee the financial, compliance, and operational performance of the Management;
- The organisational structure with the defined lines of responsibility, hierarchical structure covering the respective subsidiaries;

Statement on Risk Management and Internal Control *(cont'd)*

INTERNAL CONTROLS *(cont'd)*

- Payment approval for all the purchases in respective branches is subject to the Head Office's approval;
- An internal audit function to assist the AC and the Board in assessing the governance practices and internal control systems; and
- The establishment and implementation of the Anti-Bribery and Anti-Corruption ("ABC") Policy, Code of Ethics (for Directors and Employees) and Whistleblowing Policy.

INTERNAL AUDIT FUNCTION

Paragraph 15.27 of Listing Requirements of Bursa Securities provides that a listed issuer must establish an internal audit function independent of the activities it audits and ensure it reports directly to the AC.

The Company has outsourced its internal audit function to an internal audit consulting firm. The primary responsibility of this internal audit function is to assist the Board and the AC in reviewing and assessing the management systems of internal control and to provide recommendations to strengthen these internal control procedures.

The internal audit function is led by a director who is assisted by a manager and audit executives. The director in charge is Mr Chong Kian Soon, a member of the Malaysian Institute of Certified Public Accountants, Chartered Accountants Australia and New Zealand, and the Institute of Internal Auditors Malaysia. The team members are accounting graduates.

The Internal Auditors have carried out their work with reference to the principles of the International Professional Practice Framework ("IPPF") of the Institute of Internal Auditors ("IIA"). These principles include the audit planning, execution, documentation, communication of findings and consultation with key stakeholders.

The Internal Auditors present and propose their internal audit plan to the AC for deliberation and approval before internal audit reviews are carried out. The Internal Audit Plan is developed in consultation with the AC and after considering the business performances, changes in the compliance landscape and requirements, the external auditor's audit emphasis, the audit universe in the Group, and past internal audit findings.

Quarterly, the Internal Auditors report and present the Internal Audit reports to the AC. These reports contained the conclusion of control status, an overview of management performance, audit findings, management actions for improvement and target completion dates. In addition, internal auditors conduct follow-up audits to ascertain the status of management actions.

During the financial year, the Internal Auditor conducted the following reviews and reported to the AC:

i. Assessed the project management processes in Hai Ming Development Sdn. Bhd.;

ii. Evaluated the management controls in sales, credit control, inventory management, and petty cash in KPS Plywood Sdn. Bhd., and I'Kranji Sdn. Bhd.;

iii. Evaluated the adequacy and effectiveness of management controls in Hai Ming Marketing Sdn. Bhd, covering among others its Lending Services, Revenue, Credit Management, Procurement, and Inventory Management; and

iv. Assessed the disclosures of KPS Consortium Berhad's 2023 Corporate Governance Report.

The cost of the internal audit function for the 2024 financial year is RM96,000.

Statement on Risk Management and Internal Control *(cont'd)*

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the Bursa Securities Guidelines, Management is responsible for identifying risks, implementing and maintaining sound systems of risk management and internal control, and monitoring and reporting to the Board the significant control deficiencies and changes in risks that could significantly affect the Group's achievement of its objectives and performance.

In producing this Statement, the Board has received assurance from the Executive Director that the Group's risk management and internal control systems are operating adequately and effectively in all material respects to the best of their knowledge.

BOARD ASSURANCE AND LIMITATION

The Board is satisfied that the Group's existing risk management and internal control systems are adequate and effective in enabling the Group to achieve its business objectives. The Board has also received assurance from the Executive Director that the Group's risk management and internal control systems are adequate and effective in all material respects to the best of his knowledge. The Board did not note any significant control weaknesses for the financial year under review.

Nonetheless, the Board wishes to reiterate that due to the limitations inherent in any internal control and risk management systems, such systems could only manage and mitigate risk within tolerable levels instead of eliminating every possible risk the Group encountered. Therefore, these systems can only provide reasonable but not absolute assurance against the possibility of material error, misstatement, fraud, or loss.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement in accordance with the Audit and Assurance Practice Guide 3 ("AAPG3") issued by the Malaysian Institute of Accountants.

The External Auditors reported to the Board that nothing had come to their attention that was inconsistent with their understanding of the process adopted by the Board and Management in reviewing the adequacy and effectiveness of the Group's risk management and internal control systems.

This Statement is made in accordance with the approval of the Board.

Additional Compliance Information

In conformance with the Bursa Malaysia Securities Berhad Listing Requirements, the following additional information is provided:-

• Utilisation of Private Placement Proceeds

No proceeds were raised from any corporate proposal during the financial year.

• Audit Fees and Non-Audit Fees

The amount of audit and non-audit fees incurred for the services rendered by external auditors of the Group for the financial year ended 31 December 2024 were as follows:-

	Company (RM)	Subsidiaries (RM)
Audit fees	78,000	340,000
Non-audit fees	11,900	78,600

• Material Contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) subsisting as at or entered into since the end of the previous financial year, by the Company or its subsidiaries, which involved the interests of the Directors and major shareholders.

• Material Litigation

Details of material litigation during the financial year are disclosed in Note 34 to the financial statements.

• Recurrent Related Party Transactions of a Revenue Nature

There was no recurrent related party transaction of a revenue nature during the year.

REPORTS AND FINANCIAL STATEMENTS 31 DECEMBER 2024

CONTENTS

DIRECTORS' REPORT

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 its subsidiaries are disclosed in Note 6 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	16,067,072	156,375
Attributable to:-		
Owners of the Company	16,064,092	
Non-controlling interests	2,980	
	16,067,072	

DIVIDENDS

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

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT *(cont'd)*

DIRECTORS

The name of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are as follows:-

Company:-
Datuk Chua Hock Gee*
Lau Fook Meng*
Hew Chee Hau
Cheng Lai Chuan
Wong See Mei

* Directors of the Company and certain subsidiaries.

Subsidiaries:-
Koh Kok Hoor
Koh Poh Seng
Koh Zi Siew
Low Teck Cheong
Yong Chee Wei
Chuah Kong Wooi

Hew Chee Hau and Cheng Lai Chuan will retire by rotation in accordance with Clause 78 of the Company's Constitution and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

DIRECTORS' REMUNERATION

During the financial year, the fees and other benefits received and receivable by the Directors of the Company and its subsidiaries are as follows:-

	Incurred by the Company RM	Incurred by the subsidiaries RM	Group RM
Directors' fees	96,000	212,577	308,577
Salaries and other emoluments	11,250	379,252	390,502
Defined contribution plans	-	42,420	42,420
Social security contribution	-	4,042	4,042
	107,250	638,291	745,541

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

DIRECTORS' REPORT *(cont'd)*

DIRECTORS' REMUNERATION *(cont'd)*

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than as disclosed in Note 27 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company of which the Director has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, there is no Director who is in office at the end of the financial year held any direct interest in the shares of the Company and its related corporations.

ISSUE OF SHARES AND DEBENTURES

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

There was no issuance of debentures during the financial year.

SHARE OPTIONS

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There were no indemnity coverage and insurance premium paid for Directors and Officers of the Company and its subsidiaries during the financial year.

EVENTS AFTER THE REPORTING YEAR

On 26 February 2025, one of the wholly-owned subsidiaries, Hai Ming Industries Sdn. Bhd. had entered into a Sale and Purchase Agreement with a third-party purchaser to dispose of one unit of three-storey shop office for a total sale consideration of RM2,300,000. The disposal has yet to be completed as at the date of the auditors' report.

DIRECTORS' REPORT *(cont'd)*

OTHER STATUTORY INFORMATION

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

(a) 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 all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) 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:-

(a) which would render the amounts written off for 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

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

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

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

(a) 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;

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(c) 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 operations of the Group and of the Company for the current financial year in which this report is made.

DIRECTORS' REPORT *(cont'd)*

AUDITORS

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

The total amount of audit and other fees paid or payable to the Auditors and its member firms by the Company and its subsidiaries for the financial year ended 31 December 2024 amounted to RM89,900 and RM418,600 respectively. Further details are disclosed in Note 23 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

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

………………………………………………	)	
DATUK CHUA HOCK GEE	)	
	)	DIRECTORS
………………………………………………	)	
LAU FOOK MENG	)	

Kuala Lumpur
25 April 2025

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 92 to 157 are drawn up in accordance with Malaysian Financial Reporting 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 their 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.

…………………………………………	…………………………………………
DATUK CHUA HOCK GEE	LAU FOOK MENG

Kuala Lumpur
25 April 2025

STATUTORY DECLARATION

I, Lau Fook Meng, being the Director primarily responsible for the financial management of KPS Consortium Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 92 to 157 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by	)	
the abovenamed at Kuala Lumpur in	)	
the Federal Territory this day of	)	
25 April 2025	)	…………………………………………
		LAU FOOK MENG
		(MIA NO: CA 1627)

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

KPS CONSORTIUM BERHAD

(Incorporated in Malaysia)
Registration No: 198501011364 (143816-V)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KPS Consortium Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 92 to 157.

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 their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's 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.

INDEPENDENT AUDITORS' REPORT *(cont'd)*

Report on the Audit of the Financial Statements *(cont'd)*

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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.

Inventories valuation

The risk - Refer to Note 5 to the financial statements. The Group holds significant amounts of inventories which is subject to a risk that the inventories become slow-moving or obsolete and rendering it not saleable or can only be sold for selling prices that are less than their carrying value. There is inherent subjectivity and estimation involved in determining the accuracy of inventories obsolescence provision and in making an assessment of its adequacy due to risk of inventories not stated at the lower of cost or market value.

Our response - We tested the methodology for calculating the provisions, challenged the appropriateness and consistency of judgements and assumptions, and considered the nature and suitability of historic data used in estimating the provisions. In doing so, we obtained understanding on the ageing profile of inventories, the process for identifying specific problem inventories and historical loss rates.

Allowance for expected credit losses

The risk - Refer to Note 9 to the financial statements. We focused on this area because the Group has material amounts of trade receivables that are past due but not impaired. The key associate risk is the recoverability of billed trade receivables as management judgement is required in determining the completeness of the trade receivables provision and in assessing its adequacy through considering the expected recoverability of the year-end trade receivables.

Our response - We have obtained an understanding of the Group's control over the trade receivables' collection process, how the Group identifies and assesses the loss allowance of trade receivables and how the Group makes the accounting estimates for loss allowance. We have reviewed the application of the Group's policy for calculating the expected credit losses, considered the ageing of the trade receivables and testing the reliability thereon. In doing so, we have evaluated techniques and methodology applied for the expected credit losses approach and assessed the estimated future cash inflows by examining the historical collection records, historical loss rate of receivables, information regarding the current creditworthiness and any significant changes in credit quality of the debtors, evidence of subsequent settlements and other relevant information.

INDEPENDENT AUDITORS' REPORT *(cont'd)*

Report on the Audit of the Financial Statements *(cont'd)*

Key Audit Matters (cont'd)

Goodwill on consolidation

The risk - Refer to Note 8 to the financial statements. The Group holds goodwill on consolidation of RM43,151,039 which has been allocated to its building materials trading business segment as the cash-generating units. The Group performs an annual impairment assessment for its goodwill. This requires management to estimate the recoverable amount of the cash-generating units and this involves significant assumptions which are inherently judgmental.

Our response - We evaluated the model used in determining the value in use of the cash-generating units as well as assessing the discount rate used and challenging the reasonableness of key assumptions based on our knowledge of the business and industry. Besides that, we also compared the actual performance of the cash-generating units to assumptions applied in prior years model, to assess accuracy of management's estimates. We have performed sensitivity analysis on the key assumptions inputted to the model and understood the impact on the overall carrying value of goodwill with the alterations to the key assumptions. We also assessed the adequacy of disclosures in the financial statements.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company do 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.

INDEPENDENT AUDITORS' REPORT *(cont'd)*

Report on the Audit of the Financial Statements *(cont'd)*

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT *(cont'd)*

Report on the Audit of the Financial Statements *(cont'd)*

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

We also (cont'd):

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and 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 group financial statements. 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 communicated 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 identified 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)*

Report on the Audit of the Financial Statements *(cont'd)*

Other Matters

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

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

PHON POOI YIN
(NO: 03654/04/2026 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
25 April 2025

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	62,685,289	64,552,160	-	-
Investment properties	4	56,985,000	55,380,000	-	-
Inventories	5	35,103,410	35,103,410	-	-
Investment in subsidiaries	6	-	-	149,697,331	149,697,331
Amount due from subsidiaries	6	-	-	816,811	2,069,255
Investment in an associate	7	-	-	-	-
Goodwill on consolidation	8	43,151,039	43,151,039	-	-
Trade receivables	9	-	944,456	-	-
Deferred tax assets	10	1,993,166	1,993,166	-	-
Total non-current assets		199,917,904	201,124,231	150,514,142	151,766,586
Current assets					
Inventories	5	49,028,920	64,498,108	-	-
Trade receivables	9	121,378,262	168,721,599	-	-
Other receivables	11	3,020,207	5,149,241	-	-
Amount due from subsidiaries	6	-	-	6,043,661	4,969,079
Tax recoverable		4,002,669	3,006,879	21,136	16,636
Cash and bank balances		137,062,958	97,740,084	701,368	397,391
Total current assets		314,493,016	339,115,911	6,766,165	5,383,106
TOTAL ASSETS		514,410,920	540,240,142	157,280,307	157,149,692
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company					
Share capital	12	160,028,042	160,028,042	160,028,042	160,028,042
Revaluation reserve	13	7,646,454	7,646,454	-	-
Retained earnings/(Accumulated losses)		169,535,438	153,471,346	(2,906,137)	(3,062,512)
		337,209,934	321,145,842	157,121,905	156,965,530
Non-controlling interests		14,951	11,971	-	-
Total equity		337,224,885	321,157,813	157,121,905	156,965,530
LIABILITIES					
Non-current liabilities					
Borrowings	14	13,587,900	21,917,564	-	-
Deferred tax liabilities	10	355,000	231,000	-	-
Total non-current liabilities		13,942,900	22,148,564	-	-
Current liabilities					
Trade payables	15	32,506,156	38,811,389	-	-
Other payables	16	17,358,659	24,787,443	158,402	184,162
Contract liabilities	17	6,467,425	6,467,425	-	-
Lease liabilities	18	-	40,792	-	-
Borrowings	14	106,026,346	125,018,101	-	-
Tax payable		884,549	1,808,615	-	-
Total current liabilities		163,243,135	196,933,765	158,402	184,162
Total liabilities		177,186,035	219,082,329	158,402	184,162
TOTAL EQUITY AND LIABILITIES		514,410,920	540,240,142	157,280,307	157,149,692

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

STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	19	1,050,471,940	1,079,791,786	260,000	260,000
Cost of sales		(1,012,001,699)	(1,038,949,768)	-	-
Gross profit		38,470,241	40,842,018	260,000	260,000
Other income	20	4,985,969	6,713,624	-	1,599
Selling and distribution expenses		(10,498,296)	(9,730,886)	-	-
Administrative expenses		(7,787,746)	(8,580,357)	(344,795)	(499,024)
Net impairment gain on financial assets		1,380,787	137,084	-	-
Other expenses		(24,520)	(1,535,691)	-	-
Finance income	21	1,433,365	1,434,229	335,156	197,655
Finance costs	22	(7,363,575)	(6,818,186)	-	(4,717)
Profit/(Loss) before tax	23	20,596,225	22,461,835	250,361	(44,487)
Tax expense	24	(4,529,153)	(4,992,216)	(93,986)	(41,594)
Profit/(Loss) for the financial year/Total comprehensive income for the financial year		16,067,072	17,469,619	156,375	(86,081)
Profit/(Loss) for the financial year attributable to:-					
- Owners of the Company		16,064,092	17,466,109	156,375	(86,081)
- Non-controlling interests		2,980	3,510	-	-
		16,067,072	17,469,619	156,375	(86,081)
Total comprehensive income/(loss) attributable to:-					
- Owners of the Company		16,064,092	17,466,109	156,375	(86,081)
- Non-controlling interests		2,980	3,510	-	-
		16,067,072	17,469,619	156,375	(86,081)
Earning per share attributable to owners of the Company (sen):-					
- Basic/Diluted	25	9.88	11.29		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Non-distributable		Distributable			
	Share capital RM	Revaluation reserve RM	Retained earnings/ (Accumulated losses) RM	Total RM	Non-controlling interests RM	Total equity RM
Group						
Balance at 1 January 2023	153,228,000	7,646,454	136,005,237	296,879,691	8,461	296,888,152
Total comprehensive income for the financial year	-	-	17,466,109	17,466,109	3,510	17,469,619
Transaction with owners						
Issuance of shares pursuant to private placement	6,800,042	-	-	6,800,042	-	6,800,042
Balance at 31 December 2023	160,028,042	7,646,454	153,471,346	321,145,842	11,971	321,157,813
Total comprehensive income for the financial year	-	-	16,064,092	16,064,092	2,980	16,067,072
Balance at 31 December 2024	160,028,042	7,646,454	169,535,438	337,209,934	14,951	337,224,885
Company						
Balance at 1 January 2023	153,228,000	-	(2,976,431)	150,251,569	-	150,251,569
Total comprehensive loss for the financial year	-	-	(86,081)	(86,081)	-	(86,081)
Issuance of shares pursuant to private placement	6,800,042	-	-	6,800,042	-	6,800,042
Balance at 31 December 2023	160,028,042	-	(3,062,512)	156,965,530	-	156,965,530
Total comprehensive income for the financial year	-	-	156,375	156,375	-	156,375
Balance at 31 December 2024	160,028,042	-	(2,906,137)	157,121,905	-	157,121,905

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
OPERATING ACTIVITIES					
Profit/(Loss) before tax		20,596,225	22,461,835	250,361	(44,487)
Adjustments for:-					
Bad debts written off		22,049	31,137	-	-
Depreciation of property, plant and equipment		2,643,707	3,313,463	-	-
Fair value gain on investment properties		(1,605,000)	(220,000)	-	-
Gain on disposal of property, plant and equipment		(1,100,186)	(977,211)	-	-
Gain on disposal of investment in a subsidiary		-	(1,443,237)	-	(1,599)
Goodwill written off		-	864,385	-	-
Interest expenses		7,363,575	6,818,186	-	4,717
Interest income		(1,433,365)	(1,434,229)	(335,156)	(197,655)
Inventories written down		1,393,046	1,035,754	-	-
Inventories written off		215,834	751,003	-	-
Loss on remeasurement on investment in associate		-	575,858	-	-
Property, plant and equipment written off		1,560	64,311	-	-
Reversal of impairment loss on financial assets		(1,380,787)	(137,084)	-	-
Reversal of inventories written down		(1,655,640)	(1,195,922)	-	-
Operating profit/(loss) before working capital changes		25,061,018	30,508,249	(84,795)	(239,024)
Changes in working capital:-					
Inventories		15,515,948	(6,380,965)	-	-
Receivables		51,851,043	52,437,018	-	-
Payables		(7,592,000)	(17,290,459)	(25,760)	66,528
Subsidiaries		-	-	(25,000)	(60,000)
Cash generated from/(used in) operations		84,836,009	59,273,843	(135,555)	(232,496)
Interest received		1,357,887	1,395,074	-	-
Tax refund		54,970	1,308,492	-	-
Tax paid		(6,379,979)	(5,662,236)	(98,486)	(36,500)
Net cash from/(used in) operating activities		79,868,887	56,315,173	(234,041)	(268,996)
INVESTING ACTIVITIES					
Acquisition of a subsidiary	**6**	-	1,599	-	(600)
Interest received		-	-	335,156	197,655
Proceeds from disposal of property, plant and equipment		1,102,900	1,605,700	-	-
Proceeds from disposal of a subsidiary	**6**	-	1	-	2,200
Purchase of property, plant and equipment		(781,110)	(1,516,416)	-	-
Repayment from/(Advance to) subsidiaries		-	-	202,862	(6,292,609)
Net cash from/(used in) investing activities		321,790	90,884	538,018	(6,093,354)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
FINANCING ACTIVITIES					
Interest paid		(7,363,575)	(6,818,186)	-	(4,717)
Repayment to a substantial shareholder of the Company		(6,142,017)	(9,589,463)	-	-
Proceeds from issuance of share capital		-	6,800,042	-	6,800,042
Repayment to a subsidiary		-	-	-	(161,353)
Repayment of bankers' acceptances		(24,162,530)	(14,881,421)	-	-
Repayment of term loans		(3,113,798)	(4,261,345)	-	-
Repayment of lease liabilities		(40,792)	(53,115)	-	-
Net cash (used in)/from financing activities		(40,822,712)	(28,803,488)	-	6,633,972
CASH AND CASH EQUIVALENTS					
Net changes		39,367,965	27,602,569	303,977	271,622
Brought forward		97,693,910	70,091,341	397,391	125,769
Carried forward	**A**	137,061,875	97,693,910	701,368	397,391

NOTE TO THE STATEMENTS OF CASH FLOWS

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following items:-

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Cash and bank balances	137,062,958	97,740,084	701,368	397,391
Bank overdraft	(1,083)	(46,174)	-	-
	137,061,875	97,693,910	701,368	397,391

The accompanying notes form an integral part of the 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 listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office and principal place of the Company are located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur and Lot 622, Jalan Lapis Dua, Kampung Sementa, Batu 6, Jalan Kapar, 42200 Klang, Selangor Darul Ehsan respectively.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 April 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), 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 historical cost convention except for investment properties that have been measured at fair values.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Basis of measurement (cont'd)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

Level 1 - Quoted (unadjusted) market prices in active markets for the identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

The Group has established control framework in respect of measurement of fair values of financial instruments. The Board has overall responsibility for overseeing all significant fair value measurements. The Board regularly reviews significant unobservable inputs and valuation adjustments.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.4 Basis of consolidation

The Group's financial statements consolidate those of the parent company and all of its subsidiaries at 31 December 2024. All subsidiaries have a reporting of 31 December.

2.5 MFRSs

2.5.1 Adoption of amendments and improvements to MFRSs

At the beginning of the current financial year, the Group and the Company adopted amendments and improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2024.

Initial application of the amendments and improvements to the standards did not have material impact to the financial statements.

2.5.2 Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards, if applicable, when they become effective:-

Effective for financial period beginning on or after 1 January 2025:-

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

Effective for financial period beginning on or after 1 January 2026:-

Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures - Contracts Referencing Nature – dependent Electricity

Annual improvements to MFRS Accounting Standards - Volume 11

Effective for financial period beginning on or after 1 January 2027:-

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability - Disclosure

Deferred to a date to be determined by Malaysian Accounting Standard Board:-

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and investments in Associates and Joint Ventures - Sale or Contribution Assets between an investor and its Associate or Joint Venture

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 MFRSs (cont'd)

2.5.2 Standards issued but not yet effective (cont'd)

The initial application of the above amended standards are not expected to have material financial impacts to the financial statements, except for:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve companies' reporting of financial performance:

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replace MFRS 101 *Presentation of Financial Statements*. It carries forward many requirements from MFRS 101 unchanged. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, but companies can apply it earlier.

The Group is currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

2.6 The use of estimates and judgements

The preparation of financial statements in conformity with MFRSs and IC Interpretations require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. It also requires the management and Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the management's and Directors' best knowledge of current events and actions, actual results may defer from those estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised from the period in which the estimate is revised. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below.

Climate-related matters

The long-term consequences of climate changes on financial statements are difficult to predict and require entities to make significant assumptions and develop estimates.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.6 The use of estimates and judgements (cont'd)

Climate-related matters (cont'd)

Assumptions used by the Group are subject to uncertainties relating to regulatory changes (eg. green taxes adopted by governments), new environmental commitments made by the Group meet its carbon reduction goals, development of new technologies, depletion of natural resources used to produce telecommunication hardware, etc. Due to these uncertainties, the figures reported in the Group's future financial statements could differ from the estimates established at the time these financial statements were approved.

Useful lives of depreciable assets

Property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over their useful life. Management estimates the useful lives of the depreciable assets to be within 4 to 60 years and reviews the useful lives of depreciable assets at end of each reporting period. At 31 December 2024, management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and technological developments, which may result in an adjustment to the Group's assets.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management make assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.6 The use of estimates and judgements (cont'd)

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The realisation of these inventories may be affected by market-driven changes that may occur in the future.

Provision for expected credit losses ("ECLs") of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns such as customer type and rating, and coverage by collateral.

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 (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing and building material trading sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

Income taxes/Deferred tax liabilities

Significant judgement is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognise, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Fair value of investment properties

The Group carried its investment properties at fair value, with changes in fair value being recognised in the statements of profit and loss. The Group engaged independent valuation specialists and make reference to market evidence of transacted prices for similar properties using comparable prices adjusted for specific market factors such as nature, location and condition of the properties to assess fair value as at the end of the reporting period.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.6 The use of estimates and judgements (cont'd)

Fair value of investment properties (cont'd)

Information about the valuation techniques and inputs used in determining the fair value of investment properties are disclosed in Note 4 to financial statements.

Revenue from contracts with customers

Revenue is recognised when or as the control of the asset is transferred to our customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time. If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress, based on the stage of completion method. The stage of completion is measured using the input method, which is based on the physical proportion of contract work-to-date over the estimated total contract cost.

Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, management relies on past experience and the work of specialists. A change in the estimate will directly affect the revenue to be recognised.

Classification of investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Total RM
Group							
Cost							
At 1 January 2023	37,856,690	3,556,068	24,777,187	51,260,820	9,048,856	2,429,398	128,929,019
Additions	-	-	-	1,452,396	38,750	25,270	1,516,416
Disposals	-	-	-	(2,025,450)	(43,853)	-	(2,069,303)
Written off	-	-	-	(308,462)	-	(450)	(308,912)
At 31 December 2023	37,856,690	3,556,068	24,777,187	50,379,304	9,043,753	2,454,218	128,067,220
Additions	-	606,300	-	-	46,450	128,360	781,110
Disposals	-	-	-	(3,021,500)	(430,630)	(5,600)	(3,457,730)
Written off	-	-	-	-	-	(3,600)	(3,600)
At 31 December 2024	37,856,690	4,162,368	24,777,187	47,357,804	8,659,573	2,573,378	125,387,000
Accumulated depreciation							
At 1 January 2023	-	2,155,631	13,284,871	34,900,258	8,387,711	2,197,229	60,925,700
Charge for the financial year	-	72,891	570,357	2,302,171	313,842	54,202	3,313,463
Disposals	-	-	-	(435,650)	(43,852)	-	(479,502)
Written off	-	-	-	(244,200)	-	(401)	(244,601)
At 31 December 2023	-	2,228,522	13,855,228	36,522,579	8,657,701	2,251,030	63,515,060
Charge for the financial year	-	82,996	570,271	1,780,059	141,127	69,254	2,643,707
Disposals	-	-	-	(3,021,498)	(430,625)	(2,893)	(3,455,016)
Written off	-	-	-	-	-	(2,040)	(2,040)
At 31 December 2024	-	2,311,518	14,425,499	35,281,140	8,368,203	2,315,351	62,701,711
Accumulated impairment							
At 1 January 2023	-	-	-	961,312	-	-	961,312
Disposals	-	-	-	(961,312)	-	-	(961,312)
At 31 December 2023/ At 31 December 2024	-	-	-	-	-	-	-
Net carrying amount							
At 31 December 2024	37,856,690	1,850,850	10,351,688	12,076,664	291,370	258,027	62,685,289
At 31 December 2023	37,856,690	1,327,546	10,921,959	13,856,725	386,052	203,188	64,552,160

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

Lease assets

Included in the net carrying amount of property, plant and equipment are right-of-use assets as below:-

	Leasehold land RM	Motor vehicles RM	Total RM
Group			
Cost			
At 1 January 2023	3,556,068	357,745	3,913,813
Transfer to property, plant and equipment	-	(268,745)	(268,745)
At 31 December 2023	3,556,068	89,000	3,645,068
Additions	606,300	-	606,300
Transfer to property, plant and equipment	-	(89,000)	(89,000)
At 31 December 2024	4,162,368	-	4,162,368
Accumulated depreciation			
At 1 January 2023	2,155,631	265,007	2,420,638
Charge for the financial year	72,891	13,379	86,270
Transfer to property, plant and equipment	-	(268,744)	(268,744)
At 31 December 2023	2,228,522	9,642	2,238,164
Charge for the financial year	82,996	5,192	88,188
Transfer to property, plant and equipment	-	(14,834)	(14,834)
At 31 December 2024	2,311,518	-	2,311,518
Net carrying amount			
At 31 December 2024	1,850,850	-	1,850,850
At 31 December 2023	1,327,546	79,358	1,406,904

The above motor vehicles are under lease arrangement.

Leased assets are pledged as security for the related lease liabilities.

Assets pledged as securities to financial institutions

The net carrying amount of property, plant and equipment of the Group have been pledged to licensed banks for banking facilities granted to certain subsidiaries are as follows:-

	Group 2024 RM	Group 2023 RM
Freehold land	37,856,690	37,856,690
Leasehold land	1,850,850	1,327,546
Buildings	10,351,688	10,921,959
Plant and machinery	5,077,048	5,650,994
	55,136,276	55,757,189

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

Plant and machinery subject to operating lease

The Group leases some of its plant and machinery to third parties. All the leases are cancellable within two to three months prior written notice or payment of two to three months fee in lieu of notice.

Material accounting policy information

All property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. Freehold land with an infinite life is not depreciated. Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Leasehold land	22 to 60 years
Buildings	2% - 3.13%
Plant and machinery	7% - 20%
Motor vehicles	7% - 20%
Furniture, fittings and office equipment	10% - 25%

Freehold land is not depreciated but is subject to impairment test if there is indication of impairment.

4. INVESTMENT PROPERTIES

	Freehold land RM	Buildings RM	Total RM
Group			
Fair value			
At 1 January 2023	22,440,000	32,720,000	55,160,000
Fair value gain	-	220,000	220,000
At 31 December 2023	22,440,000	32,940,000	55,380,000
Fair value gain	2,175,000	(570,000)	1,605,000
At 31 December 2024	24,615,000	32,370,000	56,985,000

Investment properties under leases

Investment properties comprise of freehold land and buildings that are leased to third parties. The leases contain non-cancellable period of three years and cancellable within three months prior written notice or payment of three months fee in lieu of notice. No contingent rents are charged.

4. INVESTMENT PROPERTIES (CONT'D)

Income and expenses recognised in profit or loss

	Group	
	2024	2023
	RM	RM
Lease income	1,482,057	1,265,904
Direct operating expenses for investment properties:		
- income generating investment properties	126,128	127,641
- non-income generating investment properties	312	182

The operating lease payments to be received are as follows:-

	Group	
	2024	2023
	RM	RM
Within 1 year	1,129,907	1,338,701
Between 1 and 2 years	193,092	183,796
Total undiscounted lease payments	1,322,999	1,522,497

Investment properties pledged as securities to financial institutions

The net carrying amount of investment properties which are pledged to licensed banks for banking facilities granted to subsidiaries are as follows:-

	Group	
	2024	2023
	RM	RM
Freehold land	21,220,000	19,620,000
Buildings	29,360,000	29,830,000
	50,580,000	49,450,000

Strata title yet to issue

The strata title of buildings of subsidiaries with net carrying amount of RM16,200,000 (2023: RM16,200,000) are yet to issue by relevant authorities.

4. INVESTMENT PROPERTIES (CONT'D)

Fair value basis of investment properties

Investment properties are stated at fair value, which has been determined based on valuations at the end of the reporting period. As at financial year end, the fair values of the investment properties are based on valuations performed by accredited independent valuers with recent experience in the location and category of properties being valued. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the financial year.

Fair value measurement of the investment properties were categorised as follows:-

	Group Level 2 2024 RM	Group Level 2 2023 RM
Recurring fair value measurement		
Freehold land	24,615,000	22,440,000
Buildings	32,370,000	32,940,000

Level 2 fair value

Level 2 fair value of freehold land and buildings have been generally derived using the sales comparison approach. Sales 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 feet of comparable properties.

Material accounting policy information

Investment properties are initially measured at cost, including transaction cost. Subsequent to initial recognition, investment properties are measured at fair value and are revalued annually and are included in the statements of financial position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss in the period in which they arise.

5. INVENTORIES

	Group 2024 RM	Group 2023 RM
Non-current		
Completed properties (Note 5.1)	35,103,410	35,103,410

5. INVENTORIES (CONT'D)

	Group 2024 RM	Group 2023 RM
Current		
Raw materials	6,474,965	13,460,724
Consumables	113,957	112,958
Work-in-progress	784,314	830,137
Finished goods	6,256,595	9,280,328
Trading goods	35,399,089	40,813,961
	49,028,920	64,498,108
	84,132,330	99,601,518
Recognised in profit or loss:-		
Inventories recognised as cost of sales	982,395,765	994,454,673
Inventories written down	1,393,046	1,035,754
Inventories written off	215,834	751,003
Reversal of inventories written down	(1,655,640)	(1,195,922)

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

5.1 Completed properties

One of the wholly-owned subsidiary, Hai Ming Development Sdn. Bhd. ("the subsidiary") is currently involved in material litigation with third parties as disclosed in Note 34(a) to the financial statements. This litigation has restricted the subsidiary to conduct any business transactions related to the above completed properties.

Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

The write-down and reversal are included in cost of sales. The Group writes down its obsolete or slow-moving inventories based on assessments of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend and current economic trends when making this judgement to evaluate the adequacy of the write down for obsolete or slow-moving inventories.

The reversal of inventories written down was made and recognised in profit or loss when the related inventories were subsequently used or were sold above their carrying amount.

6. SUBSIDIARIES

Investment in subsidiaries

	Company 2024 RM	Company 2023 RM
At cost		
Unquoted shares in Malaysia	153,374,652	153,374,652
Less: Accumulated impairment losses	(3,677,321)	(3,677,321)
	149,697,331	149,697,331

The movements of accumulated impairment losses are as follows:-

	Company 2024 RM	Company 2023 RM
At 1 January/At 31 December	3,677,321	3,677,321

Impairment of subsidiaries

The Company assesses whether these is any indicator of impairment at the reporting date. If any such indication exists, the management of the Company assesses the recoverable amount of the investment in subsidiaries and an impairment loss is recognised when the recoverable amount of the investment in subsidiaries is less than their carrying amount.

The recoverable amount of the subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or value-in-use of the respective subsidiaries.

Estimating a value in use requires significant judgements and estimates about the future results and key assumptions applied to the cash flow projections of the subsidiaries in determining the recoverable amounts. These key assumptions include different forecast growth in future revenue and operating cash flows, as well as determining an appropriate pre-tax discount rate for used for each subsidiary.

Fair value less cost to sell method are within Level 3 of the fair value hierarchy.

Details of the Level 3 fair value method used in obtaining the recoverable amounts are as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

6. SUBSIDIARIES (CONT'D)

Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows:-

Name of company	Principal place of business	Effective ownership interest and voting interest 2024 %	2023 %	Principal activities
Akateak Sdn. Bhd.	Malaysia	100	100	Distributor and retailer of wooden doors, plywood and related building materials.
Hai Ming Development Sdn. Bhd.	Malaysia	100	100	Involving in general, reinsurance agency, brokerage business and property development.
Hai Ming Enterprise Sdn. Bhd.	Malaysia	100	100	Trading of plywood.
Hai Ming Industries Sdn. Bhd.	Malaysia	100	100	Converting of paper into related products, marketing of these products and trading in cements and other related products.
Hai Ming Marketing Sdn. Bhd.	Malaysia	100	100	Trading in paper products and carry-on business as money lenders and give guarantees for payment of money.
Hai Ming Paper Mills Sdn. Bhd.	Malaysia	100	100	Manufacturing of tissue paper and converting tissue paper into tissue related products.
Hai Ming Trading Co. Sdn. Bhd.	Malaysia	100	100	Trading in paper products, stationery and general household products.
I'Kranji Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading in printed laminated plywood.
KPS Plywood Sdn. Bhd.	Malaysia	100	100	Trading of plywood and investment holding.
Modern Steel Sdn. Bhd.	Malaysia	100	100	Trading in steel bar and cement.
Paragon Marketing Sdn. Bhd.	Malaysia	100	100	Trading in tissue, plywood and related products.
Paragon Paper & Plywood Sdn. Bhd.	Malaysia	99.9	99.9	Manufacturing of tissue paper and tissue related products.
Welley Enterprise Sdn. Bhd.	Malaysia	100	100	Distributing and retailing of plywood and related building materials.

The Company does not have any subsidiaries which are controlled with less than a majority of voting rights and the Group does not have any material non-controlling interests.

6. SUBSIDIARIES (CONT'D)

Investment in subsidiaries (cont'd)

Deemed acquisition of a subsidiary

2023

On 5 January 2023, the Company had acquired 600,000 ordinary shares, representing 60% equity interest in Hai Ming Exsim Development Sdn. Bhd. ("HMED") at a purchase price RM0.001 per ordinary share for a total consideration RM600. The acquisition was completed on 5 January 2023.

Arising from this step acquisition, the Company's shareholding in HMED increased from 40% to 100% and HMDM become a wholly-owned subsidiary of the Company.

The remeasurement to fair value of the Group's existing 40% interest in HMED resulted in a loss and has been recognised in other expense in the profit or loss are summarised as follows:-

	Group 2023 RM
Fair value of previously held stake	(575,857)
Less: Carrying amount of previously - held equity interest	1
Loss on remeasurement of previously - held equity interest	(575,858)

The following summaries the fair value of assets acquired, liabilities assumed and net cash inflows arising from the acquisition of additional interest in HMED:-

	Group 2023 RM
Bank balance	2,199
Trade payable	(500,965)
Other payables	(940,876)
Fair value of net identified liabilities at date of acquisition	(1,439,642)
Goodwill on acquisition	864,385
Cost of investment accounted under equity accounting	(1)
Loss upon remeasurement of previously held equity interest in associate arising from step acquisition	575,858
Purchase consideration	600
Less: Cash and cash equivalents acquired	(2,199)
Net cash inflows on acquisition of equity interest in subsidiary	(1,599)

6. SUBSIDIARIES (CONT'D)

Investment in subsidiaries (cont'd)

Goodwill arising from business combination

The above deemed acquisition gave rise to a goodwill of RM864,385 and the amount has been written off in the statement of profit or loss during the financial year 2023.

Disposal of a subsidiary

2023

On 14 September 2023, the Company disposed its subsidiary, HMED to a major shareholder, Mr Koh Poh Seng for a cash consideration of RM2,200.

The disposal of HMED gave rise to a gain of RM1,599 in the Company's financial statements.

The effect of the disposal of HMED on the financial position of the Group as at the date of disposal was as follows:-

	Group 2023 RM
Bank balance	2,199
Trade payable	(500,965)
Other payables	(945,271)
Net liabilities at date of disposal	(1,441,037)
Gain on disposal of a subsidiary	1,443,237
Proceeds from disposal	2,200
Less: Cash and cash equivalents disposal	(2,199)
Net cash inflows on disposal of equity interest in a subsidiary	1

Material accounting policy information

Investment in subsidiaries, which are eliminated on consolidation, are stated in the Company's statement of financial position at cost less any impairment losses.

6. SUBSIDIARIES (CONT'D)

Amount due from subsidiaries

	Company 2024 RM	Company 2023 RM
Amount due from subsidiaries		
Non-current		
Non-trade balance	816,811	2,069,255
Current		
Trade balance	168,379	143,379
Non-trade balance	5,875,282	4,825,700
	6,043,661	4,969,079
	6,860,472	7,038,334

The amount due from subsidiaries are non-interest bearing, unsecured and repayable on demand, except for an amount of RM6,240,000 (2023: RM6,740,000) subject to interest at a rate of 5.20% (2023: 4.50% to 5.20%) per annum.

7. ASSOCIATE

Investment in an associate

	Group and Company 2024 RM	Group and Company 2023 RM
At cost		
Unquoted share in Malaysia	-	-

Details of associate are as follows:-

Name of company	Principal place of business	Effective ownership interest and voting interest 2024 %	Effective ownership interest and voting interest 2023 %	Principal activities
Hai Ming Exsim Development Sdn. Bhd.	Malaysia	-	-	Property Development.

7. ASSOCIATE (CONT'D)

Investment in an associate (cont'd)

Disposal

2023

On 5 January 2023, the Company had acquired 600,000 ordinary shares, representing 60% equity interest in Hai Ming Exsim Development Sdn. Bhd. ("HMED") at a purchase price RM0.001 per ordinary share for a total consideration RM600. The acquisition was completed on 5 January 2023. Arising from this step acquisition, the Company's shareholding in HMED increased from 40% to 100% and HMDM become a wholly-owned subsidiary of the Company.

The summarised fianancial information of the associate, not adjusted for the proportion of ownership interest held by the Group is as follows:-

	HMED 2023 RM
Financial performance for the financial year ended 31 December	
Total comprehensive loss	(1,395)
Group's share of losses	
Group share of total comprehensive income	-

Unrecognised share of losses

2023

The Group had not recognise full losses relating to Hai Ming Exsim Development Sdn. Bhd., totaling RM1,395 and cumulatively RM575,857 in 2023, since the Group has no obligation in respect of these losses.

Contingent liabilities and capital commitments

The associate has no contingent liability and capital commitment to which the Group is exposed nor the Group has any contingent liability and capital commitment in relation to its interest in the associate.

8. INTANGIBLE ASSET

	Group 2024 RM	Group 2023 RM
Goodwill arising from business combination		
At 1 January	43,151,039	43,151,039
Addition	-	864,385
Written off	-	(864,385)
At 31 December	43,151,039	43,151,039

No impairment loss was required for the goodwill on consolidation as its recoverable values was in excess of their carrying values.

Impairment test for cash-generating units containing goodwill

For the purpose of impairment test, goodwill has been allocated to the Group's CGU, being Akateak Sdn. Bhd. and KPS Plywood Sdn. Bhd., both of which are in the building materials trading business segment.

As at the end of financial year ended 31 December 2024, the Management has carried out an annual impairment assessment on the CGU.

The recoverable amount of the CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. The values assigned to key assumptions is in respect of management's assessment of future trends in the industry.

The key assumptions used for value-in-use calculations are as follows:-

- The cash flows were projected based on expected operating results;
- Revenue was remained constantly for the cash flow projections;
- The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements. The average gross margin applied was 4% (2023: 3%);
- A pre-tax discount rate of 11% (2023: 11%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the weighted average cost of capital plus a reasonable risk premium;
- Cash flows beyond the five-year period were extrapolated using the estimated terminal growth rate of 2% (2023: 2%). The terminal growth rate used was consistent with historical average inflations rate.

With regard to the assessment of value-in-use of the CGU relating to trading in building materials products, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of these units to differ materially from their recoverable amounts except for the changes in prevailing operating environment which is not ascertainable.

9. TRADE RECEIVABLES

	Group 2024 RM	Group 2023 RM
Non-current		
Loan receivables	-	944,456
Trade receivables	21,612	43,550
	21,612	988,006
Less: Allowance for expected credit losses	(21,612)	(43,550)
	-	944,456
Current		
Loan receivables	2,173,528	2,286,923
Trade receivables	135,350,473	181,167,471
Retention sum	123,250	2,750,000
	137,647,251	186,204,394
Less: Allowance for expected credit losses	(16,268,989)	(17,482,795)
	121,378,262	168,721,599
	121,378,262	169,666,055

The movements of allowance for expected credit losses are as follows:-

	Individual impairment RM	Collective impairment RM	Total RM
Group			
At 1 January 2023	13,104,892	4,647,559	17,752,451
Additions	1,499,471	-	1,499,471
Reversal	(1,497,968)	(138,587)	(1,636,555)
Written off	(89,022)	-	(89,022)
At 31 December 2023	13,017,373	4,508,972	17,526,345
Additions	669,426	798,950	1,468,376
Reversal	(1,973,644)	(730,476)	(2,704,120)
At 31 December 2024	11,713,155	4,577,446	16,290,601

9. TRADE RECEIVABLES (CONT'D)

Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair value on initial recognition.

The credit terms granted by the Group to customers range from cash term to 120 days (2023: cash term to 120 days). Other credit terms are assessed and approved by management on a case-by-case basis. Interest is charged on overdue accounts at the rates ranging from 0.75% to 1.50% (2023: 0.75% to 1.50%) per month.

The impairment loss on trade receivable was reversed as a result of subsequent receipts of the amount.

The fair value of the collateral at the reporting date is RM7,000,000 (2023: RM7,000,000).

Material accounting policy information

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses refers to the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The expected credit losses of the trade receivables are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

10. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2024 RM	2023 RM
At 1 January	1,762,166	1,415,166
Recognised in profit or loss	(124,000)	347,000
At 31 December	1,638,166	1,762,166
Presented after appropriate offsetting as follows:-		
Deferred tax assets	1,993,166	1,993,166
Deferred tax liabilities	(355,000)	(231,000)
	1,638,166	1,762,166

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax assets and liabilities prior to offsetting are as follows:-

	Group	
	2024	2023
	RM	RM
Deferred tax assets (before offsetting)	6,505,787	6,610,831
Offsetting	(4,512,621)	(4,617,665)
Deferred tax assets (after offsetting)	1,993,166	1,993,166
Deferred tax liabilities (before offsetting)	(4,867,621)	(4,848,665)
Offsetting	4,512,621	4,617,665
Deferred tax liabilities (after offsetting)	(355,000)	(231,000)
	1,638,166	1,762,166

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

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax assets and liabilities prior to offsetting are as follows (cont'd):-

Deferred tax assets

	Unutilised business losses RM	Unabsorbed capital allowances RM	Allowance for impairment RM	Inventories RM	Total RM
Group					
At 1 January 2023	3,653	2,903,591	2,779,949	677,612	6,364,805
Recognised in profit or loss	474,436	(656,410)	233,000	195,000	246,026
At 31 December 2023	478,089	2,247,181	3,012,949	872,612	6,610,831
Recognised in profit or loss	846,261	(1,072,305)	77,000	44,000	(105,044)
At 31 December 2024	1,324,350	1,174,876	3,089,949	916,612	6,505,787

Deferred tax liabilities

	Property, plant and equipment RM	Real property gains tax on revaluation gain RM	Investment properties RM	Total RM
Group				
At 1 January 2023	(3,407,639)	(850,000)	(692,000)	(4,949,639)
Recognised in profit or loss	122,974	-	(22,000)	100,974
At 31 December 2023	(3,284,665)	(850,000)	(714,000)	(4,848,665)
Recognised in profit or loss	434,044	(321,000)	(132,000)	(18,956)
At 31 December 2024	(2,850,621)	(1,171,000)	(846,000)	(4,867,621)

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The amounts of deferred tax assets (at gross) that are not recognised in the statements of financial position are as follows:-

	Group	
	2024	2023
	RM	RM
Property, plant and equipment	591,000	540,000
Contract liabilities	6,467,000	6,467,000
Unused tax losses	4,180,000	6,853,000
Unutilised capital allowances	224,000	244,000
Unutilised reinvestment allowances	6,754,000	6,754,000
Inventories	46,000	164,000
Allowance for impairment loss	6,723,000	6,854,000
	24,985,000	27,876,000

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available for the subsidiaries to utilise the benefits.

Effective Year of Assessment 2019 as announced in the Annual Budget 2022, the unused tax losses of the Group as of 31 December 2018 and thereafter will be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unused tax losses will be disregarded.

The expiry of the unused tax losses is as follows:-

	Group	
	2024	2023
	RM	RM
Year of assessment ("YA"):-		
YA 2028	-	1,976,000
YA 2029	23,000	1,282,000
YA 2030	313,000	875,000
YA 2031	138,000	138,000
YA 2032	428,000	626,000
YA 2033	1,723,000	1,956,000
YA 2034	1,555,000	-
	4,180,000	6,853,000

Material accounting policy information

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using tax rates enacted or substantively enacted at the reporting date.

11. OTHER RECEIVABLES

	Group 2024 RM	2023 RM
Non-trade receivables	146,776	1,117,835
Less: Allowance for expected credit losses	-	(145,043)
	146,776	972,792
Deposits	786,617	1,871,076
Advances to suppliers	1,167,521	1,148,055
Total receivables	2,100,914	3,991,923
Prepayments	919,293	1,157,318
	3,020,207	5,149,241

In prior financial year, interest is charged on overdue accounts at the rate of 5% per annum.

The movements of the allowance for expected credit losses as follows:-

	Individual impairment RM	Collective impairment RM	Total RM
At 1 January 2023/31 December 2023	-	145,043	145,043
Reversal	-	(145,043)	(145,043)
At 31 December 2024	-	-	-

The impairment loss on non-trade receivable was reversed during the financial year as a result of subsequent receipts of the amount.

12. SHARE CAPITAL

Group and Company

	Number of ordinary shares 2024 Unit	2023 Unit	Amount 2024 RM	2023 RM
Issued and fully paid with no par value:-				
At 1 January	162,609,858	147,827,158	160,028,042	153,228,000
Issuance of ordinary shares pursuant to private placement	-	14,782,700	-	6,800,042
At 31 December	162,609,858	162,609,858	160,028,042	160,028,042

In prior financial year, the ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

12. SHARE CAPITAL (CONT'D)

Group and Company (cont'd)

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

13. REVALUATION RESERVE

Group

The revaluation reserve represents the fair value of freehold land and buildings, net of tax, and decrease to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

14. BORROWINGS

	Group	
	2024 RM	2023 RM
Non-current		
Secured:-		
Term loans	13,587,900	21,917,564
Current		
Secured:-		
Term loans	8,252,828	3,036,962
Bankers' acceptance	48,575,782	82,541,750
Bank overdraft	1,083	46,174
	56,829,693	85,624,886
Unsecured:-		
Bankers' acceptance	49,196,653	39,393,215
	106,026,346	125,018,101
	119,614,246	146,935,665
Total borrowings		
Term loans	21,840,728	24,954,526
Bankers' acceptance	97,772,435	121,934,965
Bank overdraft	1,083	46,174
	119,614,246	146,935,665

14. BORROWINGS (CONT'D)

The secured term loans, bankers' acceptance and bank overdraft are secured by the following:-

(i) Charge and deeds of assignment over the landed properties and plant and machinery of certain subsidiaries as disclosed in Notes 3 and 4 to the financial statements;
(ii) Personal guarantee by a substantial shareholder of the Company and a Director of a subsidiary;
(iii) Corporate guarantee by the Company and a subsidiary;
(iv) Pledged over quoted shares owned by a substantial shareholder of the Company;
(v) Debenture by way of fixed and floating charges over the entire assets of a subsidiary;
(vi) Assignment of Life Assurance Policy by a Director of a subsidiary;
(vii) Facility agreement;
(viii) Letter of Hibah; and
(ix) Letter of negative pledge.

The unsecured bankers' acceptance is guaranteed by the Company, a subsidiary, a Director of subsidiary and a substantial shareholder of the Company and assignment of Life Insurance Policy by a Director of a subsidiary.

The bank overdraft bears interest rates of 8.32% (2023: range from 7.07% to 8.32%) per annum.

The bankers' acceptance bears interest rates range from 3.28% to 5.77% (2023: 2.92% to 5.74%) per annum.

The term loans bear interest rates range from 4.11% to 6.43% (2023: 4.11% to 6.41%) per annum. The repayment term for secured term loans ranging from 60 to 180 (2023: 60 to 180) monthly installments.

As at 31 December 2024, one of the wholly-owned subsidiaries, Hai Ming Development Sdn. Bhd.'s gearing ratio was 2.35, exceeding the maximum threshold of 1.5 set by the bank under the term loan agreement. As a result, the subsidiary does not meet the required financial covenant as at the reporting date, which gives the bank the right to demand immediate repayment of the outstanding loan. Accordingly, the term loan amounted to RM6,344,153 has been classified as a current liability in the financial statements. The Company has committed to provide financial support and will make the necessary repayments if required by the bank. As at the date of the auditors' report, the bank has not requested immediate repayment of such loan.

15. TRADE PAYABLES

Group

Trade payables are non-interest bearing and the normal credit terms granted by the suppliers range from cash term to 120 days (2023: cash term to 120 days).

15. TRADE PAYABLES (CONT'D)

Group (cont'd)

Included in trade payables are the retention sum amounting to RM1,994,573 (2023: RM4,662,073).

Included in trade payables is an amount of RM219,160 (2023: RM608,179) guaranteed by the Company to a supplier of a subsidiary.

16. OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-trade payables	14,681,125	22,068,195	8,302	36,262
Amount due to a Director	418,167	418,167	-	-
Accruals	1,615,517	1,641,424	150,100	147,900
Deposits received	563,778	558,106	-	-
Sales and services tax payable	80,072	101,551	-	-
	17,358,659	24,787,443	158,402	184,162

Group

Included in non-trade payables consist of amount due to a substantial shareholder and person connected to substantial shareholder of the Company amounted to RM12,053,986 and RM90,000 (2023: RM18,196,003 and RM90,000) respectively. The amounts due are non-interest bearing, unsecured and repayable on demand.

The amount due to a Director is unsecured, non-interest bearing and repayable on demand.

17. CONTRACT LIABILITIES

	Group	
	2024 RM	2023 RM
Deferred revenue	6,467,425	6,467,425

17. CONTRACT LIABILITIES (CONT'D)

Deferred revenue relates to advanced billing for the goods or services which is yet to transfer or perform by the Group as at the reporting date. The Group applies the practical expedient in MFRS 15 on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has an original expected duration of less than one year.

One of the wholly-owned subsidiaries, Hai Ming Development Sdn. Bhd. ("the subsidiary") is currently involved in material litigation with third parties, as disclosed in Note 34(a) to the financial statements. As a result of the ongoing legal proceedings, the subsidiary is restricted from performing its obligations under the related contract. Consequently, the associated contract liabilities cannot be realised or recognised as revenue until the litigation is resolved.

18. LEASE LIABILITIES

	Group	
	2024 RM	2023 RM
Current	-	40,792

The maturity analysis of lease liabilities is disclosed in Note 29 to the financial statements.

The expenses relating to payment not included in the measurement of lease liabilities are as follows:-

	Group	
	2024 RM	2023 RM
Short-term leases	167,260	177,422
Low value assets	3,106	3,851
	170,366	181,273

The total cash outflows of the Group for leases amounted to RM213,486 (2023: RM237,473).

The effective interest rates of lease liabilities of 5.39% (2023: ranged from 4.70% to 5.39%) per annum.

The lease liabilities of the Group were secured by way of corporate guarantee by the Company and a Director of a subsidiary.

Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

19. REVENUE

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Revenue from contracts with customers				
Revenue recognised at a point in time:-				
Sales of goods	1,034,249,305	1,053,616,045	-	-
Rendering of services	60,315	83,112	-	-
	1,034,309,620	1,053,699,157	-	-
Revenue recognised over time:-				
Construction	15,958,320	25,645,629	-	-
Management fee	-	-	260,000	260,000
	15,958,320	25,645,629	260,000	260,000
Revenue from other sources of income				
Interest income	204,000	447,000	-	-
	1,050,471,940	1,079,791,786	260,000	260,000

19.1 Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by major products and timing of revenue recognition in the following table:-

Group	Paper milling RM	Paper converting RM	Building materials RM	Property development and construction RM	Other trading and services RM	Total RM
2024						
Major products/service lines						
Manufacture of tissue paper and tissue related products	24,580,630	-	-	-	-	24,580,630
Paper converting and trading in paper related products	-	233,885,448	-	-	-	233,885,448
Distributor and retailer of building materials	-	-	770,657,008	-	-	770,657,008
Trading in stationery and paper related products	-	-	-	-	5,126,219	5,126,219
Construction	-	-	-	15,958,320	-	15,958,320
Others	-	-	-	60,315	-	60,315
Total revenue from contracts with customers	24,580,630	233,885,448	770,657,008	16,018,635	5,126,219	1,050,267,940
Type of income						
Interest income	-	-	-	-	204,000	204,000
Total revenue from other sources of income	-	-	-	-	204,000	204,000

19. REVENUE (CONT'D)

19.1 Disaggregation of revenue from contracts with customers (cont'd)

Revenue from contracts with customers is disaggregated by major products and timing of revenue recognition in the following table (cont'd):-

Group (cont'd)	Paper milling RM	Paper converting RM	Building materials RM	Property development and construction RM	Other trading and services RM	Total RM
2024 (cont'd)						
Timing of revenue recognition						
Revenue recognised at a point in time	24,580,630	233,885,448	770,657,008	60,315	5,126,219	1,034,309,620
Revenue recognised over time	-	-	-	15,958,320	-	15,958,320
	24,580,630	233,885,448	770,657,008	16,018,635	5,126,219	1,050,267,940
2023						
Major products/service lines						
Manufacture of tissue paper and tissue related products	36,909,039	-	-	-	-	36,909,039
Paper converting and trading in paper related products	-	200,058,121	-	-	-	200,058,121
Distributor and retailer of building materials	-	-	811,817,540	-	-	811,817,540
Trading in stationery and paper related products	-	-	-	-	4,831,345	4,831,345
Construction	-	-	-	25,645,629	-	25,645,629
Others	-	-	-	83,112	-	83,112
Total revenue from contracts with customers	36,909,039	200,058,121	811,817,540	25,728,741	4,831,345	1,079,344,786
Type of income						
Interest income	-	-	-	-	447,000	447,000
Total revenue from other sources of income	-	-	-	-	447,000	447,000
Timing of revenue recognition						
Revenue recognised at a point in time	36,909,039	200,058,121	811,817,540	83,112	4,831,345	1,053,699,157
Revenue recognised over time	-	-	-	25,645,629	-	25,645,629
	36,909,039	200,058,121	811,817,540	25,728,741	4,831,345	1,079,344,786

19. REVENUE (CONT'D)

19.1 Disaggregation of revenue from contracts with customers (cont'd)

Revenue from contracts with customers is disaggregated by major products and timing of revenue recognition in the following table (cont'd):-

	Company	
	2024 RM	2023 RM
Revenue from contracts with customers		
Services transferred over time:-		
Management fee	260,000	260,000

Sales of goods and services

Revenue from sales of goods and services rendered is recognised at a point in time when the goods have been transferred or the services have been rendered to the customers and coincides with the delivery of products or services and acceptance by customer.

There is no material right of return provided to the customers on the sale of products.

There is no significant financing component in the revenue arising from sale of products and services rendered as the sales or services are made on the normal credit terms not exceeding twelve months.

Interest income

Revenue from money lending represents the interest income from financing receivables. The revenue is recognised as income over the period of instalment payments calculated using effective interest rate method.

Management fee

Management fee is recognised when services are rendered.

Construction contracts

Revenue from construction contracts is recognised over time as the projects being constructed has no alternative use to the Group and it has an enforceable right to the payment for performance completed to date. The stage of completion is measured using input method, which is based on the total actual construction cost incurred to date as compared with to the total budgeted costs for the respective construction projects.

20. OTHER INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Bad debts recovered	36,564	-	-	-
Fair value gain on investment properties	1,605,000	220,000	-	-
Gain on disposal of property, plant and equipment	1,100,186	977,211	-	-
Gain on disposal of investment a subsidiary	-	1,443,237	-	1,599
Insurance claim income	-	1,593,981	-	-
Realised gain on foreign exchange	176,827	532,694	-	-
Rental income	1,974,751	1,832,851	-	-
Sundry income	92,641	113,650	-	-
	4,985,969	6,713,624	-	1,599

21. FINANCE INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income:				
- Subsidiaries	-	-	335,156	197,655
- Banks	1,230,773	1,343,391	-	-
- Loan late payment interest income	75,478	39,155	-	-
- Overdue interest	127,114	51,683	-	-
	1,433,365	1,434,229	335,156	197,655

22. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expenses:				
- Bankers' acceptance	6,083,700	5,401,804	-	-
- Lease liabilities	2,328	3,085	-	-
- Term loans	1,264,915	1,408,296	-	-
- Bank overdraft	12,632	5,001	-	-
- Subsidiary	-	-	-	4,717
	7,363,575	6,818,186	-	4,717

23. PROFIT/(LOSS) BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit/(loss) is arrived at:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration related to:				
- statutory audit	418,000	408,000	78,000	68,000
- assurance-related services	8,000	8,000	8,000	8,000
Local affiliate of Grant Thornton Malaysia PLT:				
- other services	82,500	82,500	3,900	3,900
Bad debts written off	22,049	31,137	-	-
Depreciation of property, plant and equipment:				
- included in cost of sales	2,063,849	2,103,748	-	-
- included in administrative expenses	579,858	1,209,715	-	-
Goodwill written off	-	864,385	-	-
Loss on remeasurement on investment in associate	-	575,858	-	-
Property, plant and equipment written off	1,560	64,311	-	-

24. TAX EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax				
- Current financial year	4,387,480	5,372,807	92,000	56,000
- Under/(Over) provision in prior financial year	17,673	(33,591)	1,986	(14,406)
	4,405,153	5,339,216	93,986	41,594
Deferred tax				
- Current financial year	21,000	(347,000)	-	-
- Over recognised in prior financial year	103,000	-	-	-
	124,000	(347,000)	-	-
	4,529,153	4,992,216	93,986	41,594

24. TAX EXPENSE (CONT'D)

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profit for the financial year.

The numerical reconciliation between the effective tax rate and the statutory tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax	20,596,225	22,461,835	250,361	(44,487)
Tax at statutory tax rate of 24%	4,943,094	5,390,840	60,087	(10,677)
Tax effects in respect of:-				
Expenses not deductible for tax purposes	952,903	808,250	31,913	66,677
Income not subject to tax	(793,677)	(154,723)	-	-
Movement of deferred tax assets not recognised	(693,840)	(1,018,560)	-	-
Under/(Over) provision of tax expense in prior financial year	17,673	(33,591)	1,986	(14,406)
Over recognised of deferred tax in prior financial year	103,000	-	-	-
	4,529,153	4,992,216	93,986	41,594

25. EARNINGS PER SHARE

Basic earnings per ordinary share

Basic earnings per share are calculated by dividing profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2024	2023
Profit for the financial year attributable to ordinary equity holders of the Company (RM)	16,064,092	17,466,109
Weighted average number of ordinary shares in issue	162,609,858	154,771,778
Basic earning per share (sen)	9.88	11.29

25. EARNINGS PER SHARE (CONT'D)

Diluted earnings per share

Diluted earnings per ordinary share equals basic earnings per ordinary share as there are no dilutive potential ordinary shares.

26. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Salaries and other emoluments	10,228,322	9,999,308	11,250	13,500
Defined contribution plans	866,079	840,692	-	-
Social security contribution	139,786	145,002	-	-
	11,234,187	10,985,002	11,250	13,500

The employee benefits expense of the Group and of the Company included Directors' emoluments as disclosed in Note 27 to the financial statements.

27. DIRECTORS' REMUNERATION

The details of remuneration received and receivable by Directors of the Company and subsidiaries during the financial year are as follows:-

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Executive Directors:-				
Existing Directors of the Company				
Fees	32,577	33,423	-	-
Salaries and other emoluments	27,346	29,050	-	-
Social security contribution	343	359	-	-
	60,266	62,832	-	-

27. DIRECTORS' REMUNERATION (CONT'D)

The details of remuneration received and receivable by Directors of the Company and subsidiaries during the financial year are as follows (cont'd):-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive Directors:-				
Existing Directors of Subsidiaries				
Fees	180,000	-	-	-
Salaries and other emoluments	351,906	337,277	-	-
Defined contribution plans	42,420	40,614	-	-
Social security contribution	3,699	3,345	-	-
	578,025	381,236	-	-
Total Executive Directors' remuneration	638,291	444,068	-	-
Non-executive Directors:-				
Existing Directors of the Company				
Fees	96,000	106,000	96,000	106,000
Salaries and other emoluments	11,250	13,500	11,250	12,000
	107,250	119,500	107,250	118,000
Past Directors of the Company				
Salaries and other emoluments	-	-	-	1,500
Total Non-executive Directors' remuneration	107,250	119,500	107,250	119,500
Total Directors' remuneration	745,541	563,568	107,250	119,500

28. RELATED PARTY DISCLOSURES

The Group has related party relationship with its significant investors, subsidiaries, associate, Directors and key management personnel.

Related party transactions and balances

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Subsidiaries				
Loan to	-	-	-	6,590,000
Interest charged to	-	-	335,156	197,655
Interest charged by	-	-	-	4,717
Management fee charged to	-	-	260,000	260,000
Payment made on behalf by	-	-	3,529	1,354
Payment made on behalf of	-	-	615	-
Internal audit fee back charged to	-	-	109,882	93,827
Substantial shareholder of the Company				
Consultancy fee paid	180,000	180,000	-	-
Disposal of a subsidiary	-	2,200	-	2,200

The outstanding balances arising from related party transactions were disclosed in Notes 6 and 16 to the financial statements.

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and the entity that provides key management personnel services to the Group and the Company.

The key management personnel consists of Executive Director of the Company and certain members of senior management of the Group.

The remuneration of the Directors is disclosed in Note 27 to the financial statements.

28. RELATED PARTY DISCLOSURES (CONT'D)

Compensation of key management personnel (cont'd)

The remuneration of other key management personnel of the Group during the financial year are as follows:-

	Group	
	2024	2023
	RM	RM
Fees	32,577	33,423
Salaries and other emoluments	460,820	450,330
Defined contribution plans	53,515	52,293
Social security contribution	5,223	5,230
	552,135	541,276

29. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities measured at amortised cost follows:-

	2024	2023
	RM	RM
Group		
Financial assets		
Trade receivables	121,378,262	169,666,055
Other receivables (excluded prepayments)	2,100,914	3,991,923
Cash and bank balances	137,062,958	97,740,084
	260,542,134	271,398,062
Financial liabilities		
Trade payables	32,506,156	38,811,389
Other payables (excluded sales and services tax payable)	17,278,587	24,685,892
Borrowings	119,614,246	146,935,665
	169,398,989	210,432,946

29. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities measured at amortised cost follows (cont'd):-

	2024 RM	2023 RM
Company		
Financial assets		
Amount due from subsidiaries	6,860,472	7,038,334
Cash and bank balances	701,368	397,391
	7,561,840	7,435,725
Financial liabilities		
Other payables	158,402	184,162

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing their credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process. The Group and the Company do not engage in the trading of financial assets for speculative purpose nor does it write options. The Group and the Company do not apply hedge accounting.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:-

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet their contractual obligations. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of their financial assets or other financial instruments.

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) Credit risk (cont'd)

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. The Group's and the Company's portfolio of financial instrument is broadly diversified and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of the management.

The Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of trade receivables, most of other receivables, amount due from subsidiaries and cash and balances in the statements of financial position.

The areas where the Group and the Company are exposed to credit risk are as follows:-

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

In managing credit risk of loan receivables, the Group manages its debtors and takes appropriate actions to recover long overdue balances. For loan receivables' credit term that are past due but not impaired, the Group will initiate a structured debt recovery process which is monitored via management reporting procedures and where necessary, loan receivables are required to deposit sufficient assets as collateral and adhere to credit limits within the fair values of assets placed as collateral.

The Group applies the simplified approach under MFRS 9 to measure expected credit losses, which uses a lifetime expected credit loss allowance for all trade receivables. The Group evaluates the expected credit losses on a case-by-case basis.

29. **FINANCIAL INSTRUMENTS (CONT'D)**

Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) Credit risk (cont'd)

The areas where the Group and the Company are exposed to credit risk are as follows (cont'd):-

Trade receivables (cont'd)

An impairment analysis performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for grouping of various customer segments with similar loss patterns by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

The following table provides information about the credit risk exposure on the Group's trade receivables using a provision matrix:-

		Days past due					
	Current	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 120 days	Total
	RM	RM	RM	RM	RM	RM	RM
2024							
Gross carrying amount	61,868,767	28,298,933	16,193,004	6,005,091	4,462,903	20,840,165	137,668,863
ECLs (Collective)	374,156	694,430	536,022	466,388	242,264	2,264,186	4,577,446
ECLs (Individual)	-	-	-	-	-	11,713,155	11,713,155
2023							
Gross carrying amount	107,714,776	25,437,600	18,793,802	8,011,878	4,072,485	23,161,859	187,192,400
ECLs (Collective)	328,757	564,155	243,618	354,046	254,633	2,763,763	4,508,972
ECLs (Individual)	-	-	-	-	-	13,017,373	13,017,373

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements, except as disclosed in Note 9 to the financial statements.

During the financial year, the Group's gross trade receivables decreased significantly. The reduction was primarily attributable to improved collection efforts, particularly from current receivables, and lower credit sales.

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) Credit risk (cont'd)

The areas where the Group and the Company are exposed to credit risk are as follows (cont'd):-

Trade receivables (cont'd)

Despite the reduction in total trade receivables, the collective ECLs increased slightly in current financial year. This increase was mainly due to a shift in the risk profile of receivables subject to collective assessment. In particular, the receivables in the 31 to 90 days past due categories, while lower in absolute terms, attracted higher loss rates based on the Group's credit risk model due to observed deterioration in credit quality and ageing trends.

In contrast, the individual ECLs decreased, primarily due to the recovery and settlement of specific long-outstanding debts previously assessed as credit-impaired. There were no significant new additions to individually assessed impaired receivables during the year, and the reduction reflects a narrowing of the portfolio of high-risk receivables.

Concentration of credit risk

The credit risk concentration profile of the Group as at the reporting date is as follows:-

	Group	
	2024	2023
	RM	RM
By country:-		
Malaysia	121,378,262	169,666,055
By industry sector:-		
Paper milling	2,316,968	9,581,468
Paper converting	31,294,471	25,178,329
Building materials	84,966,470	112,305,224
Property development and construction	123,250	18,803,773
Other trading	2,677,103	3,797,261
	121,378,262	169,666,055

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) Credit risk (cont'd)

The areas where the Group and the Company are exposed to credit risk are as follows (cont'd):-

Intercompany balances

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

As at the end of the reporting year, the amount due from subsidiaries are not impaired, as management considers these amounts to have a low credit risk, and any potential loss allowance required is immaterial.

Other receivables

As at the reporting date, there were no indication that the other receivables are not recoverable.

Cash and bank balances

The credit risk for cash and bank balances is considered negligible, since the counterparties are reputable financial institutions with high quality external credit ratings and have no history of default.

Financial guarantee/Corporate guarantee

The maximum exposure to credit risk amounting to RM118,767,235 (2023: RM145,718,664) representing the outstanding banking facilities of the subsidiaries and RM219,160 (2023: RM608,179) to a subsidiary's supplier as at the end of the reporting year.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and to the supplier of subsidiaries in supplying trading goods to the subsidiaries.

The Company monitors the results of the subsidiaries and repayments made by the subsidiaries on an on-going basis. As at the end of the reporting year, there was no indication that any subsidiary would default on repayment.

The corporate guarantee does not have a determinable effect on the term of the credit facilities due to the bank requiring parent's guarantees as a pre-condition for approving the banking facilities granted to subsidiaries. The actual terms of the credit facilities are likely to be the best indicator of "at market" term and hence the fair value of the credit facilities are equal to the credit facilities amount received by the subsidiaries. As such, there is no value on the corporate guarantee to be recognised in the financial statements.

29. **FINANCIAL INSTRUMENTS (CONT'D)**

Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) **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 as a result of shortage of funds.

In managing their exposures to liquidity risk, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities as and when they fall due.

The summary of the maturity profile based on contractual undiscounted repayment obligations are as below:-

			Maturity			
			Current	Non-current		
	Carrying amount	Total contractual cash flows	On demand/ Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Group	RM	RM	RM	RM	RM	RM
2024						
Non-derivative financial liabilities						
Secured:						
Bank overdraft	1,083	1,083	1,083	-	-	-
Bankers' acceptances	48,575,782	48,575,782	48,575,782	-	-	-
Term loans	21,840,728	26,281,335	9,885,086	2,642,210	7,166,715	6,587,324
Unsecured:						
Bankers' acceptances	49,196,653	49,196,653	49,196,653	-	-	-
Trade payables	32,506,156	32,506,156	32,506,156	-	-	-
Other payables	17,278,587	17,278,587	17,278,587	-	-	-
	169,398,989	173,839,596	157,443,347	2,642,210	7,166,715	6,587,324
2023						
Non-derivative financial liabilities						
Secured:						
Bank overdraft	46,174	46,174	46,174	-	-	-
Bankers' acceptances	82,541,750	82,541,750	82,541,750	-	-	-
Term loans	24,954,526	30,703,119	4,286,335	4,011,780	11,340,056	11,064,948
Lease liabilities	40,792	43,120	43,120	-	-	-
Unsecured:						
Bankers' acceptances	39,393,215	39,393,215	39,393,215	-	-	-
Trade payables	38,811,389	38,811,389	38,811,389	-	-	-
Other payables	24,685,892	24,685,892	24,685,892	-	-	-
	210,473,738	216,224,659	189,807,875	4,011,780	11,340,056	11,064,948

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

The summary of the maturity profile based on contractual undiscounted repayment obligations are as below (cont'd):-

			Maturity			
			Current	Non-current		
	Carrying amount	Total contractual cash flows	On demand/ Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Company	RM	RM	RM	RM	RM	RM
2024						
Non-derivative financial liability						
Other payables	158,402	158,402	158,402	-	-	-
Financial guarantee *	-	118,986,395	118,986,395	-	-	-
2023						
Non-derivative financial liability						
Other payables	184,162	184,162	184,162	-	-	-
Financial guarantee *	-	146,326,843	146,326,843	-	-	-

* This exposure of liquidity risk is included for illustration purpose only as the related financial guarantee has not crystalised.

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities at the reporting date.

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) Interest rate risk

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

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

Short-term receivables and payables are not significantly exposed to interest rate risk.

Interest rate sensitivity

The Group's and the Company's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company target a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

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

	Group	
	2024 RM	2023 RM
Fixed rate instruments		
Financial asset		
Loan receivables	2,173,528	3,231,379
Financial liabilities		
Lease liabilities	-	(40,792)
Bankers' acceptances	(97,772,435)	(121,934,965)
Total financial liabilities	(97,772,435)	(121,975,757)
Net financial liabilities	(95,598,907)	(118,744,378)

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) Interest rate risk (cont'd)

Interest rate sensitivity (cont'd)

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

	Group	
	2024	2023
	RM	RM
Floating rate instruments		
Financial liabilities		
Term loans	(21,840,728)	(24,954,526)
Bank overdraft	(1,083)	(46,174)
Net financial liabilities	(21,841,811)	(25,000,700)

	Company	
	2024	2023
	RM	RM
Floating rate instruments		
Financial asset		
Amount due from a subsidiary	6,240,000	6,740,000
Net financial asset	6,240,000	6,740,000

29. **FINANCIAL INSTRUMENTS (CONT'D)**

Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/-25 (2023: +/-25) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Increase/(Decrease) on profit/equity of the year			
	Group		**Company**	
	RM	RM	RM	RM
2024 (+/- 25bp)	(54,605)	54,605	15,600	(15,600)
2023 (+/- 25bp)	(62,502)	62,502	16,850	(16,850)

Fair value sensitivity analysis for fixed rate instruments

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

(d) Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

To mitigate the Group's exposures to foreign currency risk, the Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currencies of Group. The currency giving rise to this risk is primarily United States Dollar ("USD").

29. **FINANCIAL INSTRUMENTS (CONT'D)**

Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(d) **Foreign currency risks (cont'd)**

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:-

	Group	
	2024	2023
	RM	RM
USD/RM		
Cash and bank balances	37,364	36,394

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit and equity for the year and equity to a reasonably possible change in the USD exchange rate against RM, with all other variables held constant.

	Effect for the profit of the year/equity
	RM
2024	
USD/RM	
- strengthened 5%	1,868
- weakened 5%	(1,868)
2023	
USD/RM	
- strengthened 5%	1,820
- weakened 5%	(1,820)

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Fair value of financial instruments

The carrying amounts of financial assets and liabilities of the Group and of the Company at reporting date approximate their fair values due to their short-term nature, insignificant impact of discounting, or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted prices in active market. In addition, it is impracticable to use valuation technique to estimate the fair value reliably as a result of significant variability in the inputs of the valuation technique.

Fair value hierarchy

No fair value hierarchy has been disclosed as the Group does not have financial instruments measured at fair value.

Reconciliation of liabilities arising from financing activities

	At 1 January RM	Cash flows RM	At 31 December RM
2024			
Group			
Lease liabilities	40,792	(40,792)	-
Term loans	24,954,526	(3,113,798)	21,840,728
Bankers' acceptances	121,934,965	(24,162,530)	97,772,435
Amount due to a substantial shareholder of the company	18,196,003	(6,142,017)	12,053,986
Total liabilities from financing activities	165,126,286	(33,459,137)	131,667,149
2023			
Group			
Lease liabilities	93,907	(53,115)	40,792
Term loans	29,215,871	(4,261,345)	24,954,526
Bankers' acceptances	136,816,386	(14,881,421)	121,934,965
Amount due to a substantial shareholder of the company	27,785,466	(9,589,463)	18,196,003
Total liabilities from financing activities	193,911,630	(38,066,453)	165,126,286
Company			
Amount due to a subsidiary	161,353	(161,353)	-
Total liability from financing activity	161,353	(161,353)	-

30. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new share capital. No changes were made in the objective, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

The borrowings include lease liabilities, bankers' acceptances, bank overdraft and term loans while owners' equity refers to the equity attributable to the owners of the Group.

	Group	
	2024 RM	2023 RM
Total borrowings:-		
- lease liabilities	-	40,792
- bankers' acceptance	97,772,435	121,934,965
- term loans	21,840,728	24,954,526
- bank overdraft	1,083	46,174
	119,614,246	146,976,457
Owners' equity	337,209,934	321,145,842
Debt-to-equity ratio	0.35	0.46

There were no changes in the Group's approach to capital management during the financial year.

The Group has complied with Practice Note No. 17/2005 of Bursa Malaysia Securities Berhad which requires the Group to maintain a consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up capital of the Company and shareholders' equity of not less than RM40 million.

31. EVENTS AFTER THE REPORTING YEAR

On 26 February 2025, one of the wholly-owned subsidiaries, Hai Ming Industries Sdn. Bhd. had entered into a Sale and Purchase Agreement with a third-party purchaser to dispose of one unit of three-storey shop office for a total sale consideration of RM2,300,000. The disposal has yet to be completed as at the date of the auditors' report.

32. OPERATING SEGMENTS

(i) Business segment

For management purposes, the Group is organised into five major business units based on their products and services, which comprises the following:-

Business segments		Business activities
Paper milling	:	Manufacture of various types of tissue paper and tissue related products.
Paper converting	:	Converting of paper into related products and trading in paper related products.
Building materials	:	Distributor and retailer of wooden doors, plywood and related building materials. This segment also deals with trading in tissue related products, plywood, printed laminated plywood, cement and steel bars.
Investment and management	:	Providing management services, investment holding and dormant companies.
Property development and construction	:	Undertakes the development of factories and construction activities.
Other trading and services	:	Trading in paper, paper products, stationery, general household products, money lending services and other unclassified companies of diversed activities.

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

32. OPERATING SEGMENTS (CONT'D)

(i) Business segment (cont'd)

	Note	Paper milling RM	Paper converting RM	Building materials RM	Investment and management RM	Property development and construction RM	Other trading and services RM	Consolidation adjustments RM	Total consolidated RM
2024									
Revenue									
External revenue		24,580,630	233,885,448	770,657,008	260,000	16,018,635	5,330,219	(260,000)	1,050,471,940
Inter-segment revenue	(a)	-	234	-	-	-	-	(234)	-
Total revenue		24,580,630	233,885,682	770,657,008	260,000	16,018,635	5,330,219	(260,234)	1,050,471,940
Results									
Finance income		145,139	343,249	2,442,790	335,156	1,915	441,711	(2,276,595)	1,433,365
Finance costs		(285,773)	(991,468)	(6,607,098)	-	(1,678,958)	(76,873)	2,276,595	(7,363,575)
Depreciation		(1,600,051)	(38,845)	(900,215)	-	(192)	(64,404)	(40,000)	(2,643,707)
Other non-cash (expenses)/income	(b)	(246,686)	(664,762)	4,646,308	-	837,450	136,814	(600,000)	4,109,124
Tax expense		(89,098)	(290)	(4,124,590)	(93,986)	(160,166)	(61,023)	-	(4,529,153)
Segment profit/(loss)	(c)	3,379,784	(875,564)	18,469,108	(178,781)	2,054,377	115,263	(966,905)	21,997,282
Assets									
Additions to non-current assets other than deferred tax assets	(d)	2,060	-	163,000	-	-	616,050	-	781,110
Segment assets	(e)	27,053,910	59,157,748	348,280,161	157,259,171	52,802,830	13,593,290	(149,732,025)	508,415,085
Liabilities									
Segment liabilities	(f)	5,193,196	12,854,781	21,552,714	158,402	50,136,369	1,475,673	(35,038,895)	56,332,240

32. OPERATING SEGMENTS (CONT'D)

(i) Business segment (cont'd)

	Note	Paper milling RM	Paper converting RM	Building materials RM	Investment and management RM	Property development and construction RM	Other trading and services RM	Consolidation adjustments RM	Total consolidated RM
2023									
Revenue									
External revenue		36,909,039	200,058,121	811,817,540	260,000	25,728,741	5,278,345	(260,000)	1,079,791,786
Inter-segment revenue	(a)	-	585	-	-	-	-	(585)	-
Total revenue		36,909,039	200,058,706	811,817,540	260,000	25,728,741	5,278,345	(260,585)	1,079,791,786
Results									
Finance income		154,854	559,754	2,599,528	197,655	5,311	397,446	(2,480,319)	1,434,229
Finance costs		(492,763)	(990,024)	(5,859,500)	(4,717)	(1,847,723)	(103,778)	2,480,319	(6,818,186)
Depreciation		(1,692,498)	(70,691)	(1,446,830)	-	(191)	(63,253)	(40,000)	(3,313,463)
Other non-cash income/(expenses)	(b)	781,136	1,436,766	(1,014,975)	2,994	-	(54,915)	(500,000)	651,006
Tax expense		(13,512)	-	(4,798,647)	(41,594)	(15,595)	(122,868)	-	(4,992,216)
Segment profit/(loss)	(c)	3,995,776	(92,962)	18,082,895	(279,019)	974,085	448,203	(275,402)	22,853,576
Assets									
Additions to non-current assets other than deferred tax assets	(d)	201,828	-	1,305,086	-	-	9,502	-	1,516,416
Segment assets	(e)	35,504,121	58,878,613	363,327,694	157,133,056	71,717,937	14,052,021	(165,373,345)	535,240,097
Liabilities									
Segment liabilities	(f)	15,368,338	8,925,518	26,949,597	184,162	68,401,202	1,912,448	(51,675,008)	70,066,257

32. OPERATING SEGMENTS (CONT'D)

(i) Business segment (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

(a) Inter-segment revenue are eliminated on consolidation.

(b) Other non-cash (expenses)/income consist of the following items as presented in the respective notes to the financial statements:-

	2024 RM	2023 RM
Bad debts written off	(22,049)	(31,137)
Fair value gain on investment properties	1,605,000	220,000
Gain on disposal of property, plant and equipment	1,100,186	977,211
Gain on disposal of investment in a subsidiary	-	1,443,237
Inventories written down	(1,393,046)	(1,035,754)
Inventories written off	(215,834)	(751,003)
Goodwill written off	-	(864,385)
Loss on remeasurement on investment in associate	-	(575,858)
Net impairment gain on financial assets	1,380,787	137,084
Property, plant and equipment written off	(1,560)	(64,311)
Reversal of inventories written down	1,655,640	1,195,922
	4,109,124	651,006

(c) The following items are added to/(deducted from) segment profit to arrive at "Profit after tax" presented in the consolidated statement of profit or loss and other comprehensive income:-

	2024 RM	2023 RM
Segment profit	21,997,282	22,853,576
Finance income	1,433,365	1,434,229
Finance costs	(7,363,575)	(6,818,186)
Profit after tax	16,067,072	17,469,619

32. OPERATING SEGMENTS (CONT'D)

(i) Business segment (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):-

(d) Additions to non-current assets other than deferred tax assets consist of:-

	2024 RM	2023 RM
Property, plant and equipment	781,110	1,516,416

(e) The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	2024 RM	2023 RM
Segment assets	508,415,085	535,240,097
Deferred tax assets	1,993,166	1,993,166
Tax recoverable	4,002,669	3,006,879
Total assets	514,410,920	540,240,142

(f) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:-

	2024 RM	2023 RM
Segment liabilities	56,332,240	70,066,257
Deferred tax liabilities	355,000	231,000
Lease liabilities	-	40,792
Borrowings	119,614,246	146,935,665
Tax payable	884,549	1,808,615
Total liabilities	177,186,035	219,082,329

(ii) Geographical information

Geographical information is not presented as the Group's operations are solely based in Malaysia.

32. OPERATING SEGMENTS (CONT'D)

(iii) Information about major customers

The following are major customers with revenue equal or more than 10 percent of the Group's revenue:-

	RM	%	Operating Segment
2024			
Customer A	162,140,304	15	Paper converting
Customer B	146,752,400	14	Building materials
Customer C	127,694,938	12	Building materials
	436,587,642	41	
2023			
Customer A	134,571,035	12	Paper converting, property development and construction
Customer B	120,727,849	11	Building materials
	255,298,884	23	

33. INTEREST IN A JOINT OPERATION

The subsidiary has 75% share in the gross development values ("GDV") and has taken over the full project development cost start from the effective date 15 August 2015 onward.

34. MATERIAL LITIGATIONS

(a) Legal Proceedings involving Hai Ming Development Sdn Bhd

On 18 November 2019, the Company's wholly-owned subsidiary, Hai Ming Development Sdn Bhd ("HMD") had filed a suit against the Nautical Wealth Sdn. Bhd., Tang For Peo and Soon Bee Kuan (collectively known as the "Defendants") to seek damages from the Defendants for the breach of the Development Agreement dated 29 April 2015 duly entered by HMD and the Defendants in respect of the project located at Lot 928, Mukim Rawang, District of Gombak ("the Land"), known as 928 Corporate Park @ Rawang ("Completed Properties").

Further, HMD had also filed an application to obtain an interim injunction application to restrain Nautical Wealth Sdn. Bhd. from operating various account related to the Completed Properties.

34. MATERIAL LITIGATIONS (CONT'D)

(a) Legal Proceedings involving Hai Ming Development Sdn Bhd (cont'd)

On 16 November 2023, the Court recorded a consent judgment in favour of HMD, pursuant to which Nautical Wealth Sdn. Bhd. was required to pay the HMD a sum of RM53,697,941.45. There was no order as to legal costs. As Nautical Wealth Sdn. Bhd. was in liquidation, the consent judgment was subject to validation by the Winding Up Court. On 12 December 2023, the liquidator of Nautical Wealth Sdn. Bhd. obtained the required validation order from the High Court of Kuala Lumpur. However, recovery of the judgment sum remains pending as at year end due to delays in the disposal of the Completed Properties.

The disposal of the Completed Properties has been delayed due to an application filed by a creditor of Nautical Wealth Sdn. Bhd., seeking the removal of the current liquidator and the appointment of a new liquidator. The next hearing for this application has been fixed for 19 June 2025.

(b) Legal Proceedings involving KPS Plywood Sdn. Bhd.

1. Suit No. WA-B52NCvC-456-10/2023 (Suit 456)

On 23 October 2023, KPS Plywood Sdn. Bhd. ("KPSP") was served with a Writ of Summons and Statement of Claim filed by SKB Wood Sdn. Bhd. ("SKB Wood"), claiming a principal sum of RM538,145.58, along with interest and legal costs. The claim relates to timber logs sold and delivered to Welley Timber Industries Sdn. Bhd. between 2017 and 2019, allegedly under instructions from KPSP.

SKB Wood obtained a discovery order against KPSP on 16 January 2025. KPSP filed an appeal on 17 January 2025 and subsequently obtained an ad interim stay on 18 February 2025 pending the stay application. The next case management is fixed on 16 May 2025, and the High Court appeal hearing is scheduled on 6 June 2025.

2. Suit No. WA-B52NCvC-2599-11/2023 (Suit 2599)

On 23 October 2023, KPSP was served with another Writ of Summons and Statement of Claim by Kong Kok Wah (trading as Sim Kayu Balak) ("KKW"), claiming a principal sum of RM741,465.90, along with interest and legal costs. This claim also relates to the sale and delivery of timber logs to Welley Timber Industries Sdn. Bhd. between 2017 and 2019, allegedly under instructions from KPSP.

34. MATERIAL LITIGATIONS (CONT'D)

(b) Legal Proceedings involving KPS Plywood Sdn. Bhd. (cont'd)

On 11 July 2024, the Court ordered that both Suit 456 and Suit 2599 be consolidated and heard together with a related suit filed by KPSP, detailed below.

Suit No. WA-B52NCVC-1730-08/2024 (Suit 1730)

KPSP has filed a counterclaim against SKB Wood and KKW seeking, among others:

- A declaration that Suit 456 and Suit 2599 are an abuse of the court process and should be dismissed; and
- A declaration that all dealings and business relationships between SKB Wood, KKW and Welley Timber Industries Sdn. Bhd., are unrelated to KPSP.

The next case management date for the consolidated suits has been fixed on 16 May 2025. No trial dates have been scheduled as at the date of the auditors' report.

3. Suit No. AA-B52NCC-98-10/2024

On 22 October 2024, KPSP was served with a Writ of Summons and Statement of Claim by Mahir Rimbun Sdn. Bhd. ("MRSB") for RM959,590.63, being the outstanding sum for timber logs supplied between May 2019 and October 2019. MRSB also filed an application to enter summary judgement against KPSP.

The case management is fixed on 9 May 2025, and no hearing or decision date for the summary judgment application has been fixed yet as at the date of the auditors' report.

List of Properties

KPS CONSORTIUM BERHAD & GROUP OF COMPANIES

List of 10 Largest Properties in Terms of Net Book Value as at 31 December 2024

No.	Location	Brief Description and Existing Use	Tenure / Date of Expiry of Leasehold Land	Approximate Area (sq ft)	Approximate Age of Building (Year)	Net Book Value (RM'000)	Year of Acquisition or Revaluation*
1.	Lot 622, Jalan Lapis Dua, 6¾ Miles off Jalan Kapar, 42200 Klang, Selangor Darul Ehsan	Office/ residential building, factory and warehouse for own use	Freehold	179,994	26	18,700	2024*
2.	Unit No. B-08-01, Level 8, SOHO, Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan	Commercial unit	Freehold	21,183	15	15,600	2024*
3.	Lot 15964 (574) Jalan Batu Tiga, Batu 2 (Sg Rasa), 43100 Klang, Selangor Darul Ehsan	Freehold land with double storey office block & open warehouse rented to I'Kranji	Freehold	133,185	7	15,100	2024*
4.	Lot 15985 (920) Jalan Batu Tiga, Batu 2 (Sg Rasa), 43100 Klang, Selangor Darul Ehsan	Warehouse for own use	Freehold	167,433	7	11,957	2024*
5.	22 pieces of land allocated at Off Jalan Gasket 34/2, 40470 Shah Alam, Selangor Darul Ehsan	Land for rent out	Freehold	70,155	39	10,420	2024*

List of Properties *(cont'd)*

KPS CONSORTIUM BERHAD & GROUP OF COMPANIES

List of 10 Largest Properties in Terms of Net Book Value as at 31 December 2024 *(cont'd)*

No.	Location	Brief Description and Existing Use	Tenure / Date of Expiry of Leasehold Land	Approximate Area (sq ft)	Approximate Age of Building (Year)	Net Book Value (RM'000)	Year of Acquisition or Revaluation*
6.	Lot 14374, Bandar Kinrara Industrial Centre, 47100 Puchong, Selangor Darul Ehsan	Warehouse for own use	Freehold	186,950	28	6,737	2013
7.	Lot 16250 (954) Jalan Batu Tiga, Batu 2 (Sg Rasa), 43100 Klang, Selangor Darul Ehsan	Warehouse for own use	Freehold	75,413	7	6,184	2018
8.	Lot 1943 (4986), Jalan Batu Tiga, Batu 2 (Sg Rasa), 43100 Klang, Selangor Darul Ehsan	Warehouse for own use	Freehold	63,895	7	4,483	2018
9.	Pangsapuri Bunga Raya, Taman Bunga Raya, Bukit Berang, Daerah Melaka Tengah, 75450 Melaka	35 units apartment and 1 unit shop lot for rent	99-year lease to 2076	837-1,175 (total of 32,826)	21 to 22	4,020	2024*
10.	Lot PT129942, Kawasan Perusahaan Kanthan, 31200 Chemor, Perak	Factory and office building for own use	60-year lease to 14 March 2055	572,365	26	3,397	1992

Analysis of Shareholdings
As at 28 March 2025

Total number of issued shares	:	162,609,858 ordinary shares
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

Distribution of Shareholdings as at 28 March 2025

Size of Shareholdings	No. of Holders	Total Holdings	%
Less than 100 shares	20	691	0.00
100 - 1,000 shares	533	480,702	0.30
1,001 - 10,000 shares	886	4,219,608	2.59
10,001 - 100,000 shares	311	10,049,945	6.18
100,001 - below 5% of issued shares	73	54,685,100	33.63
5% and above of issued shares	5	93,173,812	57.30
TOTAL	**1,828**	**162,609,858**	**100.00**

Substantial Shareholders as at 28 March 2025

	No. of Shares Held		
Shareholders	**Direct**	**Indirect**	**%**
Koh Poh Seng	77,931,525	-	47.93
Lee Shee	29,211,100	-	17.96
Yong Ah Pee	10,038,000	-	6.17

Analysis of Shareholdings *(cont'd)*
As at 28 March 2025

List of Thirty (30) Largest Shareholders as at 28 March 2025

No.	Name of Shareholders	No. of Shares Held	%
1.	KOH POH SENG	27,371,612	16.83
2.	LEE SHEE	24,811,100	15.26
3.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT - AMBANK ISLAMIC BERHAD FOR KOH POH SENG	22,000,000	13.53
4.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR KOH POH SENG (E-KLC)	10,750,000	6.61
5.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR KOH POH SENG (100430)	8,241,100	5.07
6.	YONG AH PEE	6,138,000	3.77
7.	RHB NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR KOH POH SENG	5,860,000	3.60
8.	LIAU KEEN YEE	3,250,000	2.00
9.	HLB NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR KOH POH SENG	3,000,000	1.84
10.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LOW PENG SIAN @ CHUA PENG SIAN (MY 4520)	2,750,000	1.69
11.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR YONG AH PEE (CEB)	2,300,000	1.41
12.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LEE SHEE (CEB)	2,300,000	1.41
13.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LEE SHEE (7002861)	2,100,000	1.29
14.	YEOH HUAN SUI @ YEOH PHUAY	2,000,000	1.23
15.	LIAU CHERN YEE	1,652,000	1.02
16.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR YONG AH PEE (7002857)	1,600,000	0.98
17.	FIZWAH PEMBINAAN SDN. BHD.	1,425,800	0.88
18.	SAGA ERADAMAI SDN. BHD.	1,291,200	0.79
19.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR GAN BOON TIAN	1,082,700	0.67
20.	LIAU CHOON HWA & SONS SDN. BHD.	1,042,300	0.64

Analysis of Shareholdings *(cont'd)*
As at 28 March 2025

List of Thirty (30) Largest Shareholders as at 28 March 2025 (cont'd)

No.	Name of Shareholders	No. of Shares Held	%
21.	TAN MENG HOOI	1,041,700	0.64
22.	HLIB NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR HONG LEONG BANK BERHAD FOR TEH SHIOU CHERNG	766,000	0.47
23.	LIM TEIK HONG	759,600	0.47
24.	CIMB GROUP NOMINEES (ASING) SDN. BHD. - EXEMPT AN FOR DBS BANK LTD (SFS)	708,900	0.44
25.	KOH POH SENG	708,500	0.44
26.	L.T.M. HOLDINGS SDN. BHD	645,900	0.40
27.	LIAU KEEN YEE	604,300	0.37
28.	WANG SHU LAN	485,700	0.30
29.	YEAM SEW MOY @ NYIAM SIEW MOY	480,000	0.30
30.	CHONG AH HOI	461,900	0.28

Directors' Shareholdings

Directors' Shareholdings and Interest in Shares as at 28 March 2025.

No.	Name of Directors	No. of Shares Held	%
1.	Datuk Chua Hock Gee	Nil	Nil
2.	Mr. Lau Fook Meng	Nil	Nil
3.	Mr. Hew Chee Hau	Nil	Nil
4.	Mr. Cheng Lai Chuan	Nil	Nil
5.	Ms Wong See Mei	Nil	Nil

KPS CONSORTIUM BERHAD

Registration No.198501011364 (143816-V)
Incorporated in Malaysia

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth Annual General Meeting of the Company will be held at Klang Executive Club, Persiaran Bukit Raja 2, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan on Friday, 6 June 2025 at 11:00 a.m. for the following purposes:-

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AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.

   Please refer to Note 1

2. To approve the payment of Directors' fees and benefits of RM107,250.00 for the financial year ended 31 December 2024.

   Ordinary Resolution 1

3. To approve the payment of Directors' fees and benefits up to RM140,850.00 from 1 January 2025 until next Annual General Meeting of the Company.

   Ordinary Resolution 2

4. To re-elect the following Directors retiring in accordance with the Company's Constitution:-
   (a) Hew Chee Hau (Clause 78) **Ordinary Resolution 3**
   (b) Cheng Lai Chuan (Clause 78) **Ordinary Resolution 4**

5. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix the Auditors' remuneration.

   Ordinary Resolution 5

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution:-

6. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approval from other relevant governmental/regulatory authorities, the Directors be and are hereby empowered to allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company AND THAT the Directors be and are hereby also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation of the additional shares so allotted.

   AND THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 8 of the Company's Constitution, approval be and is hereby to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Sections 75 and 76 of the Companies Act 2016."

   Ordinary Resolution 6

NOTICE OF ANNUAL GENERAL MEETING *(cont'd)*

7. To transact any other business which may properly be transacted at an Annual General Meeting for which due notice shall have been given.

LIM SECK WAH (MAICSA 0799845)
(SSM PRACTICING CERTIFICATE NO. 202008000054)
KONG MEI KEE (MAICSA 7039391)
(SSM PRACTICING CERTIFICATE NO.202008002882)
Company Secretaries

Kuala Lumpur

Dated this 30th day of April 2025

NOTES:-

(i) For the purpose of determining a member who shall be entitled to attend, speak and vote at the Annual General Meeting, the Company shall be requesting the Record of Depositors as at 29 May 2025. Only a depositor whose name appears on the Record of Depositors as at 29 May 2025 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her stead.

(ii) A member shall be entitled to appoint up to two (2) proxies to attend and vote in his place. Where a member appoints two (2) proxies, he shall specify the proportion of his holdings to be represented by each proxy. All voting will be conducted by way of poll.

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

(b) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(iv) If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.

(v) The instrument appointing a proxy and the power of attorney, if any, under which it is signed or a certified copy thereof must be deposited at the Company's registered office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to mega-sharereg@megacorp.com.my not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof. For those who have emailed the proxy form, please submit the original at any time before the time appointed for the meeting or to the registration staff on the meeting day for the Company's record.

(vi) **PERSONAL DATA NOTICE**

By submitting the duly executed Proxy Form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein accordance with the Personal Data Protection Act 2010 for the purpose of this meeting and at any adjournment thereof.

(vii) Explanatory notes on Special Business:-

1. The Audited Financial Statements are for discussion only as the Company's Constitution provides that the audited financial statements are to be laid in the general meeting but does not require a formal approval of shareholders.

NOTICE OF ANNUAL GENERAL MEETING *(cont'd)*

(vii) Explanatory notes on Special Business (cont'd) :-

2. Directors who are standing for re-election

The profiles of Directors seeking for re-election are set out in the Board of Directors' Profiles section of the Company's Annual Report 2024.

The Board, on the recommendation of the Nomination Committee, supported the re-election of the retiring Directors. The Board and the Nomination Committee had reviewed the assessment results of the board evaluation exercise conducted for the financial year ended 31 December 2024 with reference to the Directors' Fit and Proper Policy and were satisfied with the performance and contributions of the retiring Directors that they had effectively discharged their duties and responsibilities well.

3. Ordinary Resolution 6: Authority to Allot Shares

The proposed Ordinary Resolution 6 is primarily to give flexibility to the Board of Directors to allot shares not more than 10% of the total number of issued shares at any time in their absolute discretion and for such purposes as they consider would be in the interest of the Company without convening a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the allotment of new shares, the Directors, under certain circumstances when the opportunity arises, would have to convene a general meeting to approve the allotment of new shares even though the number involved may be less than 10% of the total number of issued shares of the Company.

In order to avoid any delay and costs involved in convening a general meeting to approve such allotment of shares, it is thus considered appropriate that the Directors be empowered to allot shares in the Company, up to any amount not exceeding in total 10% of the total number of issued shares of the Company at the time of submission to the authority, for such purposes. The renewed authority for allotment of shares will provide flexibility to the Company for the allotment of shares for the purpose of funding future investment, working capital and/or acquisitions.

As at the date of this Notice, no new shares in the Company were issued pursuant to this authority granted to the Directors at the Thirty-Eighth Annual General Meeting held on 7 June 2024.

KPS CONSORTIUM BERHAD

Registration No.198501011364 (143816-V)
Incorporated in Malaysia

No. of ordinary shares held	
CDS Account No.	

PROXY FORM

(Before completing this form, please refer to the notes below)

I/We .... NRIC No./Passport No./Registration No …......................................
(Full name in block letters)

of ....
(Full address)

being a member/members of **KPS CONSORTIUM BERHAD** hereby appoint the following person(s):-

Full Name (in Black)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

And/or*

Full Name (in Black)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us on my/our behalf at the Thirty-Ninth Annual General Meeting of the Company will be held at Klang Executive Club, Persiaran Bukit Raja 2, Bandar Baru Klang, Selangor Darul Ehsan on Friday, 6 June 2025 at 11:00 a.m. and at any adjournment thereof to vote as indicated below:-

	FOR	*AGAINST*
Ordinary Resolution 1 - Payment of Directors’ fees and benefits up to RM107,250.00 for financial year ended 31 December 2024		
Ordinary Resolution 2 - Payment of Directors’ fees and benefits up to RM140,850.00 from 1 January 2025 until next Annual General Meeting of the Company		
Ordinary Resolution 3 - Re-election of Director, Hew Chee Hau		
Ordinary Resolution 4 - Re-election of Director, Cheng Lai Chuan		
Ordinary Resolution 5 - Re-appointment of the retiring auditors, Grant Thornton Malaysia PLT		
Ordinary Resolution 6 - Authority to allot shares and waiver of pre-emptive rights		

*(Please indicate with an “**X**” in the space provided above on 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).*

Dated this………………..day of…………………………..2025

…………………………………………………
Signature/Common Seal of shareholder

*** Strike out whichever is not desired.**

Notes:

1. *For the purpose of determining a member who shall be entitled to attend, speak and vote at the Annual General Meeting, the Company shall be requesting the Record of Depositors as at 29 May 2025. Only a depositor whose name appears on the Record of Depositors as at 29 May 2025 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her stead.*

2. *A member shall be entitled to appoint up to two (2) proxies to attend and vote in his place. Where a member appoints two (2) proxies, he shall specify the proportion of his holdings to be represented by each proxy. All voting will be conducted by way of poll.*

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

   (ii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. *If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.*

5. *The instrument appointing a proxy and the power of attorney, if any, under which it is signed or a certified copy thereof must be deposited at the Company's registered office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to mega-sharereg@megacorp.com.my not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof. For those who have emailed the proxy form, please submit the original at any time before the time appointed for the meeting or to the registration staff on the meeting day for the Company's record.*

6. ***PERSONAL DATA NOTICE***
   By submitting the duly executed Proxy Form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of this meeting and at any adjournment thereof.

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Affix

Stamp Here

The Company Secretary,
KPS CONSORTIUM BERHAD
Registration No.198501011364 (143816-V)
Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur

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KPS CONSORTIUM BERHAD

Registration No.198501011364 (143816-V)
Incorporated in Malaysia

ANNUAL REPORT REQUISITION FORM

To: The Company Secretary,
KPS Consortium Berhad
Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur

REQUEST FORM FOR HARD COPY OF THE ANNUAL REPORT 2024

Please find below my complete particulars for the delivery of a printed copy of KPS Consortium Berhad Annual Report 2024:-

Particulars of Shareholder

Name of Shareholder ....

NRIC No./Passport No./Registration No. ....

CDS Account No. ....

Mailing Address ....

....

....

Contact No. ....

…………………………
Signature of Shareholder

Note:
KPS Consortium Berhad adopts electronic Annual Report 2024.

You can download the Annual Report 2024 from KPSCB Bursa *website or log into the Company's website www.kpsconsortium.com.my to download. Alternatively, the Company shall forward a hard copy of the Annual Report to the shareholder within four (4) market days from the date of receipt of the request.*

For any enquiries, the shareholders of the Company may contact:

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