



**ENGTEX GROUP BERHAD**

Company No. : 200101000937(536693-X)

# Nurturing **Growth**, Powering **Progress**

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Annual Report  
**2024**









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# 24<sup>th</sup>

## ANNUAL GENERAL MEETING



### The Orenda 1

1<sup>st</sup> Floor, Mercure Selangor Selayang,  
B-G-12, Dataran Emerald,  
Jalan PS 11, Prima Selayang,  
68100 Batu Caves,  
Selangor Darul Ehsan



11:30 a.m.

Thursday

22 May 2025





## OVERVIEW OF GROUP PRINCIPAL ACTIVITIES



Engtex Group Berhad



### WHOLESALE & DISTRIBUTION

#### Pipes, Valves, Fittings, Plumbing Materials, Construction Materials, Steel Products & General Hardware Products

- Engtex Sdn Berhad
- Benton Corporation Sdn Bhd
- Mega Alliance Builder Supplies Sdn Bhd
- Engtex Marketing Sdn Bhd
- Eng Lian Hup Trading Sdn Bhd
- LYE Marketing Sdn Bhd
- Engtex Ductile Iron Marketing Sdn Bhd
- Eng Lian Hup Marketing Sdn Bhd
- East Coast Metals Sdn Bhd
- Engtex Metal Products Sdn Bhd
- Nagasari Bitumen Products Sdn Bhd

#### Food Processing Equipment & Engineering Tools

- Wiki Pratama Sdn Bhd



### MANUFACTURING

#### Mild Steel Concrete-Lined Pipes & Fittings

- Allpipes Technology Sdn Bhd
- Canova Manufacturing Sdn Bhd

#### Wire Mesh, Hard Drawn Wire & Other Steel Products

- Engtex Metals Sdn Bhd
- Engtex Metals (Utara) Sdn Bhd
- Hachita Enterprise Sdn Bhd
- EngLen Manufacturing Sdn Bhd
- East Coast Manufacturing Sdn Bhd
- Engtex Steel Industries Sdn Bhd
- Engtex Industries Sdn Bhd

#### Ductile Iron Pipes

- Engtex Ductile Iron Pipe Industry Sdn Bhd

#### Valves, Hydrants, Fittings & Manhole Covers

- LYE Manufacturing Sdn Bhd

#### Steel Pipe Piles

- Engtex Pipe Industry Sdn Bhd

#### Electric Resistance Welded Pipe

- Engtex Steel Pipe Sdn Bhd



### HOSPITALITY

- Swiss Mission Sdn Bhd
- Engtex Leisure Sdn Bhd



### PROPERTY DEVELOPMENT

- Engtex Properties Sdn Bhd
- Engtex Emerald Sdn Bhd
- Engtex Platinum Sdn Bhd
- Ivory Progression Sdn Bhd
- Blue Legacy Sdn Bhd
- Tiara Mission Sdn Bhd



### OTHERS

- LYE Industries Sdn Bhd
- EPCM Sdn Bhd
- Majestic Genius Sdn Bhd
- Alimach Holdings Sdn Bhd
- Engtex Manufacturing Sdn Bhd
- Engtex Energy Sdn Bhd
- Engtex Metals Industry Sdn Bhd
- Engtex Metals (Sarawak) Sdn Bhd
- Variglobal Sdn Bhd
- EngLen Metals Sdn Bhd



# CORPORATE STRUCTURE

as at 28 March 2025



## Engtex Group Berhad







# FINANCIAL HIGHLIGHTS

	2020	2021	2022	2023	2024
<b>KEY FINANCIAL DATA (RM'mil)</b>					
Revenue	989.6	1,178.4	1,444.0	1,469.8	<b>1,461.3</b>
EBITDA <sup>(a)</sup>	67.8	142.6	88.0	65.6	<b>67.9</b>
Finance costs	18.3	16.5	19.8	28.6	<b>27.8</b>
Profit before tax	28.3	105.6	47.9	18.1	<b>21.5</b>
Profit attributable to owners of the Company	15.4	78.4	32.5	10.1	<b>10.3</b>
Total assets	1,342.3	1,430.3	1,532.3	1,600.9	<b>1,569.3</b>
Borrowings	518.0	499.1	587.7	645.4	<b>583.6</b>
Share capital	269.9	269.9	269.9	269.9	<b>277.6</b>
Retained earnings	427.9	503.0	531.2	534.6	<b>542.4</b>
Total equity attributable to owners of the Company	691.9	769.3	795.9	806.0	<b>822.6</b>
<b>SHARE INFORMATION</b>					
Basic earnings per share (sen)	3.52	17.96	7.48	2.32	<b>1.32<sup>(N3)</sup></b>
Single tier dividend per share (sen)	0.625	0.750	1.000	<sup>(N1)</sup>	<b>0.750</b>
Dividend pay-out (RM'mil)	2.7	3.3	4.4	<sup>(N2)</sup>	<b>3.3</b>
Net debt-to-equity ratio (time)	0.59	0.48	0.56	0.67	<b>0.53</b>
Net assets per share (RM)	1.60	1.78	1.84	1.86	<b>1.06<sup>(N3)</sup></b>
<b>SHARE PERFORMANCE</b>					
Year high (RM)	0.87	0.93	0.77	0.78	<b>0.79<sup>(N3)</sup></b>
Year low (RM)	0.42	0.53	0.55	0.57	<b>0.43<sup>(N3)</sup></b>
Year close (RM)	0.72	0.59	0.68	0.76	<b>0.62<sup>(N3)</sup></b>
Trading volume ('mil)	606.7	831.4	152.8	60.3	<b>844.4</b>
Market capitalisation (at 31 December) (RM'mil)	319.2	259.3	301.5	334.7	<b>492.5</b>

<sup>(a)</sup> Earnings before interest, taxes, depreciation and amortisation

<sup>(N1)</sup> Share dividend by way of distribution of treasury shares on the basis of 1 treasury share for every 50 ordinary shares held in the Company.

<sup>(N2)</sup> Total number of treasury shares distributed was 8,654,342 shares or equivalent to RM6,676,331.

<sup>(N3)</sup> Adjusted for the effect of bonus issue exercise in August 2024

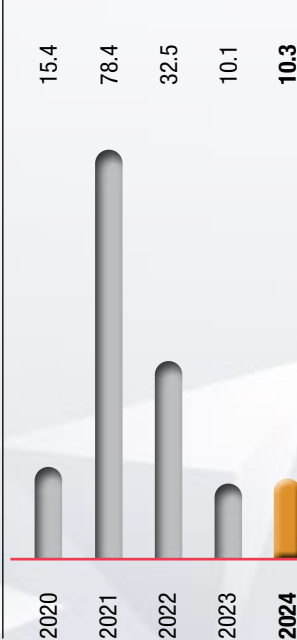
## REVENUE

RM'mil



## PROFIT AFTER TAX

(attributable to the owners of the Company)  
RM'mil



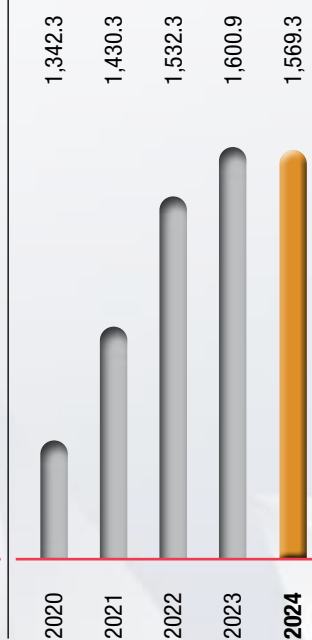
## SHAREHOLDERS' FUNDS

(attributable to the owners of the Company)  
RM'mil



## TOTAL ASSETS

RM'mil





## CORPORATE INFORMATION



## BOARD OF Directors

**Dr. Lim Pang Kiam**  
Chairman,  
Independent Non-Executive Director

**Tan Sri Dato' Ng Hook**  
Group Managing Director,  
Executive Director

**Ng Chooi Guan**  
Executive Director

**Puan Sri Datin Yap Seng Kuan**  
Executive Director

**Ng Yik Soon**  
Executive Director

**Ng Koi Lin**  
Executive Director

**Ho Sin Kheong**  
Independent Non-Executive Director

**Dato' Leanne Koh Li Ann**  
Independent Non-Executive Director

### AUDIT COMMITTEE

#### Chairperson

**Dato' Leanne Koh Li Ann**  
Independent Non-Executive Director

#### Members

**Dr. Lim Pang Kiam**  
Independent Non-Executive Director

**Ho Sin Kheong**  
Independent Non-Executive Director

### NOMINATION COMMITTEE

#### Chairman

**Dr. Lim Pang Kiam**  
Independent Non-Executive Director

#### Members

**Dato' Leanne Koh Li Ann**  
Independent Non-Executive Director

**Ho Sin Kheong**  
Independent Non-Executive Director

### REMUNERATION COMMITTEE

#### Chairman

**Dr. Lim Pang Kiam**  
Independent Non-Executive Director

#### Members

**Dato' Leanne Koh Li Ann**  
Independent Non-Executive Director

**Ho Sin Kheong**  
Independent Non-Executive Director

### REGISTERED OFFICE

Lot 36 Jalan BRP 9/2B  
Putra Industrial Park  
Bukit Rahman Putra  
47000 Sungai Buloh  
Selangor Darul Ehsan  
Tel : 603-6140 1111  
Fax : 603-6157 0348  
E-mail : enquiry@engtex.com.my

### SHARE REGISTRARS

**Mega Corporate Services Sdn Bhd**  
Level 15-2  
Bangunan Faber Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel : 603-2692 4271  
Fax : 603-2732 5388  
Email: mega-sharereg@megacorp.com.my

### STOCK EXCHANGE LISTING

#### Main Market of Bursa Malaysia

#### Securities Berhad

Stock Name : ENGTEX /

ENGTEX - WB

Stock Code : 5056 / 5056WB

Sector : Industrial Products  
and Services

### COMPANY SECRETARIES

**Khoo Chong Keong**  
(MIA CA11413)

**Lim Seck Wah**  
(MAICSA 0799845)

**Tang Chi Hoe (Kevin)**  
(MAICSA 7045754)

### AUDITORS

#### KPMG PLT

Level 10 KPMG Tower 8  
First Avenue Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 603-7721 3388  
Fax : 603-7721 3399

### PRINCIPAL BANKERS

Hong Leong Bank Berhad  
Alliance Bank Malaysia Berhad  
Public Bank Berhad  
Al Rajhi Banking Investment  
Corporation (Malaysia) Bhd  
AmBank (Malaysia) Berhad





## DIRECTORS' PROFILE

### DR. LIM PANG KIAM

Chairman, Independent Non-Executive Director

Gender Male Age 62

**DR. LIM PANG KIAM** was appointed to the Board as an Independent Non-Executive Director on 23 July 2018. He is currently the Chairman of the Board, the Nomination Committee and the Remuneration Committee, and a member of the Audit Committee. He obtained a Bachelor of Science (Honours) in Housing, Building and Planning and a Master of Science in Planning from Universiti Sains Malaysia in 1988 and 1989 respectively. In 2020, he also obtained a Doctor of Business Administration from SEGi University. He is a fellow member of the Chartered Institute of Management Accountants ("FCMA"), a member of the Malaysian Institute of Accountants ("MIA"), the Chartered Global Management Accountant ("CGMA") and the ASEAN Chartered Professional Accountants ("ASEAN CPA").

He spent 15 years with local banks in various roles before moving to the commercial sector as Finance Director, Executive Director and Chief Executive Officer.

He was appointed as the External Advisory Committee ("EAC") member by Sunway University for a 3-year term expiring on 31 October 2026. He was also appointed by the Universiti Teknologi Petronas as the member of the Industry Advisory Panel ("IAP") to the Management and Humanities Department for Undergraduate and Postgraduate programmes for a 2-year term expiring on 31 December 2025.

He currently sits on the Board of Inta Bina Group Berhad and SDS Group Berhad as an Independent Non-Executive Director, and K. Seng Seng Corporation Berhad and Lagenda Properties Berhad as a Non-Independent and Non-Executive Director. He is also a Director, Council Member and Chairman of the Audit Committee at the Tung Shin Hospital, Kuala Lumpur, a well-known private hospital in Malaysia.

He does not have any family relationship with any director and/or major shareholder of Engtex Group Berhad. He attended all the five Board meetings held during the financial year ended 31 December 2024.

### TAN SRI DATO' NG HOOK

Group Managing Director, Non-Independent Executive Director

Gender Male Age 69

**TAN SRI DATO' NG HOOK** is the Group Managing Director ("GMD") and was appointed to the Board as a Non-Independent Executive Director on 3 June 2002. He is the founder of the Group. He has been involved in the hardware, pipes, valves, fittings and plumbing materials industries upon completion of his secondary education in 1973. He has developed the Group's businesses since its inception and responsible for the continuing growth and success of the Group. He is the spouse of Puan Sri Yap Seng Kuan. He does not hold any directorship in other public company. He attended all the five Board meetings held during the financial year ended 31 December 2024.

### NG CHOOI GUAN

Non-Independent Executive Director

Gender Male Age 61

**NG CHOOI GUAN** was appointed to the Board as a Non-Independent Executive Director on 3 June 2002. He is the Managing Director of Engtex Sdn Berhad ("Engtex"). He commenced his sales career in the hardware industry upon completion of his secondary education in 1980. He joined Engtex upon its inception in 1984 as a Sales Representative. His responsibilities include sales and marketing, group supply chain management and procurement, business development, securing exclusive distributorships/agencies and developing house-brand products. He does not hold any directorship in other public company. He attended all the five Board meetings held during the financial year ended 31 December 2024.

### PUAN SRI DATIN YAP SENG KUAN

Non-Independent Executive Director

Gender Female Age 67

**PUAN SRI DATIN YAP SENG KUAN** was appointed to the Board as a Non-Independent Executive Director on 3 June 2002. After completing her secondary education, she has held various administrative positions and managed her own business prior to joining Engtex. She is currently in-charge of the Group's Treasury & Credit Control function. Her portfolio includes the monitoring of day-to-day credit control and cashflow, monitoring debtors' collections and treasury function of the Group. She is the spouse of Tan Sri Dato' Ng Hook. She does not hold any directorship in other public company. She attended all the five Board meetings held during the financial year ended 31 December 2024.



## Directors' Profile

### NG YIK SOON

Non-Independent Executive Director

Gender Male Age 57

NG YIK SOON was appointed to the Board as a Non-Independent Executive Director on 3 June 2002. He holds a Professional Diploma in Sales and Marketing from the University of Malaya Centre for Continuing Education. He has been with Engtex upon completion of his secondary education in 1985. His roles in Engtex included sales and marketing, group supply chain management and procurement, inventory control and product quality control. He was also involved in the business and product development in certain manufactured steel products before focusing on business development, brand building, and sales and marketing of ductile iron pipes and fittings. He does not hold any directorship in other public company. He attended all the five Board meetings held during the financial year ended 31 December 2024.

### NG KOI LIN

Non-Independent Executive Director

Gender Female Age 36

NG KOI LIN was appointed to the Board as a Non-Independent Executive Director on 25 August 2022. She graduated from Monash University, Clayton-Australia with a Bachelor of Commerce (Accounting & Finance) degree in September 2011. She started her career with KPMG Malaysia as an Associate in Internal Audit, Risk & Compliance Services ("IARCS") division upon graduation in 2011. At KPMG IARCS, she was involved in risk-based internal audit assignments, enterprise risk management assessment and cost improvement reviews, assisting numerous clients, comprising mainly public listed companies, to optimise their risk management, controls and governance processes. She left KPMG Malaysia in June 2016 and joined Engtex in August 2016 as Business Operations Manager. In April 2019, she was promoted to Personal Assistant ("PA") to the GMD where she assists the GMD in management duties as well as overseeing the operations of the hospitality segment. In May 2022, she assumed the position of Chief Sustainability Officer to drive the Environmental, Social and Governance ("ESG") initiatives of the Group and its subsidiaries.

She is the daughter of Tan Sri Dato' Ng Hook and Puan Sri Datin Yap Seng Kuan, who are the GMD and Executive Director respectively and the major shareholder of Engtex Group Berhad. She does not hold any directorship in other public company. She attended all the five Board meetings held during the financial year ended 31 December 2024.

### HO SIN KHEONG

Independent Non-Executive Director

Gender Male Age 70

HO SIN KHEONG was appointed to the Board as an Independent Non-Executive Director on 7 August 2020. He is currently a member of the Audit Committee, the Nomination Committee and the Remuneration Committee.

He began his career as a lecturer in Universiti Sains Malaysia, his Alma Mater. He graduated with a Master of Science from the Universiti Sains Malaysia in 1983 and a Bachelor of Science with Education (Honours) degree from the Universiti Pertanian Malaysia in 1979.

He has over 38 years of working experience in banking and Information Technology ("IT"). He started his first commercial career in NCR Malaysia from 1983 till 1988. He later moved on to assume the role of Head of IT/Chief Information Officer in various banks in Malaysia which included Ban Hin Lee Bank Berhad (1988 to 1997), United Overseas Bank (Malaysia) Bhd (1997 to 2003), RHB Bank Malaysia Bhd (2008 to 2014), MBSB Bank Berhad (2017 to 2018) and Kuwait Finance House Malaysia (2019 to 2020). In IT, he had experience working in eBworx Berhad from 2003 to 2005 as an Executive Director and a board member. From 2005 to 2007, he was the Executive Director in a mobile payment services start-up called Mobile Money Sdn Bhd and pioneered the mobile payment using handphones in Malaysia.

He has vast experience in core retail banking system, delivery channels system like branch teller system, internet and mobile banking, mobile payment system, data warehousing and big data analytics. He has excelled in project management and people management with successful implementation in numerous multi-million projects.

He does not hold any directorship in other public company.

He does not have any family relationship with any director and/or major shareholder of Engtex Group Berhad. He attended all the five Board meetings held during the financial year ended 31 December 2024.





## Directors' Profile

### DATO' LEANNE KOH LI ANN

Independent Non-Executive Director

Gender Female Age 51

**DATO' LEANNE KOH LI ANN** was appointed to the Board as an Independent Non-Executive Director on 28 May 2021. She is currently the Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee. She graduated with a Bachelor of Laws degree and a Bachelor of Commerce degree from the Australian National University in 1997. She is also a member of the Chartered Tax Institute of Malaysia and the International Fiscal Association. Dato' Leanne Koh chambered with Messrs Lee Hishammuddin, a Kuala Lumpur-based corporate and commercial law firm and was called to the Malaysian Bar in 1998. Following her chambering, she worked in the Litigation Department and thereafter the Corporate Department of the law firm at which she had chambered before joining KPMG Malaysia in June 2000. As a member of KPMG Malaysia's corporate tax practice team for over 20 years, Dato' Leanne Koh has provided corporate tax advice in relation to a variety of domestic and international transactions and exercises, including inbound and outbound investments, cross border and domestic regulatory issues, mergers and acquisitions ("M&A"), Initial Public Offerings ("IPOs"), international tax advice and tax due diligence, corporate tax diagnostic reviews and group tax planning and advising on structured finance products and structuring commercial contracts for tax efficiency. She held the position of Executive Director Corporate Tax in KPMG Malaysia for about 15 years before retiring in June 2020. During the course of her career, Dato' Leanne Koh had, amongst others, served in an advisory capacity with the Securities Commission and Bank Negara Malaysia in respect of tax issues relating to ABS structures and Islamic financing. She had also addressed seminars and conferences in relation to tax issues relating to M&As and international tax planning. She also holds substantial legal experience in the areas of insolvency law and corporate and commercial restructurings, in particular receiverships and liquidations, banking litigation and administrative law matters. Dato' Leanne Koh returned to legal practice in July 2020 and was a partner of Messrs Mah-Kamariyah & Philip Koh in the Corporate and M&A Department until January 2023.

She is currently a director of DL Partners Sdn. Bhd. which provides business management consultancy services in relation to M&A, buy and sell side engagements, corporate reorganisation, financial restructuring, capital raising, arrangement of acquisition financing, strategic consulting and tax advisory.

She currently sits on the Board of Inta Bina Group Berhad and Panda Eco Systems Berhad as an Independent Non-Executive Director.

She does not have any family relationship with any director and/or major shareholder of Engtex Group Berhad. She attended all the five Board meetings held during the financial year ended 31 December 2024.

### OTHER INFORMATION:

- All the Directors are Malaysian.
- The Group has entered into recurrent related party transactions with parties in which the directors of the Company, namely Tan Sri Dato' Ng Hook, Ng Chooi Guan and Ng Yik Soon have direct and/or indirect interests as disclosed in the notes to the Financial Statements section of the yearly Annual Report.
- Puan Sri Datin Yap Seng Kuan and Ng Koi Lin are interested in the recurrent related party transactions by virtue of being the spouse and daughter of Tan Sri Dato' Ng Hook respectively.
- Save for the above mentioned disclosure, none of the other directors have any conflict of interest with the Company.
- None of the Directors has been convicted of any offences other than traffic offences, if any, within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the year.
- Tan Sri Dato' Ng Hook, Ng Chooi Guan and Ng Yik Soon are siblings. Tan Sri Dato' Ng Hook and Puan Sri Datin Yap Seng Kuan are indirect major shareholders of Engtex Group Berhad.



## KEY SENIOR MANAGEMENT PERSONNEL PROFILE

Apart from the Group Managing Director and Executive Directors, the Key Senior Management also comprises the following personnel.

### CHEAH HOCK KEE

Gender Male Age 63

**CHEAH HOCK KEE** is currently the Director and General Manager of Allpipes Technology Sdn Bhd ("Allpipes"). He holds a Diploma in Management from the Malaysian Institute of Management in 1988. He started his career in 1984 as an Estimator with Petro-Pipe Industries and was later promoted to Marketing Manager in 1989 to market and sell steel pipe and fittings. In 1993, he joined Accurate Industrial Steel Sdn Bhd as General Manager overseeing the steel pipe factory operation until 1999 prior to joining Allpipes in 2000. He is overall responsible for the sales and marketing, and operations of the mild steel concrete-lined pipes and fittings and pipe piles manufacturing divisions. He does not hold any directorship in other public company. He does not have any family relationship with any director and/or major shareholder of Engtex Group Berhad.

### HOW KON FOOK

Gender Male Age 69

**HOW KON FOOK** is currently the Director of Sales of Benton Corporation Sdn Bhd ("Benton"). He commenced his career in 1974 when he joined a hardware store as a store hand. He served for 2 years before moving to Hup Huat Hardware Sdn Bhd as counter sales personnel from 1978 to 1980. Subsequently he was employed as a Sales Representative in Yong Hardware Sdn Bhd for 9 years prior to joining Benton as Sales Manager. He is overall in-charge of the distribution of pipes, valves, fittings, general hardware products, steel products and plumbing materials primarily in East Malaysia. He does not hold any directorship in other public company. He does not have any family relationship with any director and/or major shareholder of Engtex Group Berhad.

### KHOO CHONG KEONG

Gender Male Age 56

**KHOO CHONG KEONG** is currently the Chief Financial Officer and Joint Company Secretary of the Group. He is a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and the Malaysian Institute of Accountants ("MIA").

He started his career in 1990 as an audit assistant in Arthur Andersen & Co. and left the firm as an Audit Manager after serving the Audit and Business Advisory division for more than 10 years. He joined Selangor Properties Berhad in 2000 as the Finance Manager and later joined Engtex as the Group Internal Audit and Enterprise Risk Management Manager in 2001. He was promoted to Group Finance Manager in 2002 and later assumes his current position in 2004. He is responsible for the overall financial management, accounting, secretarial and corporate function of the Group. He does not hold any directorship in other public company. He does not have any family relationship with any director and/or major shareholder of Engtex Group Berhad.

### LEE GEOK AI

Gender Male Age 69

**LEE GEOK AI** is currently the Director of Ivory Progression Sdn Bhd and General Manager of EPCM Sdn Bhd. He holds a Bachelor of Science (Honours) in Civil Engineering from University of Glasgow Scotland and a Master of Construction Management from University of New South Wales Australia. He started his career as a Contract Engineer with Drainage and Irrigation Department under the Ministry of Agriculture from 1982 to 1983 and later joined Ooi Bok Khoo as Project Engineer in Building Construction from 1984 to 1986. He joined Ahmad Zaki Sdn Bhd in 1988 as Site Engineer and later promoted to Regional Manager in 1990 and then to Technical General Manager in 1994. He joined Tiaraview Management Sdn Bhd as General Manager from 1996 to 2008 to oversee the property development management prior to joining the Group in 2009. He is currently responsible for overseeing the property development and management of Property Development segment. He was appointed to the Board of Topvision Eye Specialist Berhad on 1 October 2024 as an Independent Non-Executive Chairman. He does not have any family relationship with any director and/or major shareholder of Engtex Group Berhad.





## Key Senior Management Personnel Profile

### NG CHIN MAN

Gender Male Age 66

**NG CHIN MAN** is currently the Director and Factory Manager of Allpipes. He commenced his career upon completing his secondary education as a welder in Ban Lee Iron Works from 1974 to 1978 and thereafter undertook steel subcontracting works. In 1981, he set up his own business of manufacturing iron grilles and steel products with his sibling before joining Allpipes in 1986. He is currently responsible for the factory operation of mild steel concrete-line pipes and fittings, and pipe piles divisions. He does not hold any directorship in other public company.

### NG YOU CHAI

Gender Male Age 68

**NG YOU CHAI** is currently the Director and Group Logistics and Operations Manager of Engtex. He commenced his career in the grocery business upon completing his secondary education from 1973 to 1977. In 1977, he joined Selangor Motor Sdn Bhd as counter sales personnel for 4 years before joining his sibling to set up the business of manufacturing iron grilles and steel products. In 1984, he joined Engtex as a sales representative and was promoted to the current position in 1993. He is responsible for the warehousing operations and logistics handling. He does not hold any directorship in other public company.



### OTHER INFORMATION:

- All the key senior management personnel are Malaysian.
- Save for the above mentioned disclosure, none of the key senior management personnel have any conflict of interest with the Company.
- None of the key senior management personnel has been convicted of any offences other than traffic offences, if any, within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the year.
- Ng Chin Man and Ng You Chai are siblings to Tan Sri Dato' Ng Hook. Tan Sri Dato' Ng Hook and Puan Sri Datin Yap Seng Kuan are indirect major shareholders of Engtex Group Berhad.



# MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis aims to provide our shareholders and other stakeholders with an overview of our Group's business conditions, operations and financial performance for the Financial Year Ended 31 December 2024.

## BUSINESS AND OPERATIONS

### Group profile

The principal activities of the Group can be divided into four strategic business segments, and the following summary describes the operations in each of the business segments:

- |                            |   |
|----------------------------|---|
| Wholesale and distribution | - This includes the wholesale and distribution of pipes, valves, fittings, plumbing materials, steel-related products, general hardware products and construction materials.  |
| Manufacturing              | - This includes the manufacturing and sale of steel and ductile iron pipes and fittings, valves, manhole covers, hydrants, industrial casting products, welded wire mesh, hard-drawn wire, bitumen products and other steel-related products. |
| Property development       | - This includes property development and investment activities.   |
| Hospitality                | - This includes the operation of hotel rooms, food and beverage, meeting and function rooms, and other hospitality services.  |

Other non-reportable segments comprise operations related to corporate assets and expenses, and other operations which are not sizeable to be reported separately.

### Key market area and geographical locations

The Group operates in Malaysia. The geographical location of its business operations is as follows:

- |                             |   |
|-----------------------------|---|
| Wholesales and distribution | - two (2) primary warehousing operations located at Selangor and Penang, respectively.  |
| Manufacturing               | - twelve (12) manufacturing operations, of which four (4) are located at Selangor, four (4) are located at Pahang and one (1) each is located at Penang, Johor, Sabah and Melaka respectively.  |
| Property development        | - three (3) completed property development projects, namely Tiara Residence and Emerald Avenue, both located at Selayang and Amanja located at Kepong, Selangor.  |
| Hospitality                 | - a 72-room hotel, "Avenue J" located at Leboh Pasar Besar, Kuala Lumpur, a 144-room hotel, "Ibis Style" located at Bandar Sri Damansara, Kuala Lumpur and a 120-room hotel, "Mercure" located at Selayang, Selangor. Avenue J was disposed in August 2024 and is allowed to operate for one year thereafter. |



To be the leading integrated manufacturer and one-stop distribution centre for pipes, valves, fittings, plumbing and steel products and construction materials that provide total supply-chain solutions to our customers in the water supply, sewerage, fire fighting, heat ventilation and air conditioning systems, infrastructure and construction industries.



To deliver sustainably good financial returns through our impeccable commitment to setting high standards, innovation, productivity and competency in providing products and services of international quality and value-focused that meet the needs of our customers.



- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Customer Satisfaction</li> <li>• Safety and Environment</li> <li>• Shareholder Value</li> </ul> | <ul style="list-style-type: none"> <li>• Integrity and Professionalism</li> <li>• Quality Management</li> <li>• Corporate Responsibility</li> </ul> |
|--|---|





# Management Discussion And Analysis

## Financial Highlights

The last five (5) years' financial information and share performance are disclosed in the Financial Highlights section of this Annual Report.

## FINANCIAL PERFORMANCE

### General overview

The Malaysian economy grew by 5.1% in 2024 (2023: 3.7%) due to the continued expansion in domestic demand and a rebound in exports. The strong investment approvals and further progress of multi-year projects by the private and public sectors, which includes catalytic initiatives under national master plans (i.e. New Industrial Master Plan, National Energy Transition Roadmap and National Semiconductor Strategy) provided further impetus to investment growth. On the external front, exports recovered amid steady global growth, continued tech upcycle as well as higher tourist arrivals and spending. (Source: Bank Negara Malaysia ("BNM") *Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024*).

Global steel demand is forecast to decline by 0.9% in 2024 following 3 consecutive years of global demand contraction largely due to declining household purchasing power, tight monetary policies, geopolitical tension, slump in housing construction caused by high financing cost and downturn in China's real estate sector despite government intervention. (Source: *The marketSTEEL* dated 14 October 2024) In the local front, Malaysia has been saddled with structural challenges such as overcapacity, low green technology adoption, limited scrap access, low research and development investment, insufficient financing and low skilled workforce. The excess steel production has impacted domestic pricing and profitability especially during weak domestic demand and uncertain global economic growth. (Source: *"Mapping Malaysia's Steel Sector Journey"* dated 30 July 2024 – Malaysian Investment Development Authority ("MIDA") News Portal) Despite the hike in water tariff rates by the Government of Malaysia ("GOM") in February 2024 for the long-term sustainability of the water service industry, there was an absence of large old water pipe replacement and new pipe laying projects rollout by the GOM.

### Financials

The Group recorded a year-on-year marginal decrease of 0.6% in net revenue of RM1.5 billion (2023: RM1.5 billion) mainly attributable to the weak market demand for certain manufactured steel products. However, the Group saw its earnings before interest, income tax, depreciation and amortisation ("EBITDA") and pre-tax profit improved by 3.6% and 18.9% to RM67.9 million (2023: RM65.6 million) and RM21.5 million (2023: RM18.1 million). The increase was mainly due to a gain on disposal of a hotel property located at Kuala Lumpur of RM5.4 million during the financial year. Consequently, the Group has achieved a higher net profit attributable to owners of the Company of RM10.3 million (2023: RM10.1 million) and earnings per ordinary share of 1.3 sen (2023: 1.3 sen as restated).

On the back of the increased retained earnings and the effect of new shares issued from the exercise of warrants, the Group's equity attributable to owners of the Company increased by 2.1% from RM806.0 million as of 31 December 2023 to RM822.6 million as of 31 December 2024. Additionally, the restated net assets per share decreased from RM1.07 as of 31 December 2023 to RM1.06 as of 31 December 2024, after adjusting for the effect of new shares issued pursuant to the bonus issue completed in August 2024 and the new shares issued from the exercise of warrants. The net debt-to-equity ratio decreased to 0.53 times (2023: 0.67 times) in tandem with the decrease in net bank borrowings from RM553.5 million as of 31 December 2023 to RM445.7 million as of 31 December 2024 largely to procure raw materials and trading inventories, besides financing the trade receivables and supporting other working capital requirements. The Group has been vigilant in managing credit control, inventory holdings and cash flow to overcome any business uncertainties.

The staff cost increased marginally by 1.7% in 2024 (2023: 8.2%) as the Group focused on curbing the operational cost as the Group is facing challenging business condition.

The Group's weighted average interest rate on bank borrowings remained at 4.9% (2023: 4.9%) as BNM maintained the overnight policy rate at 3.00% to support economic growth.

In August 2024, the Group completed the disposal of a freehold land, hotel building and related assets for a total cash consideration of RM22.0 million, recording a gain of RM5.4 million for the financial year.

In 2024, there was net losses on the impairment of trade receivables of RM3.0 million (2023: net reversal of RM1.5 million), and write down of the trading and manufactured inventories of RM5.2 million (2023: RM5.4 million) and unsold properties located at Selayang in 2023 of RM0.5 million.

The Board has no plan to establish a dividend policy at this juncture as there is a need to conserve cash for the working capital requirement in light of the challenging business environment. Nevertheless, the Board has consistently declared dividends annually since its listing to reward the shareholders for their continued support and confidence in the Group.

The Board declared a final single-tier dividend of 0.50 sen (2023: 0.75 sen) per ordinary share of approximately RM4.0 million for the financial year ended 31 December 2024 which was subsequently paid on 7 April 2025.



# Management Discussion And Analysis

## Business segments

### Wholesale and Distribution segment

The wholesale and distribution segment recorded a net revenue of RM696.4 million (2023: RM697.0 million) which represented a year-on-year decrease of 0.1% and the segment contributed 47.7% (2023: 47.4%) of the Group's total net revenue. This segment recorded a lower EBITDA and pre-tax profit of RM31.4 million (2023: RM36.4 million) and RM14.3 million (2023: RM19.2 million) which represented a year-on-year decline of 13.8% and 25.5% respectively. This segment accounted for 45.4% (2023: 54.4%) of the Group's EBITDA and 66.3% (2023: 105.8%) of the Group's pre-tax profit.

The decrease in EBITDA and pre-tax profit was mainly due to higher procurement cost for its trading inventories and lower selling prices arising from the increased market competition in light of the volatility in domestic metal prices and weak domestic market demand. The net impairment loss on trade receivables and inventory write-downs for the financial year amounted to approximately RM1.6 million (2023: net reversal of RM1.4 million) and RM4.4 million (2023: 5.2 million), respectively.

### Manufacturing segment

The manufacturing segment recorded lower net revenue of RM744.0 million (2023: RM753.6 million) which represented a decrease of 1.3% and the segment contributed 50.9% (2023: 51.3%) of the Group's total net revenue. The segment recorded a lower EBITDA and pre-tax profit of RM31.8 million (2023: RM33.2 million) and RM6.0 million (2023: RM7.8 million) which represented a year-on-year decline of 4.2% and 22.5%, respectively. This segment accounted for 46.0% (2023: 49.7%) of the Group's EBITDA and 28.0% (2023: 43.0%) of the Group's pre-tax profit.

The decrease in net revenue, EBITDA and pre-tax profit was mainly due to the lower selling prices arising from the increased market competition and higher procurement and production costs for certain manufactured steel products in light of the volatility in the international and domestic steel prices and weak market demand. The net impairment loss on trade receivables and inventory write-downs for the financial year were approximately RM1.4 million (2023: net reversal of RM0.1 million) and RM0.8 million (2023: RM0.2 million).

### Property Development segment

This segment recorded a lower net revenue of RM7.0 million (2023: RM8.8 million) and contributed 0.5% (2023: 0.6%) to the Group's net revenue. The revenue was mainly derived from the sale of property in Tiara Residence project located at Selayang and Amanja project located at Kepong. As of 31 December 2024, all residential units in Tiara Residence project were sold (2023: 95.7%), while the Amanja project had a sales rate of 95.5% (2023: 92.9%).

The Amanja project has 12 unsold residential and commercial units, while the Emerald Avenue project has 26, available for lease or sale. This segment recorded a lower pre-tax loss of RM1.2 million (2023: RM2.0 million) to maintain lesser units of unsold properties. In 2023, the unsold property located at Selayang written down was approximately RM0.5 million.

### Hospitality segment

This segment recorded an increase in net revenue of RM13.7 million (2023: RM10.4 million) due to the higher number of rooms sold of 64,537 (2023: 46,763) with the corresponding increase in average occupancy rate of 52.5% (2023: 38.2%) at all three operating hotels, and higher meetings, incentives, conferences and exhibitions ("MICE") activities.

In April 2024, a wholly-owned subsidiary entered into an agreement with a third party to dispose of its 72-room hotel, Avenue J located at Kuala Lumpur for a cash consideration of RM22.0 million. The disposal was completed in August 2024. Subsequent to the disposal, the subsidiary is allowed to operate the hotel until the handover of vacant possession of the property on an "as is where is" basis within one year thereafter.

Excluding the RM5.4 million gain from the disposal, the segment recorded a lower pre-tax loss of RM2.6 million (2023: RM5.2 million), primarily due to borrowing cost and depreciation of RM3.6 million (2023: RM4.7 million).





# Management Discussion And Analysis

## Future outlook

### General overview

For 2025, growth in the global economy is expected to remain broadly sustained, supported by positive labour market conditions, moderating inflation and less restrictive monetary policy. Disinflation, especially among advanced economies, is expected to continue, aided by lower commodity prices. The expansion in global trade is also expected to continue going forward. However, the rollout of measures that could restrict trade and investment could weigh on global trade. Downside risks to growth remain, mainly from uncertainty surrounding trade and investment restrictions. In contrast, upside risks to growth could arise from stronger US growth, if policies from the new administration significantly spurs domestic demand. The Malaysian economy is expected to remain resilient in 2025. Growth will be driven by robust expansion in investment activity, resilient household spending and continued expansion in exports. Investment activities will be driven by continued progress of multi-year projects in both the private and public sectors, higher realisation of approved investments and the implementation of catalytic initiatives under the national master plans. Employment and wage growth as well as policy measures, including the upward revision of the minimum wage and civil servant salaries, would remain supportive of household spending. Exports are expected to be supported by the global tech upcycle, continued growth in non-electrical and electronics goods and higher tourist spending. The growth outlook is subject to downside risks if growth in major trading partners slowed amid heightened risk of trade and investment restrictions, and lower-than-expected commodity production. Nevertheless, growth could potentially be higher from greater spillovers from the tech upcycle, more robust tourism activities, and faster implementation of investment projects. (Source: *BNM Quarterly Bulletin Fourth Quarter 2024*)

The GOM continues to adopt an expansionary fiscal approach while remain committed to gradually narrowing the fiscal deficit in 2025 by allocating a total expenditure of RM421.0 billion (2023: RM393.8 billion), of which RM86.0 billion (2024: RM90.0 million) is for development expenditure. In addition, the GOM will implement private-finance initiative ("PFI") valued at RM9.0 billion together with direct domestic investments by Government-linked Investment Companies ("GLIC") amounting to RM25.0 billion. This will boost the total public investment for development in 2025 to RM120.0 billion. The Malaysian economic growth is projected at 4.5% to 5.5% in 2025 (2024: 4% to 5%) under the measures and strategies of the Third MADANI Budget while Malaysia's economic growth projection is 4.9% (2024: 4.3%) by the World Bank. The focus of the development expenditure is to finance projects that are people-centric and the facilities that support the industrial areas which includes Kerian Integrated Green Industrial Park, Perak to Penang Raw Water Transfer project, Machang Water Treatment Plant, Kulim Hi-Tech Park, flood mitigation projects in Pahang, Sungai Langat, Selangor and Trengganu as well as increased development expenditure for Sabah and Sarawak to develop basic infrastructure. (Source: *Malaysian Budget 2025*)

Malaysia faced significant challenges in expanding its market share in the global steel market primarily due to fierce competition from established steel-producing nations such as China, Japan, South Korea, Indonesia and Vietnam. As a counter measure to protect and promote the long term sustainability of the domestic steel industry, Malaysia has initiated anti-dumping investigation on steel wire rods from China, Indonesia and Vietnam, and recently imposed or expanded anti-dumping duties on flat-rolled products of iron or non-alloy steel and stranded steel wires for prestressed concrete from countries like China, India, Japan and South Korea.

The above local and global economic outlook will provide a challenging platform for our existing businesses in all segments, which focus primarily on the domestic market.

### Wholesale and Distribution segment

Our wholesale and distribution segment consistently contributed to the Group's growth in net revenue and profitability although the segment is facing challenging environment arising from the lower selling prices arising from increased market competition and weak market demand.

The segment continues to become a one-stop solution provider of pipes, valves, and fittings ("PVF") to its established customer network in Malaysia which is involved in the utilities and infrastructure sectors. It will continue to expand and maximise its warehousing facilities based in Selangor and Penang and deploy effective utilisation of resources to source for existing and new trading products.

The segment plans to expand its distribution activities in East Malaysia by setting up its own warehouse facility on its existing 5 acres leasehold industrial land located at Kuching, Sarawak and expand its existing distribution network in Kota Kinabalu, Sabah.

The Group's new warehouse facility at its existing 10 acres of freehold vacant industrial land located at Kapar, Selangor is expected to obtain all regulatory approvals by the second quarter of 2025 and is currently in the negotiation to let the premises at this juncture.

In December 2024, a wholly-owned subsidiary entered into an agreement with a third party to dispose of a piece of industrial leasehold land located at Subang New Village, Mukim Sungai Buloh, Daerah Petaling for a total cash consideration of RM4.5 million.



# Management Discussion And Analysis

## **Manufacturing segment**

The manufacturing segment is the major revenue contributor for the Group since 2022 and is the growth catalyst with ample capacities to increase its contribution to the Group without having to incur substantial capital investments.

The 2 mild steel concrete-lined (“MSCL”) pipe plants are located at Serendah, Selangor and Kuantan, Pahang and are the leading MSCL pipe producers in Malaysia with total installed production capacity of 66,000 metric tonnes (“MT”) per annum. They are one of the two local players in Malaysia that can produce the largest diameter MSCL pipe of up to 3.0 meter. Their utilisation rates in 2024 had increased to 40.6% (2023: 32.7%). The Group has plans to set up new MSCL production lines and expand the MSCL pipes storage capacity on its existing freehold industrial land located at Batang Kali, Selangor measuring approximately 47.6 acres together with a factory erected thereon to meet future demand for large diameter water pipe.

The ductile iron (“DI”) pipe plant located at Kuantan, Pahang with installed production capacity of 60,000 MT per annum is currently the sole producer of DI pipe in Malaysia. The plant can produce the largest diameter DI pipe up to 1.2 meter. The utilisation rate in 2024 was lower at 29.0% (2023: 33.8%).

Both the MSCL and DI pipes are for water and sewerage purposes and they are well-positioned to partake in the non-revenue water (“NRW”) pipe replacement and new pipe laying projects undertaken by Pengurusan Aset Air Berhad (“PAAB”), our national water assets holding company, and other states water authorities including Terengganu, Sabah and Sarawak and the growing market for the supply of water pipes to data centres throughout Malaysia.

There are 5 factories located at Selangor, Penang, Johor, Pahang, and Sabah producing welded wire mesh and hard-drawn wire products with total installed production capacity of 210,000 MT per annum to serve the construction and property development sectors in Malaysia and overseas market. The utilisation rate in 2024 was higher at 57.2% (2023: 52.2%).

There are 2 Electric Resistance Welded (“ERW”) pipe plants located at Kuantan, Pahang and Ijok, Selangor with total installed production capacity of 120,000 MT per annum producing the ERW pipe and hollow sections of various sizes catering for water irrigation and agricultural, civil engineering, steel tower, building construction, infrastructure, utilities and general engineering sectors. The utilisation rate in 2024 was lower at 43.0% (2023: 50.6%). The Group has warehouse and production facilities adjacent to the existing plant located at Ijok, Selangor for storage and future expansion of production line.

The steel mill located at Merlimau, Melaka with installed production capacity of 96,000 MT per annum can produce steel bars of various sizes for the construction and property development sectors in Malaysia. The utilisation rate in 2024 was lower at 27.8% (2023: 53.2%).

The segment plans to expand its manufacturing activities on its existing 5 acres leasehold industrial land located at Kuching, Sarawak.

## **Property Development segment**

The Tiara Residence residential development project located at Selayang, Selangor was fully sold in 2024. The Emerald Avenue mixed residential and commercial development project located at Selayang, Selangor has a total 26 units of unsold residential units and investment properties comprising retail lots, carparks and walk malls with book values of approximately RM33.6 million (2023: RM34.2 million). The Amanja project located at Kepong, Selangor has a total 12 units of unsold residential units and investment properties comprising a retail unit and carparks with book values of approximately RM15.3 million (2023: RM19.0 million).

There is a plan to develop 11 plots of vacant leasehold industrial land located at Bandar Sungai Buloh, Selangor measuring approximately 2.6 acres into light industrial building lots for sale in the near future while the Group is currently evaluating the business propositions on its remaining land bank of approximately 63.1 acres to unlock the value of these lands when the opportunity arises.





## Management Discussion And Analysis

### *Hospitality segment*

The National Tourism Policy 2020-2030 was launched on 23 December 2020. It aims to ensure the continuity of the country's tourism industry and makes Malaysia a preferred tourism destination at the global level. In the preparation for Visit Malaysia 2026, the GOM has allocated nearly RM550.0 million to boost tourism promotions and activities, and RM110.0 million to enhance tourist areas in the Malaysian Budget 2025.

Upon the expected cessation of operation at Avenue J hotel located at Kuala Lumpur expected by the end of second quarter of 2025, the segment will focus on revenue management of the remaining 2 hotels located at Selayang, Selangor and Bandar Sri Damansara, Kuala Lumpur and intensify its marketing plan to offer attractive rooms and MICE packages to the local government agencies and private sectors while maintaining attractive room rates for foreign and local tourists, and walk-in guests.

### *Risk and mitigating factors*

The performance of the Group will be affected by factors such as the uncertainties in the domestic demand and prices arising from the impact of the global and domestic economic outlook, volatility in the international and domestic metal prices, and the timely implementation of large-scale projects in the utilities, infrastructure, construction and property development sectors. The Group will continue to focus on expanding its existing metal-related product range for its wholesale and distribution segment locally and abroad. It will improve, automate, optimise and expand its operating capacity and continue to look for new business opportunities in its manufacturing segment. The Group is committed to improve its cash flow while maintaining sustainable operations. It will continue to implement prudent credit and cash flow management, diversify income generating sources, identify cost savings opportunities, maintain optimum inventories holding level, improve production efficiency, explore the export market opportunity and divest some non-core assets to enhance the returns to our stakeholders.

## **CORPORATE EXERCISES**

### *(i) Issuance of new shares and warrants*

During the financial year, the Company issued:

- a) 333,816,580 new ordinary shares (inclusive of 43 bonus shares to be held as treasury shares) through bonus issue on the basis of three (3) bonus issue for every four (4) existing shares held at no consideration and without capitalisation of the Company's reserves; and
- b) 80,486,763 additional Warrants 2021/2026 arising from the adjustment to the number of outstanding warrants in accordance with the Deed Poll dated 28 July 2021 with the exercise price of the warrants been adjusted from RM0.70 each to RM0.40 each as a result of the bonus issue.

### *(ii) Acquisition of a subsidiary*

In June 2024, the Company acquired 100% equity interest in Variglobal Sdn. Bhd. ("VGSB") for a total cash consideration of RM6.6 million. The subsidiary owns a piece of 5 acres leasehold industrial land at Kuching, Sarawak. The intended principal activity of VGSB is that of investment holding.



# Management Discussion And Analysis

## ENVIRONMENT, SOCIAL AND GOVERNANCE INITIATIVES

The Board determines the general course of the Group's sustainability development and focuses on creating value for its stakeholders. The sustainability efforts extend across all facets of our businesses, from stringent environmental management practices in our operational processes to fostering inclusive workplaces and supporting the communities where the Group operates. The Group is proud to uphold the highest standards of integrity, humility, and excellence in all our endeavours, ensuring sustainability remains at the forefront of our decision-making processes. The Group's sustainability initiatives are in a separate Sustainability Report 2024.

The Group constantly upholds the principles of good corporate governance which is fundamental to the sustainable creation of shareholders' values. These practices are set out in this Annual Report's Corporate Governance Overview Statement section.

During the year, the Group adopted the Conflict of Interest ("COI") Policy which provides the framework to assist its directors and key senior management of the Group in determining, escalating and addressing the COI situation to safeguard the Group's interest and Climate Change Policy which outlines the Group's approach in addressing climate change related risks according to recognised international framework to reduce carbon footprint.

The Group has completed the installation of rooftop Solar Photovoltaic ("PV") projects at 7 locations to generate renewable energy with total installed capacity of 3.7 million kWp at an investment cost totalling RM5.4 million to mitigate the rising electricity costs and promote a cleaner environment. The Solar PV projects are expected to commence testing and commissioning by the second quarter of 2025 after we obtain all the necessary regulatory approvals. Another 8 identified locations for Solar PV projects are all work in progress.





# AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of Engtex Group Berhad ("Company") is pleased to present the report of its Audit Committee ("AC") for the financial year ended 31 December 2024.

## 1. SALIENT FEATURES OF THE TERMS OF REFERENCE

### Objectives

The principal objective of the AC is to assist the Board in discharging its statutory duties and responsibilities relating to the accounting and reporting practices of Engtex Group Berhad and its subsidiaries ("Group"). In addition, the AC shall: -

- oversee and appraise the quality of the audits conducted by both the Group's external auditors and Internal Audit Function ("IAF");
- maintain open lines of communication between the Board, the Internal Audit Department ("IAD") and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- determine the adequacy of the Group's administrative, operating and accounting controls.

## 2. MEMBERS AND MEETINGS OF THE COMMITTEE

The AC comprises three (3) members who are all independent and non-executive directors. The AC met seven (7) times during the financial year and the details of its members and their attendance at the AC meetings during the financial year are as follows:

Name of Directors	Meeting Attendance
<b>Dato' Leanne Koh Li Ann</b> (Chairperson, Independent Non-Executive Director)	7/7
<b>Dr. Lim Pang Kiam</b> (Member, Independent Non-Executive Director)	7/7
<b>Ho Sin Kheong</b> (Member, Independent Non-Executive Director)	7/7

The AC has fulfilled the requirement of Paragraph 15.09 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements, which states that at least one (1) member of the AC must be a member of the Malaysian Institute of Accountants.

Minutes of AC meeting were recorded and tabled to the AC at the next meeting for confirmation and subsequently presented to the Board for notation.

## 3. ACTIVITIES DURING THE YEAR

The main activities performed by the AC during the financial year were as follows:

### External Reporting:

- Reviewed the quarterly financial results and year-end financial statements before recommending them for approval by the Board, particularly in relation to:
  - Implementation of major changes in accounting policies;
  - Significant and unusual events;
  - Going concern assumptions; and
  - Compliance with accounting standards and other regulatory requirements.
- Reviewed the circular to shareholders in relation to the renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature and recommended the same to the Board for approval and circulation.
- Issued the AC Report, reviewed the Statement on Risk Management and Internal Control and Corporate Governance Overview Statement, and recommended to the Board for inclusion in the Company's Annual Report.
- Reviewed the Corporate Governance Report for disclosure in line with the Malaysian Code on Corporate Governance updated in 2021 ("MCCG") to the Bursa Securities.



# Audit Committee Report

## 3. ACTIVITIES DURING THE YEAR (CONTINUED)

### External Audit:

- a. Reviewed with the external auditors their audit plan for the statutory audit of the Group's financial statements for the financial year ended 31 December 2024 which states the nature and scope of the audit and the lead auditor's responsibility to manage the coordination of audit where more than one audit firm is involved.
- b. Reviewed with the external auditors their evaluation of the systems of internal control as well as their findings, recommendations and associated management responses.
- c. Discussed with the external auditors the problems and reservations arising from the external audit and any matters the external auditors may wish to address.
- d. Reviewed and recommended the re-appointment of external auditors of the Company for the financial year ended 31 December 2024, as well as fixing the external auditor's remuneration.

### Internal Audit and Risk Management:

- a. Reviewed the adequacy of the scope, function, competency and resources of the IAD whether in-house or co-outsourced, where necessary, and that it has the necessary authority and capacity to carry out its work.
- b. Appraised the performance of the IAD staff including the approvals for the appointment, termination and resignation of IAD staff thereof.
- c. Reviewed the internal audit programmes, major findings of internal audit investigation and management's responses, and ensure that appropriate actions were taken on the recommendations of the IAD.
- d. Reviewed the reports from the Risk Management Committee in respect of the Group's principal operation and business risks and the Group's risk management framework, policy and procedure in place to identify and address these risks.
- e. To promptly report any matters resulting in the breach of the Bursa Securities Listing Requirements to the Board. Where the AC is of the opinion that such matters reported by it to the Board has not been satisfactorily resolved, the AC shall promptly report such matters to Bursa Securities.
- f. To consider any other function that may be mutually agreed upon by the AC and the Board, which would be beneficial to the Company and ensure the effective discharge of the AC's duties and responsibilities.

### Others:

- a. Reviewed any related party transaction and conflict of interest situation that arose, persist or may arise within the Group including any transaction, procedure or course of conduct that raises the question of management integrity, and measures taken to resolve, eliminate or mitigate such conflicts.
- b. Reviewed the annual budget of the Group tabled by the management for the financial year ending 31 December 2024 and the general outlook for the subsequent four (4) financial years.

## 4. CONFLICT OF INTEREST

For the financial year under review, the AC has not received any reports from the Directors or key senior management relating to conflict of interest or potential conflict of interest situations that they have with the Group.

## 5. EVALUATION OF AUDIT COMMITTEE

For the financial year under review, an evaluation was carried out on the terms of office, competency and performance of the AC. As all the Nomination Committee members are also members of the AC, the evaluation was carried out by all directors who are non-AC members. The Board was satisfied that the AC and its members had carried out their duties in accordance with the AC's Terms of Reference.

## 6. TRAINING

The training and seminars attended by the directors during the financial year are disclosed in the Corporate Governance Overview Statement in this Annual Report.





## Audit Committee Report

### 7. INTERNAL AUDIT FUNCTION

The Group's IAF consists of an in-house IAD and its co-sourced partner Moore Risk Consulting Sdn Bhd ("Moore") whose practices are guided by the International Professional Practices Framework ("IPPF"). The IAD is further governed by its Internal Audit Charter and Moore conducted their work based on the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") framework.

The IAD consists of a Head of Internal Audit and Risk Management, Mr. Tan Kah Chuan, who has more than ten (10) years of experience in internal audit, risk management and governance and is a member of The Institute of Internal Auditors Malaysia. Mr. Tan Kah Chuan is free from any relationships or conflict of interest which could impair his objectivity and independence.

The engagement team from Moore is led by Mr. Joe Lee, who is a Certified Internal Auditor, Certified Professional in Supply Management, Certified Public Accountant and Chartered Accountant and has more than twenty (20) years of related experience. The firm and the engagement team are also free from any relationship or conflict of interest, which could impair their objectivity and independence.

The primary role of the IAF is to provide assurance by assessing and reporting on the effectiveness of the systems of internal control, risk management and governance processes implemented to help the Group achieve its strategic, operational, financial and compliance objectives. It carries out its function based on its annual audit plan which is developed based on a risk-based approach to determine the priorities, objectives and scopes of its activities. The major activities carried out during the financial year were as follows:

- a. Evaluated the adequacy and effectiveness of key internal control features derived from the risk assessment of selected business units within the Group;
- b. Conducted follow-up audits on the agreed improvement plans implemented by the relevant business units and assessed the results of the implementations thereon, and advised the AC accordingly;
- c. Ascertained the extent of compliance with established Group policies and procedures and statutory requirements;
- d. Reviewed on a quarterly basis the Recurrent Related Party Transactions ("RRPT") within the Group in respect of the adequacy in identifying the relevant related parties, the completeness and accuracy of the amount of RRPT reported to the AC, whether the RRPT was transacted at arm's length, in compliance with the Group's RRPT reporting procedures, and within the Shareholders' mandate given in the latest Annual General Meeting of the Company;
- e. Reviewed new and updated policies and procedures of the Group and advised on areas pertaining to internal control features and efficiency and integrity of reporting structure;
- f. Validated with the Risk Management Committee, the results of the Group's risk management process and report to the AC;
- g. Reviewed the various corporate policies with respect to compliance with the MCCG;
- h. Presented on a quarterly basis, the significant findings with root-cause analysis, its evaluation on the effectiveness of internal control, risk management and governance processes, as well as recommendations and agreed improvement plan thereon to the AC; and
- i. Developed internal audit strategies and annual audit for year 2025 based on risk assessment of the Group. The internal audit plans had been approved by the AC.

The cost of operating the IAF for the financial year was approximately RM225,000.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Engtex Group Berhad (“Company”) recognises the importance of practising good corporate governance in order to achieve long-term success of the Company and deliver sustainable value to its shareholders and other stakeholders. As such, the Board is committed to practising good corporate governance as prescribed in the Malaysian Code on Corporate Governance (“MCCG”).

The Company has adopted all the practices and applied the main principles prescribed in the MCCG except for the following:

- Practice 1.4 – The Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.
- Practice 5.2 – At least half of the Board comprises independent directors.
- Practice 8.2 – The Board discloses on a named basis the top 5 senior management’s remuneration component in bands of RM50,000.
- Practice 13.3 – The Company as a listed company should leverage technology to facilitate voting including voting in absentia and remote shareholders’ participation at general meetings.

The following section sets out the commitment of the Board towards applying the principles and practices in the MCCG and achieving the intended outcomes of the practices.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### 1. BOARD RESPONSIBILITIES

#### The Board

The Board is collectively responsible for the long-term success of the Company and the delivery of sustainable value to its shareholders. The responsibilities of the Board are set out in the Board Charter, which include steering the strategic direction of the Company, setting corporate governance expectations within Engtex Group Berhad and its subsidiaries (“Group”), upholding the principles and values of sustainable development and integrating them into its business processes, identifying principal risks and ensuring the implementation of a proper internal control and risk management system to manage these risks, and ensuring effective communications with the shareholders and other stakeholders.

In discharging its duties and responsibilities, the Board delegates the responsibility of managing the day-to-day business operations and implementing the Board’s approved strategies, business plan, sustainability plans as well as other governance-related policies and decisions to the Executive Directors and senior management which are led by the Group Managing Director (“GMD”). The Board also delegates specific responsibilities to the Audit Committee (“AC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”) (collectively referred to as “Committees”), which have their own clearly defined Terms of Reference (“TOR”). Each of these Committees meets periodically and reports to and advises the Board on the outcome of the meetings.

#### Board Charter

The Board has a Board Charter which defines the roles and responsibilities of the Board, its Committees, individual directors, the management and the Company Secretaries. It also serves as a guide to Board members and senior management on the functions of the Board. The Board Charter which is subject to review and update as and when needed is available on the Company’s website at [www.engtexgroup.com.my](http://www.engtexgroup.com.my). The Board Charter was last reviewed and updated on 19 April 2024 to reflect changes to the Board’s practices primarily according to changes in relevant regulatory rules and requirements.

#### Distinct Roles between Board Chairman and GMD

The roles and responsibilities of the Board Chairman and the GMD are distinct and separate to ensure that there is a balance of power and authority. The Chairman, being a Non-Executive, heads the Board and is responsible for the leadership, effectiveness, conduct and governance of the Board. In contrast, the GMD oversees and manages the day-to-day operations of the Group and undertakes executive decision-making and implementation of policies and decisions.

The roles and responsibilities of the Board Chairman and GMD are prescribed in the Company’s Board Charter, which is available for viewing on the Company’s website.





# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### 1. BOARD RESPONSIBILITIES (CONTINUED)

#### Chairman of the Board and Its Board Committees

The Board is mindful of Practice 1.4 of the MCCG and the risk of the Board Chairman's objectivity being impaired arising from his concurrent involvement in the AC, NC and/or RC. The Board has three (3) independent directors in its composition at this juncture, resulting in the Board Chairman also assuming positions in the respective Committees. Nevertheless, the Board has as a whole assessed the performance and conduct of its Chairman, and has affirmed his professionalism, competency, objectivity and impartiality in carrying out his duties as the Board Chairman and his roles in the respective Committees.

#### Company Secretaries

The Company Secretaries are qualified Chartered Secretaries, under the prescribed body as permitted by the Companies Act 2016. The Board members have direct access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries provide information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

The Company Secretaries' roles are to:

- a. Support the Board and its Committees and advise on their respective roles and responsibilities;
- b. Manage all Board and its Committees' meeting logistics, attend and record minutes of all Board and its Committees' meetings and facilitate Board communications;
- c. Facilitate the orientation of new directors and assist in director training and development;
- d. Update and advise the Board and its Committees on the Companies Act 2016, the Company's Constitution, MCCG and compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities");
- e. Monitor corporate governance developments and assist the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations;
- f. Maintain the statutory records;
- g. Remind the directors and principal officers of the closed period for trading in the Company's securities;
- h. Advise the Board on corporate disclosures and compliance with company and securities regulations and listing requirements;
- i. Manage processes pertaining to the annual shareholder meeting; and
- j. Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

The Company Secretaries play an essential role in the general meetings to ensure that the due processes and proceedings are in place and properly managed. During the general meeting, the Company Secretaries will assist the Chairman and the Board in the conduct of the meetings and ensure the minutes are properly recorded, particularly questions and issues raised by the shareholders.

The Board is supported by three (3) qualified Company Secretaries. Lim Seck Wah and Mr. Tang Chi Hoe (Kevin) are both members of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), and Mr. Khoo Chong Keong is a member of the Malaysian Institute of Accountants ("MIA").

The Board is satisfied with the professionalism and competency of the Company Secretaries shown in their advice and support provided to the Board and its Committees.



# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### 1. BOARD RESPONSIBILITIES (CONTINUED)

#### Supply of Information

The directors are supplied with timely and comprehensive information to enable them to discharge their duties. Notice of Board meeting with meeting agenda set by the Board Chairman accompanied by relevant Board papers are circulated to all directors at least five (5) days before each Board meeting so that the directors have sufficient time to review, seek additional information and clarifications to facilitate effective and meaningful deliberations and decision-making during the Board meeting. Exceptions may be made for certain ad-hoc or urgent instances when directors consent to shorter notice.

The minutes of meetings are prepared and circulated to all directors within a reasonable time after the conclusion of each meeting. Matters deliberated and/or resolved by the Board are properly recorded in the minutes of meetings, which would be confirmed by the Board and signed by the Chairman in the following Board meeting. The minutes of the Board meetings are kept at the Company's registered office.

The Company plans the annual schedule of meetings so that the directors can provide the required time commitment to attend these meetings. As such, the meeting schedule of the Board and its Committees scheduled for 2024 was prepared and tabled at the Board meeting held in November 2023.

#### **Promoting Good Business Conducts & Healthy Corporate Culture - Code of Ethics and Conduct ("CEC"), Anti-Bribery and Anti-Corruption ("ABAC") Policy, Whistleblowing Policy and Conflict of Interest ("COI") Policy**

The Board established a CEC to formalise the commitment to promote good business conduct and to maintain a healthy corporate culture. The CEC applies to directors and all levels of personnel of the Group in all their activities directly or indirectly associated with the Group. It defines ethical principles such as honesty and fairness, respect, professionalism and competency, accountability and compliance, from which it establishes various ethical standards of conduct, including but not limited to those that are related to conflict of interest, abuse of power, corruption, insider trading and money laundering.

The Company has established an ABAC Policy with the objectives to manage the potential risks of and to prevent bribery and corruption in the Group. The ABAC Policy sets out the Group's ABAC management and governance framework, the Group's responsibilities, and of those working for the Group, in observing and upholding its position on bribery and corruption, and provides information and guidance to those working for the Group on how to recognise and deal with bribery and corruption issues.

In addition to the CEC and ABAC Policy, the Group also has a Whistleblowing Policy which sets out formal channels of communication through which concerned parties may raise relevant matters without the risk of reprisals. The Whistleblowing Policy provides a reporting framework for which genuine concerns about impropriety may be raised to one's superior, GMD or the Chairperson of the AC.

On 22 August 2024, the Board has approved a COI Policy to assist the directors and key senior management in determining, escalating and addressing COI to safeguard the Company's interest while supporting the directors and key senior management in maintaining high standards of integrity and ethics.

The CEC, ABAC Policy, Whistleblowing Policy and COI Policy are available on the Company's website and subject to review and update by the Board as and when needed.

#### **Responsibilities towards Sustainability**

The Board has established a Sustainability Policy to provide a sustainability framework covering the aspects of Environment, Social and Governance ("ESG"), which is available on the Company's website and is subject to review and update by the Board at least once every two (2) years.





# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### 1. BOARD RESPONSIBILITIES (CONTINUED)

#### Responsibilities towards Sustainability (continued)

The Board determines the general course of the Group's sustainability development and is supported by the Group Management Sustainability Committee ("GMSC") comprising selected senior management personnel and is headed by the Chief Sustainability Officer ("CSO"). The GMSC develops, executes and monitors programmes related to ESG. The Business Unit Sustainability Committee ("BUSC") of each identified business unit is responsible for its sustainability goal setting and performing specific tasks corresponding to their functions. The BUSCs report to the GMSC on a regular basis while on a half-yearly basis, the GMSC reports to the Board accordingly.

The Group focuses on value creation for its stakeholders and is always keen to understand their needs and expectations. The close interactions between the Group and the stakeholders, create a trusting relationship. To ensure that the voices of the stakeholders are heard, the Group has identified the following engagement:

- Shareholders and Investors
- Employees
- Customers
- Suppliers and Contractors
- Media
- Industry Associations
- Government and Regulatory Authorities
- Local Communities

The main stakeholders are persons or entities whose actions, interests, or safety may be affected by or have a potential impact on the Group's activities.

Collaborating with stakeholders to create value is an effective approach to achieving the Group's strategic goals. The key priorities are shaped by business fundamentals and market conditions. This is why the Group focuses on different groups of stakeholders.

The Group listens to stakeholders' concerns and feedback, considers legislation, contractual obligations and industry regulations, and always respects human rights. To address all stakeholders, the Group engages various stakeholder groups according to their functions:

- Communication Channels and Mechanisms – Disseminates information through Company's website, general meetings, annual reports, corporate announcements, analyst briefings, product briefings, product brochures, e-commerce shopping platform, road-shows and trade exhibitions, etc.
- Feedback and Collection – Collects feedback from internal and external stakeholders.
- Satisfaction Survey – Conducts Customer Satisfaction Survey and collects employees' responses from questionnaires.
- Membership, Association and Institutions – Collaborates with prominent industry and business associations and institutions.

The Board is updated on the sustainability development according to the reporting framework as described above.

The Board noted the requirement by the MCCG and has via its NC updated its evaluation method and format to take into the account Board's and senior management's performance relating to addressing the Company's and Group's material sustainability risks and opportunities.

The details of the Group's sustainability development are available in the Sustainability Report 2024.



# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### 2. BOARD COMPOSITION

#### Board Composition and Balance

In accordance with its Terms of Reference, the NC reviews the Board structure, size and composition and new appointment/re-election of directors and considers the tenure of each director.

The Board has been refreshed with the appointments of Dr. Lim Pang Kiam in year 2018, Mr. Ho Sin Kheong in year 2020 and Dato' Leanne Koh Li Ann in year 2021 as Independent Non-Executive Directors ("INEDs"). The new appointment of Ms Ng Koi Lin to the Board in year 2022 as Executive Director ("ED") also added greater gender and skill diversity to the Board.

In respect of the assessment for the financial year ended 31 December 2024 which was internally facilitated, the NC and the Board were satisfied that the Board composition in terms of size, the balance between EDs and INEDs, and their mix of skills was adequate.

The NC has reviewed and is satisfied with the performance and contributions of Tan Sri Dato' Ng Hook, Dr. Lim Pang Kiam and Dato' Leanne Koh Li Ann, and consequently has recommended for their re-election in the forthcoming Annual General Meeting, during which these directors are due for retirement and are subjected to re-election in accordance with the relevant articles in the Company's Constitution.

The Board comprises three (3) INEDs and five (5) EDs, one (1) of whom is the GMD. The composition of the Board represents both the major and minority shareholders' interests and complies with the Listing Requirements where at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be independent directors. In the event of any vacancy in the Board, resulting in non-compliance of the above, the Company must fill the vacancy within three (3) months.

The INEDs do not participate in the day-to-day management as well as the daily business of the Company. In staying clear of any potential conflict of interest situation, the INEDs remain in a position to fulfill their responsibility to provide a check and balance to the Board. They provide independent and objective views, advice and judgement which take into account the interests of the Group as well as shareholders and investors in the decision-making process of the Board.

The Board is mindful of the requirement of Practice 5.2 of the MCCG for large companies that at least half of the Board comprises independent directors, and the NC will continue to seek suitable candidates to fill the positions of independent director.

The Board Chairman, being an INED, has been able to lead effective meetings and discussions, promote active participation and critical discussions among its members and senior management personnel. The presence of independent directors, though below the recommended 50%, is effective and significant in contributing objective views and opinions in the deliberations on policy and decision-making.

#### Tenure of Independent Directors

The Board with the assistance of the NC conducts an annual review of the independent directors. The review processes include self and peer review within the NC, which comprises of wholly independent directors, and the results were further reviewed by the Board. All independent directors are also required to complete annual declaration forms to the Board on the status of their own independence and business dealings with the Group, if any. The Board had adopted the same criteria used in the definition of "independent directors" prescribed by the MMLR as the criteria to assess their independence.

Following the annual assessment conducted in 2024, the independent directors were found to have demonstrated independence and objectivity in the Board's decision-making process and have given valuable feedback through the sharing of knowledge and experience and have acted in the best interest of the Company.

None of the independent directors has served a cumulative term of more than nine (9) years and their respective term served will not exceed nine (9) years in the next twelve (12) months.

In the event where the Board intends to retain an independent director beyond a cumulative of more than nine (9) years, the Board and its NC shall provide justification and seek annual shareholders' approval through a two-tier voting process.





# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### 2. BOARD COMPOSITION (CONTINUED)

#### Appointment and Reappointment of Directors, Senior Management and Time Commitment

The Board, through its NC adopts a rigorous and transparent process for the appointment and reappointment of its directors. Its selection criteria are guided by:

- (1) Paragraph 2.20A, Chapter 2 of MMLR issued by Bursa Securities, which includes character, experience, integrity, competence and time to effectively discharge one's roles required by the position to be filled;
- (2) Ethical principles specified in the CEC which include Honesty and Fairness, Respect, Professional and Competent, Accountability and Compliance; and
- (3) Directors' Fit and Proper Policy of the Company which sets out criteria that include individual's Character and Integrity, Experience and Competence, and Time and Commitment.

The NC considers the Board's diversity in skills, experience, age, cultural background and gender for the appointment and reappointment of directors.

Every director is aware that his/her appointment demands time commitment to effectively discharge his/her duties and has updated the Board and its NC on his/her directorships or board memberships in other companies. The NC reviewed the attendance of every director annually and the details are disclosed in the Annual Report. All directors have achieved the minimum attendance of 50% at Board meetings and have not held more than the maximum of five (5) directorships in public listed companies under the MMLR of Bursa Securities.

The meetings and attendance of Directors during the financial year are as follows:

Name of Directors	Board Attendance	AC Meeting Attendance	NC Meeting Attendance	RC Meeting Attendance	AGM Attendance
Dr. Lim Pang Kiam (Chairman, INED)	5/5	7/7	2/2	2/2	1/1
Tan Sri Dato' Ng Hook (GMD, Executive Director)	5/5	-/-	-/-	-/-	1/1
Ng Chooi Guan (Executive Director)	5/5	-/-	-/-	-/-	1/1
Ng Yik Soon (Executive Director)	5/5	-/-	-/-	-/-	1/1
Puan Sri Datin Yap Seng Kuan (Executive Director)	5/5	-/-	-/-	-/-	1/1
Ng Koi Lin (Executive Director)	5/5	-/-	-/-	-/-	1/1
Ho Sin Kheong (INED)	5/5	7/7	2/2	2/2	1/1
Dato' Leanne Koh Li Ann (INED)	5/5	7/7	2/2	2/2	1/1

The NC delegates to the GMD the responsibilities of assessing and considering suitable candidates for appointment to other senior management positions which require specific business performance track records.



# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### 2. BOARD COMPOSITION (CONTINUED)

#### Gender Diversity

There are currently three (3) female directors and five (5) male directors on the Board which comply with the minimum of one (1) female director required by the MMLR of Bursa Securities, and having more than 30% female participation in the Board.

The Board acknowledges the recommendations of the MCCG on the establishment of a gender diversity policy. The Board promotes diversity while maintaining gender unbiasedness and does not have a gender-based policy for the composition of its Board and senior management. The Board believes in providing equal opportunity to candidates with merits that are dependent on the candidate's competency, skills, experience, expertise, character, time commitment, integrity and other qualities in meeting the needs of the Company.

#### Nomination Committee ("NC")

The NC consists solely of INEDs and is chaired by an INED. The main duties of the NC are to:

- Recommend new appointment/re-election of directors to the Board;
- Recommend appointment of members to the Board and its Committees;
- Review the Board's structure, size and composition;
- Evaluate the performance and effectiveness of the Board, its Committees and individual directors and to determine their training needs;
- Determine whether a director is independent as defined in the MMLR of the Bursa Securities;
- Oversee the succession planning of key management personnel within the Group;
- Establish an orientation programme for newly appointed directors or any other related matters; and
- Review the terms of reference and performance of the Committees and their members annually to determine whether the Committees and their members have carried out their duties in accordance with their terms of reference.

The full terms of reference for the NC is available on the Company's website.

The NC met two (2) times during the financial year to:

- Review the composition of the Board in terms of its structure, balanced mix of skills, experience, diversity and other qualities, including core competencies and effectiveness of the Board, as a whole and the Committees;
- Review and assess the contribution of individual directors based on criteria, responsibilities, strength and time commitment;
- Assess the independence of each of the existing independent directors with each director abstaining from deliberation on his/her own assessment;
- Review the term of office and performance of the AC and each of its members to determine whether the AC has carried out their duties in accordance with their terms of reference; and
- Assess Tan Sri Dato' Ng Hook, Dr. Lim Pang Kiam and Dato' Leanne Koh Li Ann in accordance with the Company's Directors' Fit and Proper Policy and review and evaluate their performances and contributions, and recommend their re-election at the forthcoming Company's Annual General Meeting ("AGM"), during which they are due for retirement in accordance with the relevant articles in the Company's Constitution.





# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### 2. BOARD COMPOSITION (CONTINUED)

#### Performance Evaluation of the Board, Committees and Individual Director

The Board has adopted a Directors' Assessment Policy which formalises the processes, criteria and frequency of conducting performance assessments on the Board as a whole, its Committees and individual directors. The Directors' Assessment Policy provides guidelines on the assessment criteria for Board Chairman, GMD, EDs, INEDs and Committees, which are also relevant for assessing the suitability of candidates for new appointment or re-appointment of directors. Such criteria include individual director's knowledge and experience in the Group's core businesses, personal qualities, professional skills and business development skills.

The NC conducted an annual review on the Board, Committees and individual directors using the Evaluation of the Board and its Committee Forms, Audit Committee Evaluation Forms, Director Performance Self-Assessment Forms, Independent Director Self-Assessment Forms, and Board Skills Matrix Form. The results of the evaluation and recommendations were tabled to the Board for deliberation.

In respect of the assessment for the financial year ended 31 December 2024 which was internally facilitated, the NC and the Board were satisfied that the Board and its Committees have discharged their duties and responsibilities effectively and the contribution and performance of each director, including the GMD are satisfactory. The Board was also satisfied that the Board composition in terms of size, the balance between EDs and INEDs and the mix of skills were adequate.

Pursuant to Article 86 of the Company's Constitution, all directors are required to submit themselves for re-election at least once every three (3) years. Pursuant to Article 92 of the Company's Constitution, a director appointed by the Board to fill a casual vacancy shall hold office until the next AGM and be eligible for re-election. Shareholders are provided with sufficient time and information in the Annual Report, such as individual director's profile, Board and Committees meetings attendance and shareholdings in the Company, in order to make informed decisions.

At the forthcoming AGM, Tan Sri Dato' Ng Hook, Dr. Lim Pang Kiam and Dato' Leanne Koh Li Ann are scheduled for retirement by rotation, and are eligible for re-election. The NC and the Board are pleased to recommend for their re-election at the forthcoming AGM.

#### Directors' Trainings

During the financial year, the NC is tasked by the Board with the responsibility to evaluate and determine the training needs of its directors at least on an annual basis.

The training programmes and seminars attended by the directors during the financial year ended 31 December 2024 were:

Directors	Training Programmes	Date Attended
Dr. Lim Pang Kiam	Association of Chartered Certified Accountants ("ACCA"): Double Materiality Assessment for Sustainability Reporting: Challenges of Regulatory Evolutions	31 January 2024
	ACCA: Capital Gains Tax on Foreign and Domestic Transaction	21 February 2024
	Asia School of Business: Sustainable sustainability: Why ESG is Not Enough	1 March 2024
	Association of International Certified Professional Accountants ("AICPA CIMA"): How Accounting Professional can Use Thought Leadership to Drive Career Progression and Attract the Best Employers	5 March 2024
	AICPA CIMA: IWD Coffee Talk – Invest in Women: Accelerate Progress	8 March 2024
	AICPA CIMA: Sustainable Finance Leadership	27 March 2024
	Learnabee.com: Case Analysis on Federal Court's decision on Apex Equity's appeal case with Mr. Philip TN Koh with Wong Tat Chung (Malaysia Bar Council) and Amicus Acrae (Friend of Court)	29 March 2024



# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### 2. BOARD COMPOSITION (CONTINUED)

#### Directors' Trainings (Continued)

Directors	Training Programmes	Date Attended
Dr. Lim Pang Kiam (Continued)	MIA Town Hall 2023/24 Session 2	24 April 2024
	ACCA: Leadership in a changed world: Upskill your leadership capabilities to drive resilient teams	9 May 2024
	MIA Town Hall 2023/24 Session 3	23 May 2024
	KPMG: Transfer Pricing Awareness – OECD Pillar 1 Amount B	5 June 2024
	Bursa Malaysia: Conflict of Interest (“COI”) and Governance of COI	2 October 2024
	MIA Town Hall 2023/24 Session 1	12 November 2024
	Institute of Corporate Directors Malaysia (“ICDM”): Mandatory Accreditation Programme Part II: Leading for Impact	13 & 14 November 2024
Ho Sin Kheong	KPMG: What you need to know about the Bursa’s Amended Listing Requirements on COI	20 March 2024
	ICDM: ICDM PowerTalk Series   Being Sued as an INED – A Personal Journey	10 May 2024
	KPMG: Shinning the Light on Human Rights in Malaysia	12 June 2024
	PWC/ASB: Leading the leap – Trust-driven strategies to shape reinvention	18 July 2024
	NTT Data: Modernising Procurement – Leveraging SAP Solutions for Strategic Spend Management	27 August 2024
	KPMG: Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Act 2024	11 September 2024
	KPMG: Geopolitical Risks and the Strategic Imperatives for Boards and C-Suite	17 October 2024
	ICDM: Mandatory Accreditation Programme Part II: Leading for Impact	13 & 14 November 2024
	ICDM: Strategic Data and Frameworks in Board Governance	2 December 2024
	ICDM: Boardroom Insights 2025 – Navigating Governance, Risk and Strategic Foresight	17 December 2024
Dato’ Leanne Koh Li Ann	IFA Malaysia: Pillar Two – How Far Have We Come	2 May 2024
	KPMG: Navigating climate transition risks in a circular economy	11 July 2024
	Chartered Tax Institute of Malaysia and LHDN: National Tax Conference	22 & 23 July 2024
	KPMG: Cybersecurity Oversight Board Responsibilities in light of Cybersecurity Bill 2024	11 September 2024
	KPMG: Global Talent Mobilisation – Tax and Immigration Perspective	1 October 2024
	KPMG Symposium: Beyond ESG	7 October 2024
	KPMG ASPAC Board Leadership Centre: Geopolitical Risks and the Strategic Imperatives for Boards and C Suites	17 October 2024
	KPMG Tax and Business Summit 2024	6 November 2024
	ICDM: Mandatory Accreditation Programme Part II: Leading for Impact	13 & 14 November 2024





# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### 2. BOARD COMPOSITION (CONTINUED)

#### Directors' Trainings (Continued)

Directors	Training Programmes	Date Attended
Tan Sri Dato' Ng Hook	ICDM: Mandatory Accreditation Programme Part II: Leading for Impact	21 & 22 October 2024
Puan Sri Datin Yap Seng Kuan	ICDM: Mandatory Accreditation Programme Part II: Leading for Impact	21 & 22 October 2024
Ng Chooi Guan	ICDM: Mandatory Accreditation Programme Part II: Leading for Impact	21 & 22 October 2024
Ng Yik Soon	ICDM: Mandatory Accreditation Programme Part II: Leading for Impact	21 & 22 October 2024
Ng Koi Lin	AI Smartual Learning: SG and Task Force on Climate-Related Financial Disclosures ("TCFD") Masterclass: Frameworks and Strategies for Guiding Sustainability: TCFD Scenario Analysis and Risk Assessment and GRI Materiality and Stakeholder Engagement	20 May 2024 29 May 2024 5 June 2024 12 June 2024
	ASB: Bursa Academy: COI and Governance of COI	2 October 2024
	ICDM: Mandatory Accreditation Programme Part II: Leading for Impact	21 & 22 October 2024
	KPMG Symposium: Beyond ESG	7 November 2024

The Directors will continue to undergo relevant programmes and seminars to enhance their knowledge further to enable them to discharge their duties and responsibilities effectively.

The Board has put in place a structured orientation and induction programme for newly appointed directors of the Company.

### 3. REMUNERATION

#### Remuneration Committee ("RC")

The Board established its RC to assist and advise the Board in matters relating to directors' remuneration so that the Company can attract and retain the right talents to contribute to the long-term success of the Company. The Terms of Reference of the RC is published on the Company's website.

The RC met twice during the financial year to review the remuneration package of the GMD and the remuneration packages of the EDs as advised by the GMD and recommended the remuneration packages to the Board for approval. The Board as a whole determined the remuneration packages of the INEDs who themselves abstained from the discussion of their remuneration during the process. The remuneration packages of the Group's senior management are entrusted to the GMD.

#### Directors' Remunerations

As guided by the Directors' Remuneration Policy which is published on the Company's corporate website, the RC aims to remunerate individual directors appropriately by their respective level of competencies, the scope of work and responsibilities undertaken, to attract, develop and retain high performing directors and to encourage value creation for the Company and its stakeholders.

The established remuneration structure for the EDs includes:

- fixed monthly salaries, performance-linked bonuses, statutory contributions and profit-sharing;
- personal benefits comprising the Company's mobile phones, cars, drivers, medical and insurance coverage, etc.



## Corporate Governance Overview Statement

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### 3. REMUNERATION (CONTINUED)

While directors are paid allowances based on the number of attendances at Board and Committees' meetings, all directors are also remunerated with directors' fees according to their participation in the Board and its Committees which are subject to shareholders' approval at the AGM. All directors are also covered under the Directors and Officers Liability Insurance against legal costs or losses in the event of legal actions are brought against them for their alleged wrongful act, not amounting to willful or fraudulent act, in their capacities as the Company's directors.

The aggregate directors' remuneration paid or payable to all directors of the Company by the Group and categorised into appropriate components for the financial year ended 31 December 2024 were as follows:

No	Name	Directorate	Company (RM'000)			Group (RM'000)						
			Fee	Allowance	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other Emoluments	Total
1	Dr. Lim Pang Kiam	Independent Director	81.8	8.0	89.8	81.8	8.0	-	-	-	-	89.8
2	Tan Sri Dato' Ng Hook	Executive Director	54.0	3.5	57.5	129.0	3.5	2,126.5	661.4	47.1	318.8	3,286.3
3	Puan Sri Datin Yap Seng Kuan	Executive Director	30.6	3.5	34.1	30.6	3.5	890.1	112.0	44.9	133.4	1,214.5
4	Ng Chooi Guan	Executive Director	30.6	3.5	34.1	55.6	3.5	1,094.5	478.0	44.9	164.1	1,840.6
5	Ng Yik Soon	Executive Director	30.6	3.5	34.1	40.6	3.5	710.2	89.4	41.5	106.5	991.7
6	Ng Koi Lin	Executive Director	30.6	3.5	34.1	30.6	3.5	236.4	35.4	-	36.0	341.9
7	Ho Sin Kheong	Independent Director	63.6	8.0	71.6	63.6	8.0	-	-	-	-	71.6
8	Dato' Leanne Koh Li Ann	Independent Director	70.2	8.0	78.2	70.2	8.0	-	-	-	-	78.2
<b>TOTAL</b>			<b>392.0</b>	<b>41.5</b>	<b>433.5</b>	<b>502.0</b>	<b>41.5</b>	<b>5,057.7</b>	<b>1,376.2</b>	<b>178.4</b>	<b>758.8</b>	<b>7,914.6</b>

#### Senior Management's Remunerations

In determining the Group's senior management personnel, the Board takes into consideration the determining factors recommended by MCCG, including their remuneration, responsibilities, skills, expertise and contributions to the Group's performance. On the disclosure of the remuneration of the Group's senior management, the Company is of the view that it would not be in its interest to disclose their remunerations on a named basis because of the competitive nature of the human resource market and to support the Group's efforts to attract and retain executive talent by avoiding talent poaching attracted by the transparent disclosure of their remunerations on a named basis.

The details of the aggregate remuneration and band of remuneration of the top five (5) senior management of the Group during the financial year ended 31 December 2024 were as follows:

Category	Company RM'000	Subsidiaries RM'000	Total RM'000
Salaries	-	1,772.7	1,772.7
Bonuses	-	541.9	541.9
Benefits-in-kind	-	43.2	43.2
Other Emoluments	-	242.4	242.4
<b>Total</b>	<b>-</b>	<b>2,600.2</b>	<b>2,600.2</b>





# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### 3. REMUNERATION (CONTINUED)

#### Senior Management's Remunerations (CONTINUED)

Remuneration Band	No. of Personnel
RM400,001 – RM450,000	1
RM450,001 – RM500,000	1
RM500,001 – RM550,000	1
RM550,001 – RM600,000	2
<b>Total</b>	<b>5</b>

The profiles of the senior management are set out in this Annual Report.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

The Board recognises the significance of maintaining a robust system of internal control and an effective risk management system to achieve its objectives of maximising shareholders' value and sustaining business growth.

### 1. AUDIT COMMITTEE ("AC")

#### Composition

The AC assists and advises the Board issues and matters relating to financial reporting, internal controls, risk management and corporate governance. The AC, through the Internal Audit Function ("IAF"), Risk Management Committee ("RMC"), external auditors and senior management, reviews and monitors the status of the Group's financial reporting process, internal control, risk management and corporate governance. The TOR of the AC is published on the Company's website.

The AC consists solely of INEDs and the present AC Chairperson is Dato' Leanne Koh Li Ann. None of the members of the AC were former key audit partners of the Company's external auditor.

All members of the AC are financially literate and have undertaken various training programmes to enable themselves to perform and discharge their duties and responsibilities. Details of their respective skills and experience contributing to the AC's diverse range of skills are disclosed in this Annual Report and their trainings attended during the financial year are disclosed in this Corporate Governance Overview Statement.

The details and activities of the AC are set out in the AC Report set out in this Annual Report.

#### Assessing Suitability and Independence of the External Auditors

The AC is responsible for the recommendation on the appointment and reappointment of the Company's external auditors and the audit fees. In the absence of a formal policy and procedures to assess the suitability, objectivity and independence of the external auditors, the AC Chairperson and its members have considered the following:

- they were fully informed about the adequacy and quality of resources for the audit engagement and considered the appointment of other auditors, where necessary. The external auditors of the Group comprise the lead auditors, KPMG PLT (the Company and 14 subsidiary companies), and other component auditors such as LH Lee & Co (23 subsidiary companies), Wong Liu & Partners (3 subsidiary companies), and SLGM (2 subsidiary companies). All are registered audit firms and have declared their audit independence via the job engagement letters;
- the lead external auditors have declared their audit independence throughout the conduct of the audit engagement and have a policy to rotate the audit engagement partner every seven (7) years;
- they were fully informed of the audit plan and scope, matters requiring attention including the Group's accounting policies, key audit matters and other audit findings, and matters highlighted in other component auditors reporting packages;



# Corporate Governance Overview Statement

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

### 1. AUDIT COMMITTEE (“AC”) (CONTINUED)

#### Assessing Suitability and Independence of the External Auditors (continued)

- they have added confidence in the quality and reliability of the audited financial statements as the audit is subject to periodic inspection by the Audit Oversight Board established under the Securities Commission Act 1993;
- the information presented in the Transparency Report 2022 of the lead auditors KPMG PLT on their governance and measures to uphold audit quality and manage risks;
- the auditors’ remuneration for the audit of financial statements for the year ended 31 December 2024 was appropriate to support a quality audit;
- there is coordination between the internal and external auditors; and
- reviewed and approved any non-audit engagement rendered by the external auditors in accordance with the Non-Assurance Services Pre-Approval Policy.

The AC was satisfied with the suitability and independence of the external auditors based on the quality and competency of services delivered, sufficiency of the firm and professional staff assigned to the annual audit as well as the non-audit services performed for the financial year ended 31 December 2024 and has recommended their reappointment for the financial year ending 31 December 2025.

During the financial year 2024, the external auditors attended five (5) AC meetings held.

#### Audit and Non-audit Fees

Audit-related and non-audit fees paid/payable for the financial year ended 31 December 2024 to the external auditors are set out below:

	Company RM	Subsidiaries RM	Total RM
Audit Fees	83,500	593,100	676,600
Non-audit Fees	16,000	-	16,000
Total	99,500	593,100	692,600

### 2. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### The Risk Management Committee (“RMC”) and AC

The Board, through its AC and assisted by the RMC, has carried out the ongoing process of identifying, evaluating and managing the key commercial and financial risks facing the Group. The evaluation of the risks has led to the development of specific management strategies to address issues involved in the achievement of its business objectives.

Practice 10.3 of the MCCG requires the establishment of an RMC which comprises a majority of independent directors to oversee the Company’s risk management framework and policies. Although the current RMC comprises EDs and senior management personnel, the AC which comprises wholly independent directors oversees the RMC during the financial year.

Significant business units and shared services within the Group are identified as Risk Management Units (“RMUs”). On a half-yearly basis, all RMUs perform their risk management processes comprising risk identification, evaluation, internal control assessment, ratings and reporting to the RMC. The RMC reviews the reports and reports to the AC on significant risks and actions plans to mitigate them. The RMC deliberates the risks highlighted and their corresponding internal control and advises the Board accordingly.

The Statement on Risk Management and Internal Control is set out in this Annual Report. It provides an overview of the state of internal control within the Group, including the main features of the risk management framework and internal control system.





# Corporate Governance Overview Statement

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

### 2. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### Internal Audit Function

The AC is supported by a co-sourced IAF, a collaborative effort between its in-house Internal Audit Department ("IAD") and an external consulting firm, Moore Risk Consulting Sdn Bhd ("Moore"). The IAD consists of a Head of Internal Audit and Risk Management, Mr. Tan Kah Chuan, who has more than ten (10) years of experience in internal audit, risk management and governance and is a member of The Institute of Internal Auditors Malaysia. Mr. Tan Kah Chuan is free from any relationships or conflicts of interest that could impair his objectivity and independence. The engagement team from Moore is led by Mr. Joe Lee, who is a Certified Internal Auditor, Certified Professional in Supply Management, Certified Public Accountant and Chartered Accountant and has more than twenty (20) years of related experience. The firm and the engagement team are also free from any relationship or conflict of interest, which could impair their objectivity and independence. The IAF reports to the AC.

The reviews by the IAF cover processes with respect to corporate governance, risk management and internal control. The IAD performs its functions as guided by the Internal Audit Charter approved by the AC. Its practices are also guided by the International Professional Practices Framework ("IPPF") issued by The Institute of Internal Auditors. Further details of the IAF are available in the AC Report included in this Annual Report.

The responsibilities and activities of the IAF are disclosed in the Statement on Risk Management and Internal Control set out in this Annual Report.

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

### 1. ENGAGEMENT WITH STAKEHOLDERS

#### Effective, Transparent and Regular Communications

The Company maintains an official website that provides corporate information, financial reports, corporate policies, Board Charter and term of reference of various board committees, which allow the investing public to have a general understanding of the Group.

Information is made available to the shareholders and investors through its Annual Reports, announcements made to Bursa Securities, press and media releases on a timely basis.

The AGMs provide the principal platform for dialogues and interactions with shareholders.

The GMD and his designated senior personnel regularly meet with research analysts, institutional fund managers and shareholders to provide updates on the Group's progress.

The Company also issues its annual Sustainability Report to inform its stakeholders of its sustainability efforts.

### 2. CONDUCT OF GENERAL MEETINGS

#### Notice of Annual General Meetings and Directors' Attendance

The Company issued a notice of its AGM on 23 April 2024 for its 23<sup>rd</sup> AGM which was to be held on 23 May 2024, more than the minimum of 28 days prior notice as recommended by the MCGG. All the directors, relevant senior management personnel, the External Auditors KPMG and the Company Secretaries attended the AGM to engage with the shareholders and to provide meaningful responses to questions addressed to them.

The Company is expected to give its shareholders at least 28 days prior notice for its forthcoming 24<sup>th</sup> AGM. All directors and certain senior management personnel are expected to attend the AGM, barring unforeseen circumstances.



# Corporate Governance Overview Statement

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

### 2. CONDUCT OF GENERAL MEETINGS (CONTINUED)

#### Leverage on Technology

The Company's 23<sup>rd</sup> AGM was held physically on 23 May 2024 without an electronic or virtual platform to facilitate remote Shareholders' participation and electronic voting.

In order to facilitate participation, the Company's 23<sup>rd</sup> AGM was held at the ballroom of a reputable hotel owned by the Group which is easily accessible. Shareholders who were unable to physically attend the AGM were provided with the option to appoint their respective proxy(ies) to physically attend, participate and vote on their behalf at the AGM, in accordance with the Company's Constitution.

#### Meaningful Engagement during General Meetings

The Chairman of the AGM allocated a section of the meeting time for a Questions and Answers session during which the attending shareholders/proxies were encouraged to raise questions and seek clarifications from the Board, relevant senior management personnel, the External Auditors and the Company Secretaries, thereby fostering meaningful engagement.

#### Results and Outcomes of General Meetings

A public announcement on the results and outcomes of the AGM was made to Bursa Securities on the same day after the AGM was held. The minutes of the AGM were published on the Company's website on 13 June 2024, within 30 business days from the AGM held on 23 May 2024.

## RESPONSIBILITY STATEMENT BY DIRECTORS

The directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards to give a true and fair view of the financial position of the Group and Company at the end of the financial year and the financial performance and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent; and
- ensure all applicable accounting standards have been followed.

The directors have the responsibility to ensure that the Company keeps accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the requirements of the Companies Act, 2016 and applicable disclosure provisions of the Listing Requirements of the Bursa Securities.

The directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

## OTHER INFORMATION

### Material Contracts

Neither the Company nor any of its subsidiaries have entered into any material contracts that involved directors' and major shareholders' interests during the financial year.

(The Board has reviewed, deliberated and approved this Corporate Governance Overview Statement via a resolution of the Board dated 18 April 2025)





# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## BOARD OF DIRECTORS RESPONSIBILITIES

The Board of Directors (“Board”) has the overall responsibility to oversee the management of a sound and effective system of risk management and internal control within Engtex Group Berhad and its subsidiaries (“Group”). This system encompasses activities related to business operations, asset management, financial management, risk management, corporate governance, information database integrity, and other control activities. The adequacy and effectiveness of this system are crucial for the Group to achieve its corporate strategies and objectives.

However, it is important to note that the system of risk management and internal controls implemented is designed to manage, rather than eliminate, all the risks associated with the conduct of the businesses. Therefore, the system only provides reasonable assurance, but not absolute assurance, on the Group’s ability to manage its risks in order to achieve its corporate strategies and objectives.

## RISK MANAGEMENT

The Board has established a formal risk management framework, policy and procedure (“framework”) that outlines the risk management processes of the Group. The Board is assisted by a Risk Management Committee (“RMC”) which has been established under the framework to drive the risk management processes in identifying principal business risks and ensuring the implementation of appropriate action plans to manage these risks. The RMC is headed by the Group Managing Director (“GMD”) and its members consist of executive directors and senior management personnel within the Group.

### Risk Management Framework

Risk Management Units (“RMUs”) have been formed for significant business units and functions within the Group to undertake their respective risk management processes. New RMUs will be formed when new business units become significant in terms of the level of business activities or business assets.

While business risks are dealt with on a day-to-day basis as part of the business and management processes, all the RMUs will perform formal risk reviews and report the results to the RMC on a half-yearly basis. The RMC reviews and discusses the consolidated risk report based on input from all the RMUs and reports to the Audit Committee (“AC”). The AC advises the Board for further discussion and final adoption.

### Risk Assessment Process

During the half-yearly formal risk review, each RMU assesses the existing risks and considers the emergence of other new risks, if any. Each RMU also reviews the controls in place and assess the control effectiveness to determine the residual risk exposures. Based on the results, the head of each RMU declares its assurance of the adequacy and integrity of the system of internal control in managing identified risks.

### Risk Management Monitoring Activities

The RMC met twice during the financial year and reviewed the following:

- The consolidated risk reports based on input from all the RMUs that had carried out their respective risk assessment exercises and risk register maintenance in accordance with the processes prescribed in the framework;
- The risk profile of the Group;
- Performance and/or risk indicators identified as a measurement of the performance of the business units and the achievements made by these business units; and
- The adequacy and effectiveness of the internal control features in mitigating the identified significant risks of various significant business units and departments.

The RMC reported the results of its reviews to the AC and the Board for adoption.



# Statement on Risk Management and Internal Control

## INTERNAL CONTROLS

The Board continues to uphold and implement an appropriate control structure and environment with the following key control processes to identify, evaluate and mitigate weaknesses of the Group's internal control system. The system of internal control is maintained to achieve the following objectives:

- Upholding integrity of information;
- Compliance with the established policies, procedures and regulations; and
- Safeguarding the Group's assets and shareholders' interest.

The key features of the Group's existing system of internal control are described below:

- The key business risks are reviewed on a half-yearly basis by the Board with the assistance of the AC, the RMC and the co-sourced Internal Audit Function ("IAF");
- The AC is tasked by the Board to review the adequacy and effectiveness of the system of internal control. The AC reviews the reports prepared by the IAF which are based on fieldwork performed according to the outcome of risk assessment and annual audit plan as approved by the AC and the Board;
- Organisation structures are properly drawn up according to functions and responsibilities, and key responsibilities are properly segregated;
- An annual budget is prepared to facilitate monitoring of the Group's financial performance. The actual financial performance is reviewed regularly against the budget;
- Financial results are reviewed quarterly by the AC and the Board;
- Internal control features, policies and procedures are closely monitored and periodically reviewed by the management and the IAF to address any weaknesses detected and adopt any amendments, where it deems necessary;
- Business, operational and key management issues are discussed between the GMD and the heads of operation units regularly;
- A reporting system has been put in place to facilitate the timely generation of financial information for management review;
- A policy has been established to define the financial limits of the approving authority for its operating and capital expenditure;
- Whistleblowing Policy has been established to set out formal channels of communication through which relevant matters may be raised by concerned parties;
- Anti-Fraud Policy has been implemented to outline how actual and potential fraud incidents could be reported and how such situations are to be managed;
- Code of Ethics and Conduct has been established to document and communicate the ethical principles and expected standards of conduct for and to all the personnel within the Group;
- Anti-Bribery and Anti-Corruption Policy has been established to formalise the Group's zero-tolerance on bribery and corruption, governance framework, and procedures for dealing with bribery and corruption incidents; and
- The above policies have been published on the Group's official website to facilitate awareness of and accessibility to these policies.

## INTERNAL AUDIT FUNCTION

The Board has an IAF to review the adequacy and integrity of its system of internal control. During the financial year 2024, the Group's in-house Internal Audit Department continued to collaborate with Moore Risk Consulting Sdn Bhd, an independent external consulting firm to provide certain internal audit services. This collaborative internal audit arrangement is to enhance the review of the system of internal controls of the Group and provide assurance to the Board in the effectiveness and efficiency of the Group's system of internal controls.

The functions of the IAF include the review of the internal controls and key activities of the respective business entities of the Group based on a risk-based approach and reports to the AC every quarter. The AC reviews the internal audit reports and risk management reports and discusses them with the Board accordingly.

## CONCLUSION

The Board, with assurance from the GMD and the Chief Financial Officer, is satisfied that the nature and scope of the system of risk management and internal control of the Group have been generally adequate and effective in mitigating identified risks to achieve its business objectives.

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

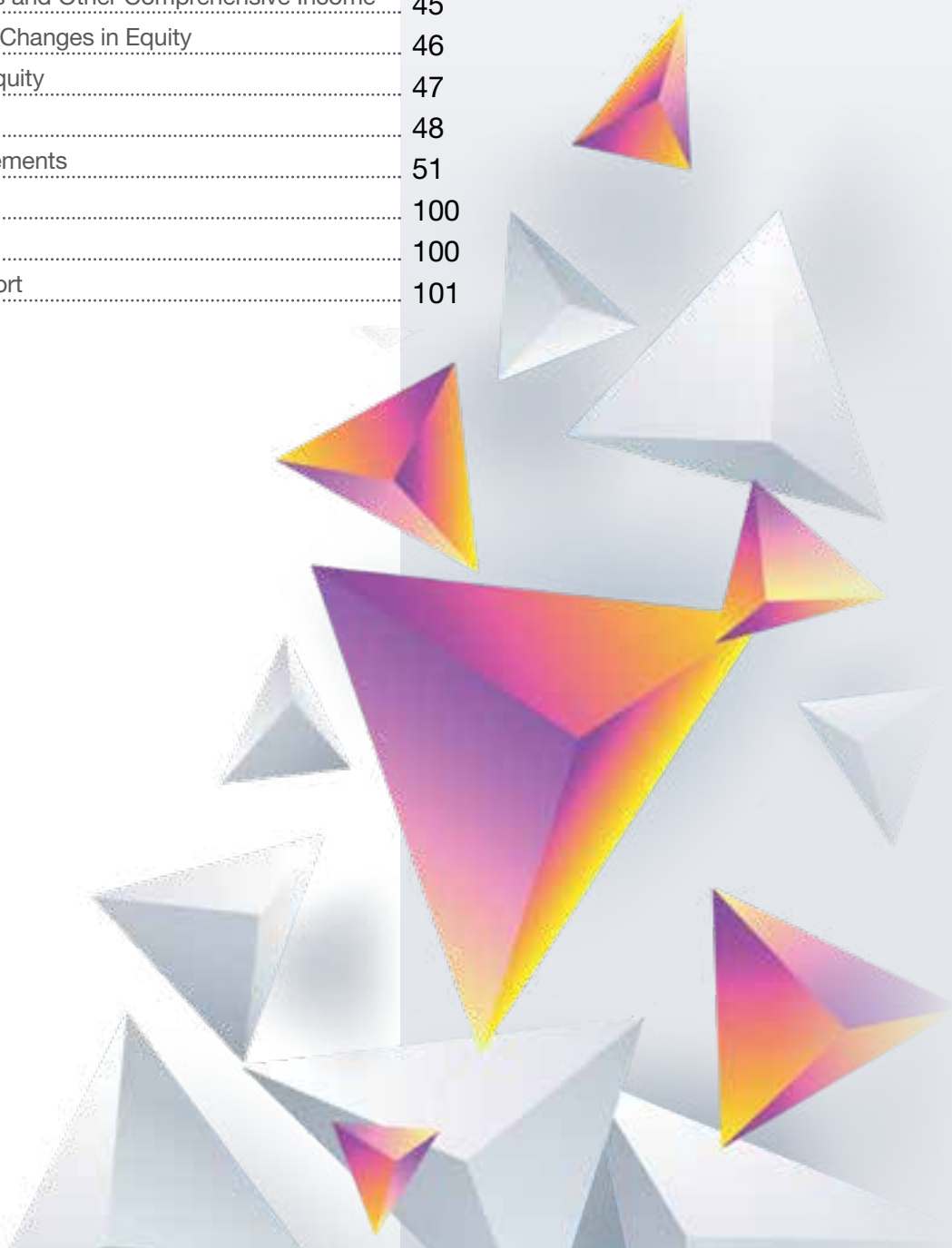


# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024



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# DIRECTORS' REPORT

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

### Principal activities

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries and associate are as stated in Notes 6 and 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

### Subsidiaries

The details of the subsidiaries are disclosed in Note 6 to the financial statements.

### Results

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year attributable to:		
Owners of the Company	10,340	1,030
Non-controlling interests	(149)	-
	<u>10,191</u>	<u>1,030</u>

### Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

### Dividend

Since the end of the previous financial year, the Company paid a final single-tier ordinary dividend of 0.75 sen per ordinary share totalling RM3,324,897 in respect of the financial year ended 31 December 2023 on 3 July 2024.

The final single-tier ordinary dividend in respect of the financial year ended 31 December 2024 of 0.50 sen per ordinary share totalling RM3,966,515 was paid on 7 April 2025. The financial statements for the current financial year do not reflect this final dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

### Directors of the Company

Directors who served during the financial year until the date of this report are:

Dr. Lim Pang Kiam  
Tan Sri Dato' Ng Hook  
Ng Chooi Guan  
Puan Sri Datin Yap Seng Kuan  
Ng Yik Soon  
Ho Sin Kheong  
Dato' Leanne Koh Li Ann  
Ng Koi Lin





# Directors' Report

## For The Financial Year Ended 31 December 2024

### Directors of the subsidiaries

The directors who served in the subsidiaries during the financial year until the date of this report are:

Tan Sri Dato' Ng Hook  
 Ng Chooi Guan  
 Ng Yik Soon  
 Ng Koi Lin  
 Cheah Hock Kee  
 How Kon Fook  
 How Thong Guan  
 Lee Geok Ai  
 Leong Meng Sam  
 Loh Boon Pin  
 Loh Eng Hooi  
 Loh Lye Sooi  
 Ng Ah Leong  
 Ng Ah Yok  
 Ng Ai Swee  
 Ng Chin Man  
 Ng Lay Ping  
 Ng You Chai  
 Wong Ah Choo  
 Ng Shin Yee  
 Lew Shoong Kai  
 Chew Win Hoe

### Directors' interests

The interests and deemed interests in the shares and warrants of the Company and of its related corporations (other than wholly owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	At 1.1.2024	Bonus issue	Number of ordinary shares Bought	Warrants exercised	(Sold)	At 31.12.2024
<i>Shareholdings in the Company which Directors have direct interests</i>						
Ng Chooi Guan	19,385,089	14,876,316	450,000	-	-	34,711,405
Ng Yik Soon	9,784,788	7,338,591	-	-	-	17,123,379

<i>Shareholdings in the Company which Directors have deemed interests</i>						
Tan Sri Dato' Ng Hook <sup>(a)</sup>	134,939,029	101,204,271	-	5,000,000	-	241,143,300
Puan Sri Datin Yap Seng Kuan <sup>(b)</sup>	134,939,029	101,204,271	-	5,000,000	-	241,143,300
Ng Chooi Guan <sup>(c)</sup>	71,400	53,550	-	-	-	124,950

	At 1.1.2024	Bonus issue*	Number of warrants Bought	Warrants exercised	(Sold)	At 31.12.2024
<i>Shareholdings in the Company which Directors have direct interests</i>						
Ng Chooi Guan	9,272,400	1,275,300	300,000	-	(8,572,000)	2,275,700
Ng Yik Soon	4,729,600	2,052,075	140,000	-	(2,043,500)	4,878,175

<i>Shareholdings in the Company which Directors have deemed interests</i>						
Tan Sri Dato' Ng Hook <sup>(a)</sup>	35,357,562	26,518,171	-	(5,000,000)	-	56,875,733
Puan Sri Datin Yap Seng Kuan <sup>(b)</sup>	35,357,562	26,518,171	-	(5,000,000)	-	56,875,733

\* Effect of bonus issue pursuant to the completion of bonus issue on 12 August 2024.



# Directors' Report

## For The Financial Year Ended 31 December 2024

### Directors' interests (continued)

Notes:

- (a) Deemed interest pursuant to Section 8 of the Companies Act 2016 ("Act"), by virtue of his shareholding in NKG Resources Sdn. Bhd. and NH Holdings Sdn. Bhd.
- (b) Deemed interest pursuant to Section 8 of the Act, by virtue of her spouse's shareholding.
- (c) Deemed interest pursuant to Section 59(11)(c) of the Act, by virtue of his daughter's shareholding.

By virtue of their interests in the shares of the Company, Tan Sri Dato' Ng Hook, Puan Sri Datin Yap Seng Kuan, Ng Chooi Guan and Ng Yik Soon are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 31 December 2024 had any interest in the ordinary shares and warrants of the Company and of its related corporations during the financial year.

### Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2024 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	392	110
Remuneration	42	7,192
Estimated money value of any other benefits	-	178
	434	7,480

There were no arrangements during and at the end of the financial year which had the object 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 apart from the issue of warrants.

### Issue of shares and debentures

During the financial year, the Company:

- (i) issued 333,816,580 new ordinary shares (inclusive of 43 bonus shares to be held as treasury shares) through bonus issue on the basis of three (3) bonus issue for every four (4) existing shares held at no consideration and without capitalisation of the Company's reserves; and
- (ii) issued 17,165,750 new ordinary shares pursuant to the exercise of 1,770,000 and 15,395,750 warrants by the registered warrant holders at the price of RM0.70 and RM0.40 per ordinary share respectively for every warrant held.

The newly issued shares rank *pari passu* in all respects with the existing ordinary shares except that they will not be entitled to any dividends, rights, allotment and/or other distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the Bonus Shares or the warrants exercise date.

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

There were no debentures issued during the financial year.





## Directors' Report

For The Financial Year Ended 31 December 2024

### Treasury shares

During the financial year, the Company disposed 1,946,400 treasury shares for a total consideration of RM2,225,589 in the open market at an average price of RM1.14 per share. The proceeds from the resale were utilised for working capital purposes.

At 31 December 2024, the Company held 101 (2023: 1,946,458) of its own shares.

### Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from following:

#### Warrants 2021/2026

During the financial year, the Company issued 80,486,763 additional Warrants 2021/2026 arising from the adjustment to the number of outstanding warrants in accordance with the Deed Poll dated 28 July 2021 with the exercise price of the warrants been adjusted from RM0.70 each to RM0.40 each as a result of the bonus issue. The salient terms of the Warrants are disclosed in Note 13.3 to the financial statements.

During the financial year, a total of 1,770,000 and 15,395,750 warrants were exercised by the registered warrant holders to subscribe for 17,165,750 (2023: Nil) new ordinary shares in the Company at the price of RM0.70 and RM0.40 per ordinary share respectively for every warrant exercised.

As at 31 December 2024, 172,406,788 (2023: 109,085,775) Warrants 2021/2026 remained unexercised.

### Indemnifying Directors and Officers

During the financial year, the total amount of indemnity coverage and insurance premium paid for Directors and Officers of the Company and its subsidiaries are RM5,000,000 (2023: RM5,000,000) and RM20,000 (2023: RM20,000) respectively, with no indemnity given to or insurance effected for the auditors of the Company.

### Significant events during the financial year

#### 1. Acquisition of a subsidiary

In June 2024, the Company acquired 1,000 ordinary shares representing 100% equity interest in Variglobal Sdn. Bhd. ("VGSB") for a total cash consideration of RM6,560,494. The intended principal activity of VGSB is that of investment holding.

The acquisition had no material effect on the Group's financial performance and position on the acquisition date.

#### 2. Disposal of properties

- (i) In April 2024, a wholly owned subsidiary entered into an agreement with a third party to dispose of a freehold land, hotel building and related assets located at Leboh Pasar Besar, Kuala Lumpur for a total cash consideration of RM22,000,000. The disposal was completed during the financial year. Subsequent to the disposal, the wholly owned subsidiary is allowed to operate its hotel business until the vacant possession of the property on an "as is where is" basis within one (1) year from the full settlement of purchase price.
- (ii) In December 2024, a wholly owned subsidiary entered into an agreement with a third party to dispose of an industrial leasehold land located at Subang New Village, Mukim Sungai Buloh, Daerah Petaling for a total cash consideration of RM4,500,000 of which RM450,000 was received as deposit. The transaction is pending for completion.



# Directors' Report

## For The Financial Year Ended 31 December 2024

### Significant event after the financial year end

#### Repurchase of Company's shares

Subsequent to the financial year end, the Company repurchased 1,000,000 of its issued share capital from the open market at an average price of RM0.55 per share plus the transaction costs for a total cash consideration of RM551,158.

#### Other statutory information

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

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

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

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

#### Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

Auditors' remuneration of the Group and the Company are RM544,000 and RM99,500 respectively. Details of auditors' remuneration are as disclosed in Note 17 to the financial statements.

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

.....  
**Tan Sri Dato' Ng Hook**  
Director

.....  
**Ng Chooi Guan**  
Director

Sungai Buloh, Selangor Darul Ehsan

Date: 18 April 2025



**STATEMENTS OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Assets</b>					
Property, plant and equipment	3	423,938	420,522	-	-
Right-of-use assets	4	46,687	43,305	-	-
Investment properties	5	38,008	38,878	-	-
Investments in subsidiaries	6	-	-	392,386	325,826
Investment in an associate	7	47	48	47	48
Deferred tax assets	8	8,133	8,508	-	-
<b>Total non-current assets</b>		<b>516,813</b>	<b>511,261</b>	<b>392,433</b>	<b>325,874</b>
Inventories	9	477,237	542,436	-	-
Receivables, deposits and prepayments	10	428,985	452,272	84,849	114,588
Current tax assets		4,445	3,102	382	23
Cash and cash equivalents	11	137,983	91,824	91	107
Assets classified as held for sale	12	3,800	-	-	-
<b>Total current assets</b>		<b>1,052,450</b>	<b>1,089,634</b>	<b>85,322</b>	<b>114,718</b>
<b>Total assets</b>		<b>1,569,263</b>	<b>1,600,895</b>	<b>477,755</b>	<b>440,592</b>
<b>Equity</b>					
Share capital		277,614	269,934	277,614	269,934
Treasury shares		-*	(1,502)	-*	(1,502)
Warrants reserve		2,641	2,924	2,641	2,924
Retained earnings		542,371	534,632	21,488	23,059
<b>Total equity attributable to owners of the Company</b>	13	<b>822,626</b>	<b>805,988</b>	<b>301,743</b>	<b>294,415</b>
<b>Non-controlling interests</b>		<b>20,088</b>	<b>20,496</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>842,714</b>	<b>826,484</b>	<b>301,743</b>	<b>294,415</b>
<b>Liabilities</b>					
Loans and borrowings	14	49,899	28,732	-	-
Lease liabilities		2,463	2,496	-	-
Deferred tax liabilities	8	11,382	11,487	-	-
<b>Total non-current liabilities</b>		<b>63,744</b>	<b>42,715</b>	<b>-</b>	<b>-</b>
Payables and accruals	15	124,147	110,942	176,012	146,177
Loans and borrowings	14	533,745	616,637	-	-
Lease liabilities		253	211	-	-
Current tax liabilities		4,660	3,906	-	-
<b>Total current liabilities</b>		<b>662,805</b>	<b>731,696</b>	<b>176,012</b>	<b>146,177</b>
<b>Total liabilities</b>		<b>726,549</b>	<b>774,411</b>	<b>176,012</b>	<b>146,177</b>
<b>Total equity and liabilities</b>		<b>1,569,263</b>	<b>1,600,895</b>	<b>477,755</b>	<b>440,592</b>

\* Denotes amount less than RM500.



# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Revenue</b>	16	1,461,303	1,469,767	6,500	6,560
Cost of sales		(1,318,120)	(1,330,207)	-	-
<b>Gross profit</b>		143,183	139,560	6,500	6,560
Administrative expenses		(58,501)	(57,265)	(1,370)	(1,129)
Distribution costs		(45,749)	(44,193)	-	-
Net (losses)/gains on impairment of financial instruments		(2,999)	1,489	-	(1,008)
Other operating expenses		(279)	(179)	-	(3,800)
Other operating income		8,510	2,801	-	-
<b>Operating profit</b>		44,165	42,213	5,130	623
Finance costs		(27,762)	(28,570)	(6,867)	(5,805)
Finance income		5,141	4,483	3,124	4,393
Share of loss of an equity- accounted associate, net of tax		(1)	(1)	(1)	(1)
<b>Profit/(Loss) before tax</b>	17	21,543	18,125	1,386	(790)
Tax expense	19	(11,352)	(7,935)	(356)	(700)
<b>Profit/(Loss) and total comprehensive income/(expense) for the financial year</b>		10,191	10,190	1,030	(1,490)
<b>Profit/(Loss) and total comprehensive income/(expense) for the financial year attributable to:</b>					
Owners of the Company		10,340	10,125	1,030	(1,490)
Non-controlling interests		(149)	65	-	-
<b>Profit/(Loss) and total comprehensive income/(expense) for the financial year</b>		10,191	10,190	1,030	(1,490)
Basic earnings per ordinary share (sen)	20	1.32	1.32		
Diluted earnings per ordinary share (sen)	20	1.22	1.32		





# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Note	/-----Attributable to owners of the Company-----/					/-----Non-distributable-----/Distributable	
	Share capital RM'000	Treasury shares RM'000	Warrants reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	269,934	(8,178)	2,924	531,179	795,859	20,466	816,325
	-	-	-	10,125	10,125	65	10,190
	-	-	-	-	-	60	60
	-	-	-	-	-	151	151
21	-	-	-	4	4	(4)	-
	-	6,676	-	(6,676)	-	-	-
	-	6,676	-	(6,672)	4	(4)	-
	-	-	-	-	-	(242)	(242)
	269,934	(1,502)	2,924	534,632	805,988	20,496	826,484
	-	-	-	10,340	10,340	(149)	10,191
21	-	1,502	-	724	2,226	-	2,226
	7,680	-	(283)	-	7,397	-	7,397
	-	-	-	(3,325)	(3,325)	-	(3,325)
	7,680	1,502	(283)	(2,601)	6,298	-	6,298
	-	-	-	-	-	(259)	(259)
	277,614	-*	2,641	542,371	822,626	20,088	842,714
	Note 13.1	Note 13.2	Note 13.3				

### Group

#### At 1 January 2023

Profit and total comprehensive income for the financial year  
Acquisition of a non-wholly owned subsidiary

Issuance of shares by a subsidiary to non-controlling interests

Effects arising from changes in equity interest in a non-wholly owned subsidiary

Dividend to owners of the Company

#### Total transactions with owners of the Company

Dividends to non-controlling interests

#### At 31 December 2023/ 1 January 2024

Profit/(Loss) and total comprehensive income/(expense) for the financial year

Own shares sold

Issuance of shares pursuant to exercise of warrants

Dividend to owners of the Company

#### Total transactions with owners of the Company

Dividends to non-controlling interests

#### At 31 December 2024

\* Denotes amount less than RM500.

The notes on pages 51 to 99 are an integral part of these financial statements.



# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		/-----Attributable to owners of the Company-----/				
		/-----Non-distributable-----/		Distributable		
Note		Share capital RM'000	Treasury shares RM'000	Warrants reserve RM'000	Retained earnings RM'000	Total equity RM'000
<b>Company</b>						
	<b>At 1 January 2023</b>	269,934	(8,178)	2,924	31,225	295,905
	Loss and total comprehensive expense for the financial year	-	-	-	(1,490)	(1,490)
	Dividend to owners of the Company	-	6,676	-	(6,676)	-
21						
	<b>Total transactions with owners of the Company</b>	-	6,676	-	(6,676)	-
	<b>At 31 December 2023/1 January 2024</b>	269,934	(1,502)	2,924	23,059	294,415
	Profit and total comprehensive income for the financial year	-	-	-	1,030	1,030
	Own shares sold	-	1,502	-	724	2,226
	Issuance of shares pursuant to exercise of warrants	7,680	-	(283)	-	7,397
	Dividend to owners of the Company	-	-	-	(3,325)	(3,325)
21						
	<b>Total transactions with owners of the Company</b>	7,680	1,502	(283)	(2,601)	6,298
	<b>At 31 December 2024</b>	277,614	-*	2,641	21,488	301,743
		Note 13.1	Note 13.2	Note 13.3		

\* Denotes amount less than RM500.





# STATEMENT OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Cash flows from operating activities</b>					
Profit/(Loss) before tax		21,543	18,125	1,386	(790)
<i>Adjustments for:</i>					
Allowance for impairment loss on investment in a subsidiary		-	-	-	3,800
Bad debts recovered		-	(3)	-	-
Bad debts written off		8	-*	-	-
Depreciation of:					
- investment properties		950	948	-	-
- property, plant and equipment		21,901	21,437	-	-
- right-of-use assets		887	952	-	-
Inventories written down		5,221	5,924	-	-
Net losses/(gains) on impairment of financial instruments		2,999	(1,489)	-	1,008
Property, plant and equipment written off		13	21	-	-
(Gain)/Loss on disposal of:					
- assets classified as held for sale		-	31	-	-
- property, plant and equipment		(5,640)	(715)	-	-
Gain on derecognition of right-of-use assets		(45)	(3)	-	-
Finance income		(5,141)	(4,483)	(3,124)	(4,393)
Finance costs		27,762	28,570	6,867	5,805
Dividend income from subsidiaries		-	-	(6,500)	(6,560)
Share of loss of an equity-accounted associate, net of tax		1	1	1	1
<b>Operating profit/(loss) before changes in working capital</b>		70,459	69,316	(1,370)	(1,129)
Changes in:					
Inventories		61,141	(35,655)	-	-
Receivables, deposits and prepayments		20,280	(47,202)	29,739	5,852
Payables and accruals		13,205	(1,251)	29,835	32,012
<b>Cash generated from/(used in) operations</b>		165,085	(14,792)	58,204	36,735
Interest paid		(1,704)	(1,647)	-	-
Net tax paid		(12,233)	(12,811)	(715)	(836)
<b>Net cash from/(used in) operating activities</b>		151,148	(29,250)	57,489	35,899
<b>Cash flows from investing activities</b>					
Acquisition of:					
- right-of-use assets		-	(275)	-	-
- a subsidiary, net of cash acquired	27	(6,560)	71	(6,560)	-
- an investment property		(80)	(127)	-	-
- investment in an associate		-	(49)	-	(49)
- property, plant and equipment	(i)	(39,796)	(40,936)	-	-
Dividends received		-	-	6,500	6,560
Interest received		5,141	4,483	3,124	4,393
Investment in subsidiaries		-	-	(60,000)	(40,911)
Net proceeds from disposal of:					
- assets classified as held for sale		-	650	-	-
- property, plant and equipment		22,114	835	-	-
<b>Net cash used in investing activities</b>		(19,181)	(35,348)	(56,936)	(30,007)



# Statement of Cash Flows

For The Financial Year Ended 31 December 2024

Note	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Cash flows from financing activities</b>				
Dividends paid to:				
- non-controlling interests	(259)	(242)	-	-
- owners of the Company	(3,325)	-	(3,325)	-
Interest paid	(28,770)	(28,838)	(6,867)	(5,805)
Issuance of shares to non-controlling interests of a subsidiary	-	151	-	-
Net (repayments of)/proceeds from:				
- bankers' acceptances	(25,908)	8,111	-	-
- revolving credit	(52,119)	52,231	-	-
Payment of lease liabilities	(216)	(209)	-	-
Proceeds from:				
- issuance of shares pursuant to warrants	7,397	-	7,397	-
- term loans	30,000	7,055	-	-
- hire purchase liabilities	(i) 3,708	-	-	-
- treasury shares disposed	2,226	-	2,226	-
Repayment of:				
- term loans	(9,623)	(16,825)	-	-
- hire purchase liabilities	(5,985)	(3,014)	-	-
<b>Net cash (used in)/from financing activities</b>	<b>(82,874)</b>	<b>18,420</b>	<b>(569)</b>	<b>(5,805)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>49,093</b>	<b>(46,178)</b>	<b>(16)</b>	<b>87</b>
Cash and cash equivalents at 1 January	66,368	112,546	107	20
<b>Cash and cash equivalents at 31 December</b> (ii)	<b>115,461</b>	<b>66,368</b>	<b>91</b>	<b>107</b>

\* Denotes amount less than RM500.

## Notes to the statements of cash flows

### (i) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM42,481,097 (2023: RM44,565,366) of which RM1,136,144 (2023: RM2,479,190) were acquired by means of hire purchase arrangements. Included in property, plant and equipment acquired by the Group during the financial year is interest capitalised amounting to RM1,549,062 (2023: RM1,149,902).

The Group acquired certain plant and equipment costing of RM4,183,884 in 2023 which were subsequently refinanced by means of hire purchase arrangements of RM3,707,879 in 2024.

### (ii) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

Note	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	126,846	76,729	91	107
Deposits placed with licensed banks	11,132	15,091	-	-
Highly liquid investments with other institutions	5	4	-	-
11	137,983	91,824	91	107
Less:				
Deposits pledged	11.2 (600)	(600)	-	-
Bank overdrafts	14 (21,922)	(24,856)	-	-
	115,461	66,368	91	107





# Statement of Cash Flows

For The Financial Year Ended 31 December 2024

## Notes to the statements of cash flows (continued)

### (iii) Cash outflows for leases as a lessee

	Note	2024 RM'000	2023 RM'000
<b>Group</b>			
<b>Included in net cash from/(used in) operating activities:</b>			
Payment relating to:			
- short-term leases	17	2,276	2,252
- leases of low value assets	17	32	23
Interest paid in relation to lease liabilities	17	120	124
		2,428	2,399
<b>Included in net cash (used in)/ from financing activities:</b>			
Payment of lease liabilities		216	209
		2,644	2,608

### (iv) Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 January RM'000	Net changes from financing cash flows RM'000	Additions of new lease RM'000	Additions of hire purchase liabilities RM'000	De- recognition RM'000	At 31 December RM'000
<b>Group</b>						
<b>2024</b>						
Term loans	37,703	20,377	-	-	-	58,080
Hire purchase liabilities	2,955	(5,985)	-	4,844	-	1,814
Lease liabilities	2,707	(216)	1,456	-	(1,231)	2,716
Bankers' acceptances	437,041	(25,908)	-	-	-	411,133
Revolving credit	142,814	(52,119)	-	-	-	90,695
<b>Total liabilities from financing activities</b>	<b>623,220</b>	<b>(63,851)</b>	<b>1,456</b>	<b>4,844</b>	<b>(1,231)</b>	<b>564,438</b>
<b>2023</b>						
Term loans	47,473	(9,770)	-	-	-	37,703
Hire purchase liabilities	3,490	(3,014)	-	2,479	-	2,955
Lease liabilities	207	(209)	2,792	-	(83)	2,707
Bankers' acceptances	428,930	8,111	-	-	-	437,041
Revolving credit	90,583	52,231	-	-	-	142,814
<b>Total liabilities from financing activities</b>	<b>570,683</b>	<b>47,349</b>	<b>2,792</b>	<b>2,479</b>	<b>(83)</b>	<b>623,220</b>



# NOTES TO THE FINANCIAL STATEMENTS

Engtex Group Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). The address of its principal place of business and registered office is as follows:

**Principal place of business and registered office**

Lot 36, Jalan BRP 9/2B  
Putra Industrial Park  
Bukit Rahman Putra  
47000 Sungai Buloh  
Selangor Darul Ehsan, Malaysia

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in an associate. The financial statements of the Company as at and for the financial year ended 31 December 2024 do not include other entities.

The Company is principally engaged in investment holding, whilst the principal activities of other Group entities and associate are as stated in Notes 6 and 7 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 18 April 2025.

## 1. Basis of preparation

### (a) Statement of compliance

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

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025***

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026***

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027***

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*





# Notes to the Financial Statements

## 1. Basis of preparation (continued)

### (a) Statement of compliance (continued)

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

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

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2025 for the amendment that is effective for annual periods beginning on or after 1 January 2025.
- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the abovementioned accounting standards, interpretations or amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

### (c) Functional and presentation currency

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

### (d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4 – extension options and incremental borrowing rate in relation to leases
- Note 8 – deferred tax assets
- Note 9 – valuation of inventories
- Note 23.4 – measurement of expected credit loss ("ECL")

## 2. Changes in material accounting policies

### 2.1 Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The Group and the Company have adopted the amendments to MFRS 101, *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants* from 1 January 2024. The amendments clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period (see note 14).

The amendments have been applied retrospectively. The Group and the Company have analysed all existing borrowings and determined that the new amendments did not result in a change in the classification of the Group and the Company's borrowings. There is also no retrospective impact on the comparative statement of financial position.



## Notes to the Financial Statements

## 3. Property, plant and equipment

	Note	Land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Electrical fittings and renovation RM'000	Capital work-in- progress RM'000	Total RM'000
<b>Group Cost</b>									
At 1 January 2023		97,618	220,492	211,918	29,621	35,148	10,718	51,320	656,835
Additions		6,893	678	8,891	4,241	717	188	22,957	44,565
Disposals		-	-	(50)	(4,677)	-	-	-	(4,727)
Transfer		-	1,525	1,069	-	-	82	(2,676)	-
Write-off		-	(10)	(1,338)	(21)	(125)	(70)	-	(1,564)
At 31 December 2023/ 1 January 2024		104,511	222,685	220,490	29,164	35,740	10,918	71,601	695,109
Additions		-	485	8,391	1,202	611	447	31,345	42,481
Disposals		(6,097)	(10,964)	(616)	(1,523)	(1,601)	(989)	(235)	(22,025)
Reclass		(699)	560	139	-	-	-	-	-
Transfer		-	16,646	13,936	-	2	5,738	(36,322)	-
Transfer to assets classified as held for sale	3.6	-	-	-	-	-	-	(677)	(677)
Write-off		-	-	(13,200)	-	(217)	-	-	(13,417)
At 31 December 2024		97,715	229,412	229,140	28,843	34,535	16,114	65,712	701,471
<b>Depreciation</b>									
At 1 January 2023		-	43,330	157,544	24,816	27,025	6,585	-	259,300
Depreciation for the financial year	17	-	4,428	11,650	1,879	2,543	937	-	21,437
Disposals		-	-	(31)	(4,576)	-	-	-	(4,607)
Write-off		-	(1)	(1,332)	(31)	(112)	(67)	-	(1,543)
At 31 December 2023/ 1 January 2024		-	47,757	167,831	22,088	29,456	7,455	-	274,587
Depreciation for the financial year	17	-	4,371	12,476	2,224	1,855	975	-	21,901
Disposals		-	(1,695)	(479)	(1,388)	(1,225)	(764)	-	(5,551)
Reclass		-	(2)	2	-	-	-	-	-
Write-off		-	-	(13,188)	-	(216)	-	-	(13,404)
At 31 December 2024		-	50,431	166,642	22,924	29,870	7,666	-	277,533
<b>Carrying amounts</b>									
At 1 January 2023		97,618	177,162	54,374	4,805	8,123	4,133	51,320	397,535
At 31 December 2023/ 1 January 2024		104,511	174,928	52,659	7,076	6,284	3,463	71,601	420,522
At 31 December 2024		97,715	178,981	62,498	5,919	4,665	8,448	65,712	423,938





## Notes to the Financial Statements

### 3. Property, plant and equipment (continued)

#### 3.1 Capital work-in-progress

Included in capital work-in-progress of the Group are factories, warehouses and machineries under construction.

#### 3.2 Security

Certain land, buildings and capital work-in-progress of the Group costing RM235,875,699 (2023: RM204,118,654) and specific debentures over plant and equipment of certain subsidiaries costing RM20,984,216 (2023: RM20,965,916) are charged to banks as securities for credit facilities granted to certain subsidiaries of the Group (see Note 14).

#### 3.3 Property, plant and equipment acquired under instalment purchase plans

Included in property, plant and equipment of the Group are assets acquired under hire purchase agreements as follows:

	Group	
	2024	2023
	RM'000	RM'000
<b>Carrying amounts</b>		
Motor vehicles	3,081	4,730
Plant and machinery	451	671
	<u>3,532</u>	<u>5,401</u>

#### 3.4 Borrowing costs capitalised

Included in additions to property, plant and equipment of the Group during the financial year is interest capitalised amounting to RM1,549,062 (2023: RM1,149,902).

#### 3.5 Property, plant and equipment subject to operating lease

The following are recognised in profit or loss:

	Group	
	2024	2023
	RM'000	RM'000
<b>Lease income on:</b>		
Land and buildings	464	294
Motor vehicles	276	218
Machineries	3	-
	<u>743</u>	<u>512</u>

The operating lease payments to be received after the reporting date are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Less than one year	610	18
One to two years	526	-
Two to three years	120	-
Three to four years	120	-
Four to five years	120	-
More than five years	400	-
Total undiscounted lease payments	<u>1,896</u>	<u>18</u>

#### 3.6 Transfer to assets classified as held for sale

The capital work-in-progress of the Group amounting to RM676,916 (2023: Nil) are transferred to assets classified as held for sale (see Notes 12 and 28.2(ii)).



## Notes to the Financial Statements

## 3. Property, plant and equipment (continued)

## 3.7 Material accounting policy information

## (a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

## (b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	50 years
• Plant and machinery	2 – 10 years
• Motor vehicles	5 years
• Office equipment, furniture and fittings	3 – 10 years
• Electrical fittings and renovation	5 – 10 years

## 4. Right-of-use assets

	Note	Land RM'000	Buildings RM'000	Total RM'000
<b>Group Cost</b>				
At 1 January 2023		49,394	442	49,836
Additions		2,810	257	3,067
Derecognition		-	(324)	(324)
At 31 December 2023/1 January 2024		52,204	375	52,579
Additions		1,206	250	1,456
Acquisition of a subsidiary	27	7,262	-	7,262
Derecognition		(1,267)	(119)	(1,386)
Transfer to assets classified as held for sale	4.4	(3,945)	-	(3,945)
At 31 December 2024		55,460	506	55,966
<b>Depreciation</b>				
At 1 January 2023		8,326	240	8,566
Depreciation for the financial year	17	818	134	952
Derecognition		-	(244)	(244)
At 31 December 2023/1 January 2024		9,144	130	9,274
Acquisition of a subsidiary	27	140	-	140
Depreciation for the financial year	17	751	136	887
Derecognition		(121)	(79)	(200)
Transfer to assets classified as held for sale	4.4	(822)	-	(822)
At 31 December 2024		9,092	187	9,279
<b>Carrying amounts</b>				
At 1 January 2023		41,068	202	41,270
At 31 December 2023/1 January 2024		43,060	245	43,305
At 31 December 2024		46,368	319	46,687





## Notes to the Financial Statements

### 4. Right-of-use assets (continued)

The Group leases a number of land and buildings that run for a period of 2 to 99 years (2023: 2 to 99 years), with an option to renew the lease for an additional period of the same duration after the end of contract term. The derecognition of the right-of-use assets during the financial year are results of entering into a new short-term lease and early termination.

#### 4.1 Security

Certain land of the Group costing RM29,703,698 (2023: RM33,649,414) are charged to banks as securities for credit facilities granted to certain subsidiaries of the Group (see Note 14).

#### 4.2 Titles

The title to a leasehold land of the Group costing RM2,843,225 (2023: RM2,843,225) is pending issuance by the relevant authorities.

#### 4.3 Land

Included in the carrying amounts of land are:

	Group	
	2024	2023
	RM'000	RM'000
Land with unexpired lease period of:		
- more than 50 years	32,222	25,372
- less than 50 years	14,146	17,688
	<u>46,368</u>	<u>43,060</u>

#### 4.4 Transfer to assets classified as held for sale

The leasehold land of the Group amounting to RM3,122,850 (2023: Nil) is transferred to assets classified as held for sale (see Notes 12 and 28.2(ii)).

#### 4.5 Extension options

Some leases of office buildings contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

The extension options of all leases are currently included in the lease terms as the Group assessed that it is reasonably certain to exercise the extension options, which is supported by the high historical rate of extensions exercised by the Group. Hence, as at 31 December 2024 and 31 December 2023, there were no potential future lease payments not included in lease liabilities.

#### 4.6 Significant judgements and assumptions in relation to lease

The Group assess at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.



## Notes to the Financial Statements

## 4. Right-of-use assets (continued)

## 4.7 Material accounting policy information

## (a) Recognition and measurement

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

## (b) 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.

## (c) Amortisation

The amortisation period for the current and comparative periods are as follows:

- Land 20 - 99 years
- Buildings 2 - 3 years

## 5. Investment properties

	Note	Buildings RM'000
<b>Group Cost</b>		
At 1 January 2023		45,373
Additions		127
At 31 December 2023/1 January 2024		45,500
Additions		80
At 31 December 2024		45,580
<b>Depreciation</b>		
At 1 January 2023		5,674
Depreciation for the financial year	17	948
At 31 December 2023/1 January 2024		6,622
Depreciation for the financial year	17	950
At 31 December 2024		7,572
<b>Carrying amounts</b>		
At 1 January 2023		39,699
At 31 December 2023/1 January 2024		38,878
At 31 December 2024		38,008





## Notes to the Financial Statements

### 5. Investment properties (continued)

#### 5.1 Nature of leasing activities

Investment properties comprise a number of commercial and residential properties that are leased to third parties. Each of the leases contains an initial non-cancellable period ranging from 1 to 9 years, with annual rents indexed to consumer prices. Subsequent renewals are negotiated with the lessee and on average renewal periods ranging from 1 to 6 years. The Group does not charge variable lease payments that do not depend on an index or rate.

#### 5.2 Other income/expenses recognised in profit or loss in relation to investment properties

	Group	
	2024	2023
	RM'000	RM'000
Rental income	1,931	1,871
Direct operating expenses:		
- income generating investment properties	1,004	972
- non-income generating investment properties	24	28

#### 5.3 Security

Certain buildings of the Group costing RM28,040,446 (2023: RM28,040,446) are charged to banks as securities for credit facilities granted to certain subsidiaries of the Group (see Note 14).

#### 5.4 Titles

The strata titles to certain buildings of the Group costing RM1,642,174 (2023: RM3,944,044) are either pending issuance by the relevant authorities or pending transfer to the names of certain subsidiaries in the Group which acquired the properties.

#### 5.5 Maturity analysis of operating lease payments

	Group	
	2024	2023
	RM'000	RM'000
Less than one year	1,652	1,605
One to two years	1,445	1,375
Two to three years	1,133	1,094
Three to four years	902	743
Four to five years	874	507
More than five years	2,244	478
Total undiscounted lease payments	8,250	5,802

#### 5.6 Fair value information

Fair value of investment properties are categorised as follows:

	Level 3	
	2024	2023
	RM'000	RM'000
Group Buildings	46,907	46,741



## Notes to the Financial Statements

### 5. Investment properties (continued)

#### 5.6 Fair value information (continued)

##### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Discounted cash flows: The valuation method considers the present value of net cash flows to be generated from the property, taking into account expected annual rental to be received from the letting of the property. The expected net cash flows are discounted by applying a range of yields up to 50 years.	Rental yields (2024: 1.4% to 15.3%; 2023: 1.4% to 15.3%)	The estimated fair value would increase (decrease) if range of yield higher (lower).

#### 5.7 Material accounting policy information

##### (a) Recognition and measurement

Investment properties are measured subsequently at cost less any accumulated depreciation and any accumulated impairment.

##### (b) Depreciation

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful life of 50 years (2023: 50 years) for buildings.

##### (c) Valuation processes applied by the Group for Level 3 fair value

The Group estimates the fair values of certain investment properties with the involvement of independent valuers. The fair values are based on sales price of comparable buildings in close proximity adjusted for difference in location and shapes, accessibility, infrastructure available, improvements made on the site and other value considerations.

In the absence of valuation report, the valuations for those investment properties will be prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.





## Notes to the Financial Statements

### 6. Investments in subsidiaries

	Cost of investments RM'000	Capital contribution RM'000	Total RM'000
<b>Company</b>			
<b>Unquoted shares, at cost</b>			
At 1 January 2023	274,308	20,735	295,043
Additions	40,911	-	40,911
At 31 December 2023/ 1 January 2024	315,219	20,735	335,954
Additions	66,560	-	66,560
At 31 December 2024	381,779	20,735	402,514
<b>Impairment losses</b>			
At 1 January 2023	2,306	4,022	6,328
Impairment on investment in subsidiary	3,800	-	3,800
At 31 December 2023/ 1 January 2024/ 31 December 2024	6,106	4,022	10,128
<b>Carrying amounts</b>			
At 1 January 2023	272,002	16,713	288,715
At 31 December 2023/1 January 2024	309,113	16,713	325,826
At 31 December 2024	375,673	16,713	392,386
	Note 6.1	Note 6.2	

#### 6.1 Cost of investments

The principal place of business and country of incorporation of the subsidiaries are based in Malaysia, unless otherwise stated in the note of the financial statements. Details of the subsidiaries are as follows:

Name of company	Principal activities	Effective ownership interest and voting interest	
		2024	2023
		%	%
Engtex Ductile Iron Pipe Industry Sdn. Bhd.	Manufacturing and distribution of ductile iron pipes and fittings	100	100
Engtex Ductile Iron Marketing Sdn. Bhd.	Distribution of ductile iron pipes and fittings	100	100
East Coast Metals Sdn. Bhd.	Distribution of steel products	60	60
East Coast Manufacturing Sdn. Bhd.	Manufacturing of steel products	60	60
EngLen Metals Sdn. Bhd. <sup>1</sup>	Investment holding and distribution of steel related products. Ceased its operation in distribution of steel related products during the current financial year.	100	100
EngLen Manufacturing Sdn. Bhd. <sup>1</sup>	Manufacturing and distribution of steel related products	100	100
Ivory Progression Sdn. Bhd. <sup>1</sup>	Property development and investment	100	100



## Notes to the Financial Statements

## 6. Investments in subsidiaries (continued)

## 6.1 Cost of investments (continued)

Name of company	Principal activities	Effective ownership interest and voting interest	
		2024	2023
		%	%
Engtex Properties Sdn. Bhd. <sup>1</sup> and its subsidiaries	Investment holding and property development	100	100
Engtex Emerald Sdn. Bhd. <sup>1</sup>	Property development and investment	100	100
Alimach Holdings Sdn. Bhd. <sup>1</sup>	Investment holding	100	100
Engtex Manufacturing Sdn. Bhd. <sup>1</sup>	Investment holding	100	100
Engtex Steel Pipe Sdn. Bhd. <sup>2</sup>	Manufacturing of steel pipes	100	100
Engtex Steel Industries Sdn. Bhd.	Manufacturing of steel products	100	100
Engtex Leisure Sdn. Bhd. <sup>1</sup>	Hotelier	100	100
Swiss Mission Sdn. Bhd. <sup>1</sup>	Hotelier	100	100
Majestic Genius Sdn. Bhd. <sup>1</sup>	Dormant	100	100
Blue Legacy Sdn. Bhd. <sup>1</sup>	Property development	84	84
Engtex Platinum Sdn. Bhd. <sup>1</sup>	Property development	100	100
Tiara Mission Sdn. Bhd. <sup>1</sup>	Property development	100	100
LYE Industries Sdn. Bhd. <sup>1</sup>	Dormant	100	100
Engtex Energy Sdn. Bhd. <sup>1</sup>	Provision of solar energy solution	80	80
Engtex Metals Industry Sdn. Bhd. <sup>1</sup>	Dormant	100	100
Variglobal Sdn. Bhd. <sup>1</sup>	Property investment	100	-
Engtex Sdn. Berhad and its subsidiaries	Investment holding and wholesale and distribution of pipes, valves, fittings, plumbing materials, steel related products and general hardware products and transportation	100	100
Benton Corporation Sdn. Bhd.	Distribution of plumbing materials and general hardware products and property investment	100	100
Mega Alliance Builder Supplies Sdn. Bhd. <sup>1</sup>	Distribution of pipes, valves, fittings and general hardware products	100	100
Engtex Marketing Sdn. Bhd.	Distribution of construction materials and general hardware products	100	100
Engtex Metals Sdn. Bhd. and its subsidiary	Manufacturing of welded wire mesh and hard drawn wire and investment holding	100	100
Engtex Metal Products Sdn. Bhd.	Distribution of metal-based products	100	100
Allpipes Technology Sdn. Bhd. and its subsidiaries	Manufacturing of steel pipes, fittings and related products and investment holding	89	89
Nagasari Bitumen Products Sdn. Bhd. <sup>1</sup>	Trading of bitumen products	89	89
Canova Manufacturing Sdn. Bhd. <sup>1</sup>	Manufacturing of steel pipes and fittings	89	89
Engtex Pipe Industry Sdn. Bhd. <sup>2</sup>	Manufacturing of steel pipes and related products	89	89





## Notes to the Financial Statements

### 6. Investments in subsidiaries (continued)

#### 6.1 Cost of investments (continued)

Name of company	Principal activities	Effective ownership interest and voting interest	
		2024 %	2023 %
Hachita Enterprise Sdn. Bhd.	Manufacturing and distribution of steel products	100	100
Wiki Pratama Sdn. Bhd. <sup>1</sup>	Distribution of food processing equipment and engineering tools	71	71
Eng Lian Hup Trading Sdn. Bhd. <sup>1</sup> and its subsidiaries	Wholesale and distribution of pipes, valves, fittings, plumbing materials and general hardware products, and investment holding and transportation and general trading	100	100
Eng Lian Hup Marketing Sdn. Bhd. <sup>1</sup>	Distribution of steel products and provision of factory facilities	100	100
Engtex Metals (Utara) Sdn. Bhd. <sup>1</sup>	Provision of warehousing facilities and manufacturing of steel-welded wire mesh, hard drawn wire and steel products	100	100
EPCM Sdn. Bhd. <sup>1</sup>	Provision of project management services	100	100
Engtex Industries Sdn. Bhd. <sup>1</sup>	Property investment and distribution of steel products	100	100
LYE Manufacturing Sdn. Bhd. <sup>1</sup>	Manufacturing of valves, fittings, manhole covers, hydrants and industrial casting products	100	100
LYE Marketing Sdn. Bhd. <sup>1</sup>	Distribution of valves, fittings, manhole covers, hydrants and industrial casting products	100	100

<sup>1</sup> Not audited by KPMG PLT.

<sup>2</sup> Not audited by KPMG PLT for financial year end 31 December 2023.

#### 6.2 Capital contribution

Capital contribution represents amounts due from subsidiaries which are non-trade in nature, unsecured, interest free and settlement of the amount are neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a part of the Company's net investments in the subsidiaries, it is stated at cost less accumulated impairment losses, if any.



## Notes to the Financial Statements

### 6. Investments in subsidiaries (continued)

#### 6.3 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

2024	Allpipes Technology Sdn. Bhd. RM'000	Engtex Pipe Industry Sdn. Bhd. RM'000	East Coast Metals Sdn. Bhd. RM'000	East Coast Manufacturing Sdn. Bhd. RM'000	Wiki Pratama Sdn. Bhd. RM'000	Blue Legacy Sdn. Bhd. RM'000	Engtex Energy Sdn. Bhd. RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	11.46%	11.46%	40.00%	40.00%	29.00%	16.00%	20.00%		
Carrying amount of NCI	5,065	3,928	616	5,845	2,253	194	205	1,982	20,088
Profit/(Loss) allocated to NCI	590	(311)	(267)	(94)	17	(119)	3	32	(149)
<b>Summarised financial information before intra-group elimination</b>									
<b>As at 31 December</b>									
Non-current assets	65,888	54,842	3,752	19,918	155	-	5,687		
Current assets	95,532	40,900	31,076	20,703	7,954	20,328	240		
Non-current liabilities	(1,175)	(14,186)	(33)	(4,447)	-	-	(8)		
Current liabilities	(66,106)	(47,280)	(30,854)	(21,560)	(341)	(19,119)	(4,896)		
Net assets	94,139	34,276	3,941	14,614	7,768	1,209	1,023		
<b>Year ended 31 December</b>									
Revenue	141,841	57,785	72,903	50,253	9,588	-	238		
Profit/(Loss) and total comprehensive income/(expense) for the financial year	5,149	(2,714)	(667)	(235)	57	(747)	15		
Cash flows from/(used in) operating activities	49,185	(2,091)	4,249	1,050	1,417	1,061	5,022		
Cash flows (used in)/from investing activities	(2,639)	(3,691)	212	(1,833)	44	-	(5,716)		
Cash flows (used in)/from financing activities	(36,454)	6,895	(301)	922	(927)	(1,061)	(159)		
Net increase/(decrease) in cash and cash equivalents	10,092	1,113	4,160	139	534	-	(853)		
Dividends paid to NCI	114	-	-	-	145	-	-		





## Notes to the Financial Statements

## 6. Investments in subsidiaries (continued)

## 6.3 Non-controlling interests in subsidiaries (continued)

Summarised financial information before intra-group elimination (continued)

2023	Allpipes Technology Sdn. Bhd. RM'000	Engtex Pipe Industry Sdn. Bhd. RM'000	East Coast Metals Sdn. Bhd. RM'000	East Coast Manu- facturing Sdn. Bhd. RM'000	Wiki Pratama Sdn. Bhd. RM'000	Blue Legacy Sdn. Bhd. RM'000	Engtex Energy Sdn. Bhd. RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	11.46%	11.46%	40.00%	40.00%	29.00%	16.00%	20.00%		
Carrying amount of NCI	5,105	4,239	883	5,939	2,381	313	202	1,434	20,496
Profit/(Loss) allocated to NCI	599	(298)	(115)	34	(20)	(116)	(5)	(14)	65

Summarised financial information  
before intra-group elimination

## As at 31 December

Non-current assets	61,296	53,830	3,887	18,824	282	-	-	
Current assets	149,192	44,669	32,449	21,858	8,561	19,837	1,012	
Non-current liabilities	(1,422)	(500)	-	(5,556)	-	-	-	
Current liabilities	(119,077)	(61,009)	(31,728)	(20,278)	(633)	(17,881)	(3)	
Net assets	89,989	36,990	4,608	14,848	8,210	1,956	1,009	

## Year ended 31 December

Revenue	119,794	57,194	69,015	46,354	7,774	-	-	
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Profit/(Loss) and total  
comprehensive income/(expense)  
for the financial year

	5,220	(2,593)	(286)	85	(67)	(729)	(14)	
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Cash flows (used in)/from

operating activities

Cash flows from/(used in)

investing activities

Cash flows (used in)/from

financing activities

	(400)	1,125	(11,553)	(809)	(268)	2,245	(27)	
	1,875	(5,334)	(125)	(741)	(40)	-	-	
	(10,475)	2,204	(1,030)	(2,364)	(72)	(2,243)	900	

Net (decrease)/increase in cash  
and cash equivalents

	(9,000)	(2,005)	(12,708)	(3,914)	(380)	2	873	
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Dividends paid to NCI

	115	-	40	-	87	-	-	
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## Notes to the Financial Statements

### 6. Investments in subsidiaries (continued)

#### 6.4 Significant restrictions

Other than those disclosed elsewhere in the financial statements, the carrying amounts of assets and liabilities to which significant restrictions apply are as follows:

	Note	Group	
		2024 RM'000	2023 RM'000
Cash and bank balances	(i)	112,196	77,287
Other assets	(ii)	8,791	9,219
		<u>120,987</u>	<u>86,506</u>

The above restrictions arise from the following:

(i) *Restrictions imposed by bank covenants*

The covenants of certain borrowings in the subsidiaries of the Group, restrict the ability of subsidiaries to declare dividends to their shareholders, unless consent is obtained from the banks.

(ii) *Restrictions imposed by shareholders' agreement*

Certain non-controlling shareholders of non-wholly owned subsidiaries hold protective rights restricting the Group's ability to use the assets and settle the liabilities of the subsidiaries, unless approval is obtained from the non-controlling shareholders.

#### 6.5 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

### 7. Investment in an associate

	2024 RM'000	2023 RM'000
<b>Group and Company</b>		
<b>Unquoted shares, at cost</b>		
At 1 January	48	-
Additions	-	49
Share of post-acquisition reserves	(1)	(1)
At 31 December	<u>47</u>	<u>48</u>

Details of the associate are as follows:

Name of company	Country of incorporation	Principal activity	Effective ownership interest and voting interest	
			2024 %	2023 %
Engtex Metals (Sarawak) Sdn. Bhd.	Malaysia	Provision of handling services	49	49





## Notes to the Financial Statements

### 7. Investment in an associate (continued)

The following table summarises the information of the associate and reconciles the information to the carrying amount of the interest in the associate.

#### Engtex Metals (Sarawak) Sdn. Bhd.

	2024 RM'000	2023 <sup>1</sup> RM'000
<b>Summarised financial information</b>		
<b>As at 31 December</b>		
Current assets	106	105
Current liabilities	(11)	(8)
	<u>95</u>	<u>97</u>
<b>Year/Period ended 31 December</b>		
Loss and total comprehensive expense	<u>(2)</u>	<u>(3)</u>
<b>Reconciliation of net assets to carrying amount as at 31 December</b>		
Share of net assets	47	48
Carrying amount in the statement of financial position	<u>47</u>	<u>48</u>
<b>Share of results for the year/period ended 31 December</b>		
Share of total comprehensive expense	<u>(1)</u>	<u>(1)</u>

<sup>1</sup> The financial information was extracted from the unaudited management accounts of the associate from the date of incorporation to 31 December 2023.

#### 7.1 Material accounting policy information

Investments in an associate is measured in the Company's statement of financial position at cost less any impairment losses.

### 8. Deferred tax assets and liabilities

#### 8.1 Recognised deferred tax assets and liabilities

Deferred tax assets and (liabilities) are attributable to the following:

	Assets		Liabilities		Net	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Group</b>						
Property, plant and equipment	(125)	(544)	(13,619)	(12,628)	(13,744)	(13,172)
Right-of-use assets	497	207	(913)	(348)	(416)	(141)
Inventories	1,267	1,122	(972)	(693)	295	429
Lease liabilities	-	295	363	355	363	650
Provisions	2	10	8	5	10	15
Unutilised tax losses	5,442	5,793	-	284	5,442	6,077
Unutilised reinvestment allowances	1,050	1,625	3,751	1,538	4,801	3,163
Net tax assets/(liabilities)	<u>8,133</u>	<u>8,508</u>	<u>(11,382)</u>	<u>(11,487)</u>	<u>(3,249)</u>	<u>(2,979)</u>



## Notes to the Financial Statements

## 8. Deferred tax assets and liabilities (continued)

## 8.1 Recognised deferred tax assets and liabilities (continued)

## Movement in temporary differences during the financial year

Group	At 1.1.2023 RM'000	Recognised in profit or loss (Note 19) RM'000	At 31.12.2023/ 1.1.2024 RM'000	Arising from business combinations (Note 27) RM'000	Recognised in profit or loss (Note 19) RM'000	At 31.12.2024 RM'000
Property, plant and equipment	(13,419)	247	(13,172)	-	(572)	(13,744)
Right-of-use assets	448	(589)	(141)	(562)	287	(416)
Inventories	516	(87)	429	-	(134)	295
Lease liabilities	49	601	650	-	(287)	363
Provisions	155	(140)	15	-	(5)	10
Unutilised tax losses	4,413	1,664	6,077	-	(635)	5,442
Unutilised reinvestment allowances	1,367	1,796	3,163	-	1,638	4,801
Net tax assets/(liabilities)	(6,471)	3,492	(2,979)	(562)	292	(3,249)

## 8.2 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2024 RM'000	2023 RM'000
Property, plant and equipment	16,388	17,355
Right-of-use assets	1,201	-
Lease liabilities	(1,203)	-
Provisions	(1,504)	(49)
Unabsorbed capital allowances	(42,107)	(41,106)
Unabsorbed industrial building allowances	(1,491)	(1,443)
Unutilised tax losses	(67,048)	(50,949)
Unutilised reinvestment allowances	(13,282)	(2,584)
	(109,046)	(78,776)

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

Under the tax legislation of Malaysia, the unrecognised tax losses and unutilised reinvestment allowances (stated at gross) will expire as follows:

	Group	
	2024 RM'000	2023 RM'000
Unutilised tax losses expiring in year of assessment ("YA"):		
- 2028	(11,481)	(13,219)
- 2029	(9,067)	(8,143)
- 2030	(7,475)	(7,475)
- 2031	(7,437)	(7,437)
- 2032	(8,815)	(8,772)
- 2033	(8,568)	(5,903)
- 2034	(14,205)	-
	(67,048)	(50,949)





## Notes to the Financial Statements

### 8. Deferred tax assets and liabilities (continued)

#### 8.2 Unrecognised deferred tax assets (continued)

	Group	
	2024	2023
	RM'000	RM'000
Unutilised reinvestment allowances expiring in YA:		
- 2025	(1,768)	(1,753)
- 2026	(831)	(831)
- 2027	(691)	-
- 2028	(40)	-
- 2029	(647)	-
- 2030	(863)	-
- 2031	(8,442)	-
	<u>(13,282)</u>	<u>(2,584)</u>

#### 8.3 Significant judgements and assumptions in relation to deferred tax assets

The management applies judgements to determine the amount of deferred tax assets that can be recognised, based upon future events that are inherently uncertain. Judgement is also required about application of income tax legislation. Accordingly, the deferred tax assets recognised may be adjusted in subsequent periods as a result of changes in accounting estimates.

#### 8.4 Material accounting policy information

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

### 9. Inventories

	Group	
Note	2024	2023
	RM'000	RM'000
Trading inventories	114,186	129,748
Raw materials	122,484	143,698
Work-in-progress	22,571	28,107
Manufactured inventories	111,203	131,012
Stock of completed properties	21,281	26,776
Properties under development	9.1 85,415	83,003
Hotel room supplies	97	92
	<u>477,237</u>	<u>542,436</u>
<i>Recognised in profit or loss:</i>		
Inventories recognised as cost of sales	1,312,899	1,324,283
Write-down to net realisable value	17 5,221	5,924



## Notes to the Financial Statements

### 9. Inventories (continued)

#### 9.1 Properties under development

	Note	Land RM'000	Development costs RM'000	Total RM'000
<b>Group</b>				
At 1 January 2023		56,785	9,967	66,752
Additions	9.1.1	15,014	1,237	16,251
At 31 December 2023/1 January 2024		71,799	11,204	83,003
Additions	9.1.1	-	2,412	2,412
At 31 December 2024		71,799	13,616	85,415

##### 9.1.1 Borrowing cost capitalised

Included in the additions to development costs of the Group during the financial year is interest capitalised amounting to RM1,163,151 (2023: RM764,751).

##### 9.1.2 Security

The properties under development of the Group amounting to RM19,794,533 (2023: RM19,303,505) are charged to banks as security for credit facilities granted to a subsidiary of the Group (see Note 14).

#### 9.2 Significant judgements and assumptions in relation to valuation of inventories

The management reviews the valuation of inventories for obsolescence and decline in net realisable value to below cost. This review requires judgements and estimates to assess the amount of impairment needed to record the value of the inventories at the lower of cost and net realisable value. Possible changes in these estimates could result in revision to the valuation of inventories.

#### 9.3 Material accounting policy information

##### (i) Properties under development

Land held for property development consists of the purchase price of the land, professional fees, stamp duties, commissions, conversion fees, levies and direct development cost incurred in preparing the land for development.

Property development costs are stated at the lower of costs and net realisable value. The cost includes cost of land less cumulative amounts recognised as cost of sales in the profit or loss. Property development cost of unsold unit is transferred to completed development unit once the property is completed.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and applicable variable selling expenses.

##### (ii) Other inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method. For completed properties, cost of inventories includes expenditure incurred in the acquisition of land, direct cost and appropriate proportions of common cost attribute to develop the properties to completion.





## Notes to the Financial Statements

### 10. Receivables, deposits and prepayments

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Trade</b>					
Trade receivables		412,678	417,530	-	-
Less: Allowance for impairment losses		(11,454)	(10,229)	-	-
	10.1	401,224	407,301	-	-
<b>Non-trade</b>					
Other receivables and deposits	10.2	22,555	37,953	-	-
		423,779	445,254	-	-
Prepayments		5,205	7,010	16	16
Amounts due from subsidiaries	10.3	-	-	101,005	130,736
Less: Allowance for impairment losses		-	-	(16,172)	(16,172)
		-	-	84,833	114,564
Amount due from an associate	10.4	1	8	-	8
		428,985	452,272	84,849	114,588

10.1 Included in trade receivables of the Group are amounts totalling RM1,406,739 (2023: RM1,040,617) due from companies in which certain Directors of the Company, certain directors of certain subsidiaries and a person connected to a director of a subsidiary have interests.

10.2 Included in other receivables and deposits balance of the Group are:

- i) deposits totalling RM2,594,378 (2023: RM2,136,906) for the acquisition of machineries and motor vehicles by certain subsidiaries; and
- ii) deposits totalling RM12,655,113 (2023: RM32,088,109) paid to suppliers for procurement of raw materials and trading goods.

10.3 The non-trade amounts due from subsidiaries are unsecured, interest free and repayable on demand, except for advances totalling RM65,992,984 (2023: RM98,720,826) which earn interests ranging from 5.04% to 6.00% (2023: 5.11%) per annum.

10.4 The non-trade amount due from an associate is unsecured, interest free and repayable on demand.

### 11. Cash and cash equivalents

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	11.1	126,846	76,729	91	107
Deposits placed with licensed banks	11.2	11,132	15,091	-	-
Highly liquid investments with other institutions		5	4	-	-
		137,983	91,824	91	107

11.1 Included in the Group's cash and bank balances in 2023 was RM15,213 maintained pursuant to the Housing Development (Housing Development Account) Regulation 1991.

11.2 Included in the Group's deposits placed with licensed banks is RM600,000 (2023: RM600,000) pledged to a licensed bank for bank facilities granted to a subsidiary (see Note 14).



## Notes to the Financial Statements

**12. Assets classified as held for sale**

	Note	Group 2024 RM'000	2023 RM'000
Property, plant and equipment			
Cost	3	677	-
Right-of-use assets			
Cost	4	3,945	-
Accumulated depreciation	4	(822)	-
		<u>3,800</u>	<u>-</u>

**12.1 Property transferred to assets classified as held for sale**

During the financial year, the capital work-in-progress and leasehold land have been transferred from property, plant and equipment and right-of-use assets respectively to assets classified as held for sale (see Note 3, 4 and 28.2(ii)).

**12.2 Disposal of a property**

In December 2024, a wholly owned subsidiary entered into an agreement to dispose of a leasehold land as disclosed in Note 28.2(ii).

**12.3 Security**

The capital work-in-progress and leasehold land are charged to a bank as security for credit facilities granted to a subsidiary.

**13. Capital and reserves****13.1 Share capital**

	Number of shares 2024 '000	Group and Company Amount 2024 RM'000	Number of shares 2023 '000	Amount 2023 RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
At 1 January	443,319	269,934	443,319	269,934
Shares issued due to				
- exercise of warrants	17,166	7,680	-	-
- bonus issue	333,817	-	-	-
At 31 December	<u>794,302</u>	<u>277,614</u>	<u>443,319</u>	<u>269,934</u>

During the financial year, the Company:

- (i) issued 333,816,580 new ordinary shares (inclusive of 43 bonus shares to be held as treasury shares) through bonus issue on the basis of three (3) bonus issue for every four (4) existing shares held at no consideration and without capitalisation of the Company's reserves; and
- (ii) issued 17,165,750 new ordinary shares pursuant to the exercise of 1,770,000 and 15,395,750 warrants by the registered warrant holders at the price of RM0.70 and RM0.40 per ordinary share respectively for every warrant held.





## Notes to the Financial Statements

### 13. Capital and reserves (continued)

#### 13.1 Share capital (continued)

The newly issued shares rank *pari passu* in all respects with the existing ordinary shares except that they will not entitled to any dividends, rights, allotment and/or other distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the Bonus Shares or the warrants exercise date.

##### Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company and rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

#### 13.2 Treasury shares

The shareholders of the Company, by a special resolution passed in the Annual General Meeting held on 23 May 2024, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the said repurchase plan is in the best interests of the Company and its shareholders.

In 2023, the Company distributed 8,654,342 treasury shares to entitled shareholders as share dividend.

During the financial year, the Company disposed 1,946,400 treasury shares for a total consideration of RM2,225,589 in the open market at an average price of RM1.14 per share. The proceeds from the resale net of transaction costs were utilised for working capital purposes.

At 31 December 2024, the Company held 101 (2023: 1,946,458) of its own shares.

#### 13.3 Warrants reserve

	Group and Company			
	Number	Amount	Number	Amount
	of warrants		of warrants	
	2024	2024	2023	2023
	'000	RM'000	'000	RM'000
At 1 January	109,086	2,924	109,086	2,924
Addition as a result of Bonus Issue	80,487	-	-	-
Warrant exercised	(17,166)	(283)	-	-
At 31 December	172,407	2,641	109,086	2,924

On 6 September 2021, the Company issued 109,085,775 new Warrants at an issue price of RM0.03 per Warrant through the Rights Issue of Warrants on the basis one (1) Warrant for every four (4) existing ordinary shares held in the Company. The Warrants were constituted by a Deed Poll dated 28 July 2021 and were listed on the Main Market of Bursa Malaysia Securities Berhad on 8 September 2021.

The salient terms of the Warrants were as follows:

- The exercise price is RM0.70 per Warrant in the Company which subsequently adjusted to RM0.40 per Warrant as a result of the bonus issue completed in August 2024. Each warrant will entitle the registered holder to subscribe for 1 new ordinary share in the Company during the Exercise Period;
- The Exercise Period is for a period of five (5) years commencing on and including the date of allotment of these warrants. Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid;



## Notes to the Financial Statements

### 13. Capital and reserves (continued)

#### 13.3 Warrants reserve

The salient terms of the Warrants were as follows: (continued)

- iii) The new shares to be issued arising from the exercise of Warrants shall, upon allotment and issue, rank equally in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other form of distribution ("Distribution") that may be declared, made or paid for which the entitlement date for the Distribution is prior to the date of allotment and issuance of the new shares arising from the exercise of Warrants; and
- iv) The Warrant holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrant holders exercise the Warrants for new ordinary shares of the Company.

During the financial year, the Company issued 80,486,763 additional Warrants 2021/2026 arising from the adjustment to the number of outstanding warrants in accordance with the Deed Poll dated 28 July 2021 with the exercise price of the warrants been adjusted from RM0.70 each to RM0.40 each as a result of the bonus issue.

During the financial year, a total of 1,770,000 and 15,395,750 warrants were exercised by the registered warrant holders to subscribe for 17,165,750 (2023: Nil) new ordinary shares in the Company at the price of RM0.70 and RM0.40 per ordinary share respectively for every warrant exercised.

As at 31 December 2024, 172,406,788 (2023: 109,085,775) Warrants 2021/2026 remained unexercised.

### 14. Loans and borrowings

	Group	
	2024	2023
	RM'000	RM'000
<b>Non-current</b>		
<b>Secured</b>		
Term loans	49,752	28,283
Hire purchase liabilities	147	449
	<hr/> 49,899	<hr/> 28,732
<b>Current</b>		
<b>Secured</b>		
Bankers' acceptances	83,162	113,850
Bank overdrafts	6,800	7,039
Term loans	8,328	9,420
Hire purchase liabilities	1,667	2,506
	<hr/> 99,957	<hr/> 132,815
<b>Unsecured</b>		
Bankers' acceptances	327,971	323,191
Bank overdrafts	15,122	17,817
Revolving credit	90,695	142,814
	<hr/> 533,745	<hr/> 616,637
<b>Total loans and borrowings</b>	<hr/> 583,644	<hr/> 645,369

#### 14.1 Security

The borrowings are secured by way of:

- i) legal charges over certain land and buildings, capital work-in-progress, properties under development and assets classified as held for sale of the Group;
- ii) specific debentures over certain plant and equipment of the Group;
- iii) deposit placed with a licensed bank; and
- iv) corporate guarantees issued by the Company and certain subsidiaries.





## Notes to the Financial Statements

### 14. Loans and borrowings (continued)

#### 14.2 Covenants of banks

Certain subsidiaries of the Group are required to comply with the following covenants:

- (a) maintain the gearing ratios within the range of 1.75 to 4.00 times (2023: 1.75 to 4.00 times).
- (b) maintained a ratio of group earnings before interests, taxes, depreciation and amortisation ("EBITDA") to finance cost of not less than 3.5:1 in 2023.

In respect of covenant (a), the relevant subsidiaries of the Group have complied with this covenant as at 31 December 2024.

In respect of covenant (b), the Group's EBITDA to finance cost was 2.3:1 as at 31 December 2023. This was below the ratio requirement imposed by a bank which granted trade-line facilities of RM17,198,000 to a subsidiary in 2023. During the financial year, the bank has granted an indulgence in respect of non-compliance of covenant and subsequently the ratio requirement had been removed by the bank.

### 15. Payables and accruals

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Trade</b>					
Trade payables	15.1	66,512	60,062	-	-
<b>Non-trade</b>					
Amounts due to subsidiaries	15.2	-	-	175,221	145,687
Amounts due to an associate	15.3	12	-	-	-
Other payables	15.4	15,696	19,951	300	-
Accrued expenses		41,927	30,929	491	490
		124,147	110,942	176,012	146,177

15.1 Included in trade payables of the Group are amounts totalling RM1,225,235 (2023: RM1,208,673) due to companies in which certain Directors of the Company and certain directors of certain subsidiaries have interests.

15.2 The amounts due to subsidiaries are unsecured, interest free and repayable on demand except for advances totalling RM143,171,229 (2023: RM120,754,519) which bear interest ranging from 4.00% to 5.10% (2023: 5.25%) per annum.

15.3 Amounts due to an associate is unsecured, interest free and repayable on demand.

15.4 Included in other payables of the Group are:

- i) amounts totalling RM2,592,136 (2023: RM3,483,106) due to companies in which certain Directors of the Company, certain directors of certain subsidiaries and a person connected to a director of a subsidiary have interests;
- ii) refundable deposits totalling RM1,116,622 (2023: RM5,296,539) received from customers for future orders; and
- iii) a deposit of RM450,000 (2023: Nil) received for the disposal of the assets classified as held for sale (see Note 28.2(ii)).



## Notes to the Financial Statements

## 16. Revenue

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers	1,459,893	1,468,448	-	-
Other revenue				
- Dividend income from subsidiaries	-	-	6,500	6,560
- Rental income from investment properties	1,410	1,319	-	-
	1,461,303	1,469,767	6,500	6,560

## 16.1 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Wholesale, distribution and manufacturing products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers at their premises.	Credit period of 0-90 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Hospitality	Revenue from room rental is recognised over time during the period of stay for the hotel guests. Food and beverage, laundry service fees and other hospitality services are recognised at a point in time when the services are rendered.	Cash term.	Not applicable.	Not applicable.	Not applicable.
Property development	(i) <u>Sale of properties under construction</u> Revenue is recognised over time as costs are incurred. These contracts would meet the no alternative use and the Group has rights to payment for work performed.	Credit period of 0-21 days from invoice date.	Discount or rebates given to buyers.	Not applicable.	Defect liability period of 24 months upon the delivery of vacant possession of development unit.
	(ii) <u>Sale of completed properties</u> Revenue is recognised at a point in time when the customer takes legal possession of the property.	Based on progress billing with 10% payable upon signing of contract and remaining 90% payable 3 months from date of contract.	Discount or rebates given to buyers.	Not applicable.	Not applicable.





## Notes to the Financial Statements

### 16. Revenue (continued)

#### 16.2 Disaggregation of revenue contracts with customers

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Major products and services</b>				
- goods sold	1,440,575	1,450,577	-	-
- hospitality	13,712	10,390	-	-
- completed properties	5,606	7,481	-	-
	<u>1,459,893</u>	<u>1,468,448</u>	<u>-</u>	<u>-</u>
<b>Timing and recognition</b>				
At a point in time	1,449,923	1,460,975	-	-
Over time	9,970	7,473	-	-
	<u>1,459,893</u>	<u>1,468,448</u>	<u>-</u>	<u>-</u>

#### 16.3 Transaction prices allocated to the remaining performance obligations

Transaction price allocated to performance obligation that are unsatisfied (or partially unsatisfied) at the reporting date of RM1,116,622 (2023: RM5,296,539) is expected to be recognised as revenue in next financial year.

### 17. Profit/(Loss) before tax

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Profit/(Loss) before tax is arrived at after charging/(crediting):</b>				
<b>Auditors' remunerations</b>				
Audit fees:				
- KPMG PLT	528	447	84	99
- Other auditors	149	176	-	-
Assurance service fee:				
- KPMG PLT	12	12	12	12
Non-assurance service fee:				
- Local affiliates of KPMG PLT	4	4	4	4
<b>Expenses/(Income)</b>				
Allowance for impairment loss on investment in a subsidiary	-	-	-	3,800
Bad debts recovered	-	(3)	-	-
Bad debts written off	8	-*	-	-
Depreciation of:				
- investment properties	950	948	-	-
- property, plant and equipment	21,901	21,437	-	-
- right-of-use assets	887	952	-	-
Gain on derecognition of right-of-use assets	(45)	(3)	-	-
(Gain)/Loss on disposal of:				
- assets classified as held for sale	-	31	-	-
- property, plant and equipment	(5,640)	(715)	-	-



## Notes to the Financial Statements

## 17. Profit/(Loss) before tax (continued)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Profit/(Loss) before tax is arrived at after charging/(crediting): (continued)</b>				
<b>Expenses/(Income)(continued)</b>				
Interest expenses of financial liabilities:				
- amounts due to subsidiaries	-	-	6,867	5,805
- bank overdrafts	1,468	1,430	-	-
- hire purchase liabilities	277	181	-	-
- term loans	1,183	1,413	-	-
- other borrowings	24,714	25,422	-	-
Interest expenses on lease liabilities	120	124	-	-
Finance income of financial assets:				
- amounts due from subsidiaries	-	-	(3,124)	(4,393)
- receivables and deposits placed with licensed banks	(5,141)	(2,972)	-	-
- highly liquid investments with other institutions	-*	(1,511)	-	-
Inventories written down	5,221	5,924	-	-
Personnel expenses (including key management personnel):				
- contributions to Employees Provident Fund	5,582	5,630	-	-
- wages, salaries and others	86,087	84,505	434	413
Property, plant and equipment written off	13	21	-	-
Realised gains on foreign exchange, net	(68)	(287)	-	-
Share of loss of an equity-accounted associate, net of tax	1	1	1	1
<b>Expenses/(Income) arising from leases</b>				
Expenses relating to:				
- short-term leases	2,276	2,252	-	-
- leases of low-value assets	32	23	-	-
Rental income on:				
- land and buildings	(1,255)	(1,090)	-	-
- machineries	(3)	-	-	-
- motor vehicles	(276)	(218)	-	-
<b>Net losses/(gains) on impairment of financial instruments</b>				
Trade receivables	2,999	(1,489)	-	-
Amount due from a subsidiary	-	-	-	1,008

\* Denotes amount less than RM500.





## Notes to the Financial Statements

### 18. Key management personnel compensation

The key management personnel compensation are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Directors' emoluments:				
Remunerations				
- Company's Directors	7,234	6,988	42	38
- Subsidiaries' directors	3,810	3,571	-	-
Fees				
- Company's Directors	502	485	392	375
- Subsidiaries' directors	50	50	-	-
	11,596	11,094	434	413
Other key management personnel:				
Remunerations	951	1,427	-	-
	12,547	12,521	434	413

Other key management personnel comprise persons other than the directors of the Company and subsidiaries, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

The estimated monetary value of benefits-in-kind of the Company's Directors are RM178,450 (2023: RM164,649).

### 19. Tax expense

#### Recognised in profit or loss

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Income tax expense					
- current financial year		11,697	11,517	357	630
- (over)/under provision in prior financial year		(270)	(90)	(1)	70
		11,427	11,427	356	700
Real Property Gains Tax					
- current financial year		217	-	-	-
		11,644	11,427	356	700
Deferred tax expense					
- origination and reversal of temporary differences	8	(707)	(2,790)	-	-
- under/(over) provision in prior financial year		415	(702)	-	-
		11,352	7,935	356	700



## Notes to the Financial Statements

## 19. Tax expense (continued)

## Recognised in profit or loss (continued)

Note	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Reconciliation of tax expense</b>				
Profit/(Loss) before tax	21,543	18,125	1,386	(790)
Income tax using Malaysian tax rate of 24%	5,170	4,350	333	(190)
Non-deductible expenses	5,431	3,833	1,584	2,394
Utilisation of reinvestment allowances	(5,568)	(1,328)	-	-
Income not subjected to tax	(1,308)	(240)	(1,560)	(1,574)
Effect of deferred tax benefits not recognised	8,588	2,449	-	-
Real Property Gains Tax	217	-	-	-
Utilisation of previously unrecognised deferred tax benefits	(1,323)	(337)	-	-
	11,207	8,727	357	630
Under/(Over) provision in prior financial year	145	(792)	(1)	70
Tax expense	11,352	7,935	356	700

## 20. Earnings per ordinary share

## Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2024	2023 <sup>(a)</sup>
Profit attributable to owners of the Company (RM'000)	10,340	10,125
<i>Weighted average number of ordinary shares ('000)</i>		
Issued ordinary shares as at 1 January	443,319	443,319
Effect of treasury shares held	(861)	(10,999)
Effect of bonus issue	333,817	332,489
Effect of exercise of warrants	5,398	-
Weighted average number of ordinary shares as at 31 December	781,673	764,809
<i>Basic earnings per ordinary share (sen)</i>	1.32	1.32





## Notes to the Financial Statements

### 20. Earnings per ordinary share (continued)

#### Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share was based on the profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2024	2023 <sup>(a)</sup>
<i>Profit attributable to owners of the Company (RM'000)</i>	10,340	10,125
<i>Weighted average number of ordinary shares ('000)</i>		
Weighted average number of ordinary shares (basic) as at 31 December	781,673	764,809
Effect of exercise of warrants	62,607	-
Weighted average number of ordinary shares as at 31 December	844,280	764,809
<i>Diluted earnings per ordinary share (sen)</i>	1.22	1.32 <sup>(b)</sup>

#### Note:

- (a) For comparative purpose, the earnings per share for year ended 31 December 2023 had been adjusted retrospectively to reflect the bonus issue of ordinary shares which was completed on 12 August 2024.
- (b) The diluted earnings per ordinary share in 2023 was presented the same as basic earnings per share given that the Group does not have any dilutive potential ordinary share other than the warrants in issue.

The warrants in issue do not have a dilutive effect as the average fair value of the ordinary shares in 2023 was below the exercise price of the warrants.

### 21. Dividend

Dividend recognised by the Company:

	Total amount RM'000	Date of payment
<b>2024</b>		
Final 2023 ordinary (single tier) dividend of 0.75 sen per ordinary share	3,325	3 July 2024
<b>2023</b>		
Final 2022 ordinary dividend of one (1) treasury share for every fifty (50) existing ordinary shares held	6,676	3 July 2023

Subsequent to the reporting period, the dividend was paid on 7 April 2025. This dividend will be recognised in the subsequent financial period.

	Total amount RM'000
Final 2024 ordinary (single tier) dividend of 0.50 sen per ordinary share	3,967



## Notes to the Financial Statements

### 22. Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different business segments, and are managed based on the Group's management and internal reporting structure. For each of the strategic business units, the Group Managing Director (the chief operating decision maker) and the Board of Directors review internal management reports at least on a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

Wholesale and distribution	Includes wholesale and distribution of pipes, valves, fittings, plumbing materials, steel related products, general hardware products and construction materials.
Manufacturing	Includes manufacturing and sale of steel and ductile iron pipes and fittings, valves, manhole covers, hydrants, industrial casting products, welded wire mesh, hard-drawn wire, bitumen products and other steel-related products.
Property development	Includes property development and investment activities.
Hospitality	Includes the operation of hotel rooms, food and beverage, meeting and function rooms, and other hospitality services..

Other non-reportable segments comprise operations related to the corporate assets and expenses, and other operations which are not sizeable to be reported separately.

Performance is measured based on segment profit before tax, interest and depreciation as included in the internal management reports that are reviewed by the Group Managing Director and the Board of Directors. Segment profit is used to measure performance as management believes that such information is relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

#### Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group Managing Director and the Board of Directors. Segment total assets is used to measure the return on assets of each segment.

#### Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group Managing Director and the Board of Directors. Segment total liabilities is used to measure the gearing of each segment.

#### Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, investment properties and right-of-use assets.

	Wholesale and distribution RM'000	Manu- facturing RM'000	Property development RM'000	Hospitality RM'000	Total RM'000
<b>Group 2024</b>					
<b>Segment profit</b>	31,373	31,821	275	5,763	69,232
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	696,418	743,919	7,016	13,712	1,461,065
Inter-segment revenue	52,138	217,923	565	103	270,729
Write-down of inventories	(4,372)	(849)	-	-	(5,221)





## Notes to the Financial Statements

### 22. Operating segments (continued)

	Wholesale and distribution RM'000	Manu- facturing RM'000	Property development RM'000	Hospitality RM'000	Total RM'000
<b>Group 2024</b>					
<i>Not included in the measure of segment profit are:</i>					
Depreciation	(3,003)	(16,695)	(692)	(3,270)	(23,660)
Finance costs	(13,273)	(19,354)	(3,481)	(557)	(36,665)
Finance income	15,616	1,626	2	270	17,514
<b>Segment assets</b>	874,351	954,835	144,406	79,609	2,053,201
<i>Included in the measure of segment assets are:</i>					
Additions to non-current assets, other than financial instruments and deferred tax assets	7,405	29,335	-	170	36,910
<b>Segment liabilities</b>	(393,872)	(520,528)	(132,082)	(15,627)	(1,062,109)
<b>2023</b>					
<b>Segment profit/(loss)</b>	36,391	33,219	(392)	(910)	68,308
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	696,969	753,608	8,800	10,390	1,469,767
Inter-segment revenue	110,133	231,571	319	87	342,110
Write-down of inventories	(5,153)	(214)	(557)	-	(5,924)
<i>Not included in the measure of segment profit are:</i>					
Depreciation	(2,828)	(15,670)	(693)	(4,172)	(23,363)
Finance costs	(12,461)	(21,993)	(3,666)	(623)	(38,743)
Finance income	13,498	1,642	1	-	15,141
<b>Segment assets</b>	900,148	1,035,134	148,426	77,928	2,161,636
<i>Included in the measure of segment assets are:</i>					
Additions to non-current assets, other than financial instruments and deferred tax assets	6,459	40,151	-	628	47,238
<b>Segment liabilities</b>	(435,181)	(659,826)	(132,207)	(15,872)	(1,243,086)



## Notes to the Financial Statements

## 22. Operating segments (continued)

## Reconciliations of reportable segment revenue, profit or loss, assets, liabilities and other material items

	Group	
	2024	2023
	RM'000	RM'000
<b>Profit or loss</b>		
Total profit or loss for reportable segments	69,232	68,308
Other non-reportable segments	(71)	(1,430)
Elimination of inter-segment profits	(1,258)	(1,328)
Depreciation	(23,738)	(23,337)
Finance costs	(27,762)	(28,570)
Finance income	5,141	4,483
Share of loss of an equity-accounted associate, net of tax	(1)	(1)
Consolidated profit before tax	21,543	18,125

	External revenue	De-preciation	Finance costs	Finance income	Segment assets	Investment in associate	Additions to non-current assets	Segment liabilities
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group 2024</b>								
Total reportable segments	1,461,065	(23,660)	(36,665)	17,514	2,053,201	-	36,910	(1,062,109)
Other non-reportable segments	238	(266)	(7,011)	2,818	36,987	-	6,969	(19,965)
Elimination of inter-segment transactions or balances	-	188	15,914	(15,191)	(520,925)	-	138	355,525
Consolidated total	1,461,303	(23,738)	(27,762)	5,141	1,569,263	-	44,017	(726,549)
<b>2023</b>								
Total reportable segments	1,469,767	(23,363)	(38,743)	15,141	2,161,636	-	47,238	(1,243,086)
Other non-reportable segments	-	(165)	(5,987)	4,267	29,034	49	335	(13,783)
Elimination of inter-segment transactions or balances	-	191	16,160	(14,925)	(589,775)	-	186	482,458
Consolidated total	1,469,767	(23,337)	(28,570)	4,483	1,600,895	49	47,759	(774,411)

## Geographical segments

The Group operates primarily in Malaysia and as such, no geographical segment disclosures are made.

## Major customers

There are no customers with revenue equal or more than 10% of the Group's total revenue.





## Notes to the Financial Statements

### 23. Financial instruments

#### 23.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Fair value through profit or loss ("FVTPL") and
- (b) Amortised cost ("AC")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
<b>2024</b>			
<b>Financial assets</b>			
<b>Group</b>			
Receivables and deposits	421,186	421,186	-
Cash and cash equivalents	137,983	137,978	5
	<u>559,169</u>	<u>559,164</u>	<u>5</u>
<b>Company</b>			
Receivables and deposits	84,833	84,833	-
Cash and cash equivalents	91	91	-
	<u>84,924</u>	<u>84,924</u>	<u>-</u>
<b>Financial liabilities</b>			
<b>Group</b>			
Loans and borrowings	(583,644)	(583,644)	-
Payables and accruals	(124,147)	(124,147)	-
	<u>(707,791)</u>	<u>(707,791)</u>	<u>-</u>
<b>Company</b>			
Payables and accruals	(176,012)	(176,012)	-
	<u>(176,012)</u>	<u>(176,012)</u>	<u>-</u>
<b>2023</b>			
<b>Financial assets</b>			
<b>Group</b>			
Receivables and deposits	443,125	443,125	-
Cash and cash equivalents	91,824	91,820	4
	<u>534,949</u>	<u>534,945</u>	<u>4</u>
<b>Company</b>			
Receivables and deposits	114,572	114,572	-
Cash and cash equivalents	107	107	-
	<u>114,679</u>	<u>114,679</u>	<u>-</u>
<b>Financial liabilities</b>			
<b>Group</b>			
Loans and borrowings	(645,369)	(645,369)	-
Payables and accruals	(110,942)	(110,942)	-
	<u>(756,311)</u>	<u>(756,311)</u>	<u>-</u>
<b>Company</b>			
Payables and accruals	(146,177)	(146,177)	-
	<u>(146,177)</u>	<u>(146,177)</u>	<u>-</u>



## Notes to the Financial Statements

### 23. Financial instruments (continued)

#### 23.2 Net losses arising from financial instruments

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) arising on:				
Financial assets at amortised cost	2,202	4,751	3,124	3,385
Financial assets at fair value through profit or loss	-*	1,511	-	-
Financial liabilities at amortised cost	(27,642)	(28,446)	(6,867)	(5,805)
	(25,440)	(22,184)	(3,743)	(2,420)

\* Amount denotes amount less than RM500.

#### 23.3 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### 23.4 Credit risk

Credit risk is the risk of a financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks and suppliers for banking and credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

##### Receivables

##### *Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables is credit impaired.

The gross carrying amounts of credit impaired trade receivables is written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that is written off could still be subject to recovery activities.

There are no significant changes as compared to previous year.

##### *Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers and the Group uses ageing analysis to monitor the credit quality of the receivables whilst significant portion of trade receivables for property development segment are purchasers that are backed by financiers. Any past due receivables, which are deemed to have higher credit risk, are monitored individually.

The Group receives financial guarantees given by banks, shareholders or directors of customers in managing exposure to credit risks. Trade receivables amounting to RM288,824,980 (2023: RM285,322,145) of the Group are supported by financial guarantees given by banks, shareholders or directors of the customers.





## Notes to the Financial Statements

### 23. Financial instruments (continued)

#### 23.4 Credit risk (continued)

##### Receivables (continued)

##### Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group	
	2024	2023
	RM'000	RM'000
Domestic	399,646	405,340
Singapore	1,488	1,961
New Zealand	90	-
	<u>401,224</u>	<u>407,301</u>

##### Recognition and measurement of impairment loss

In managing the credit risk of trade receivables, the Group manages its receivables and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will be repaid within 90 days. The Group's Credit Control Committee monitors past due debts at least on a bi-weekly basis. The Group will start to initiate a structured debt recovery process should there be indicators where the debts owing by a customer may not be fully recoverable. Should a structured debt recovery process is not possible, the Group will commence a legal proceeding against the customer.

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. Invoices which are past due more than 365 days will be considered as credit-impaired. Nevertheless, the Group has not recognised any loss allowance on receivables that are supported by financial guarantees given by banks, shareholders or directors of customers, which are deemed to have low risk of default, other than specifically provided for.

In respect of trade receivables arising from the sale of completed properties, the Group retains the legal title to all properties sold until the full contracted sales value is settled. As such, under normal circumstances, the amounts due from property purchasers are not impaired.

Loss rate is based on actual credit loss experience over the past three years and is calculated using a flow rate method based on the probability of a receivable progressing through successive stages of delinquency to more than 365 days past due.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period:

	Gross carrying amount RM'000	Loss allowance RM'000	Net RM'000
<b>Group</b>			
<b>2024</b>			
Current (not past due)	306,739	(27)	306,712
1 - 90 days past due	62,432	(9)	62,423
91 - 180 days past due	11,303	(1)	11,302
181 - 270 days past due	1,432	(7)	1,425
271 - 365 days past due	850	(11)	839
	<u>382,756</u>	<u>(55)</u>	<u>382,701</u>
<b>Credit-impaired</b>			
More than 365 days past due	1,428	(28)	1,400
Individually impaired	28,494	(11,371)	17,123
	<u>412,678</u>	<u>(11,454)</u>	<u>401,224</u>



## Notes to the Financial Statements

## 23. Financial instruments (continued)

## 23.4 Credit risk (continued)

## Receivables (continued)

Recognition and measurement of impairment loss (continued)

	Gross carrying amount RM'000	Loss allowance RM'000	Net RM'000
<b>2023</b>			
Current (not past due)	300,470	(15)	300,455
1 - 90 days past due	66,061	(14)	66,047
91 - 180 days past due	10,813	(21)	10,792
181 - 270 days past due	6,541	(10)	6,531
271 - 365 days past due	2,493	(3)	2,490
	386,378	(63)	386,315
<b>Credit-impaired</b>			
More than 365 days past due	21,052	(86)	20,966
Individually impaired	10,100	(10,080)	20
	417,530	(10,229)	407,301

Trade receivables which are credit-impaired amounting to RM29,922,166 (2023: RM31,152,116) are partially supported by financial guarantees given by banks, shareholders or directors of customers.

The movements in the allowance for impairment in respect of trade receivables during the financial year were shown below.

	Lifetime ECL RM'000	Individual impaired RM'000	Total RM'000
<b>Group</b>			
At 1 January 2023	653	11,067	11,720
Net remeasurement of loss allowance	(504)	(985)	(1,489)
Amount written off	-	(2)	(2)
At 31 December 2023/1 January 2024	149	10,080	10,229
Net remeasurement of loss allowance	(66)	3,065	2,999
Amount written off	-	(1,774)	(1,774)
At 31 December 2024	83	11,371	11,454

## Cash and cash equivalents and deposits with licensed banks

The cash and cash equivalents and deposits are held with financial and other institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These financial and other institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

## Financial guarantees

*Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and to suppliers for credit facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.





## Notes to the Financial Statements

### 23. Financial instruments (continued)

#### 23.4 Credit risk (continued)

##### Financial guarantees (continued)

##### *Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk as represented by the outstanding banking and credit facilities of the subsidiaries are as follows:

	Company	
	2024	2023
	RM'000	RM'000
Corporate guarantees issued to:		
- financial institutions for bank facilities granted to its subsidiaries	582,741	643,739
- suppliers for credit facilities granted to its subsidiaries	4,605	3,830
	<u>587,346</u>	<u>647,569</u>

The financial guarantees are provided as credit enhancements to the subsidiaries' credit facilities.

##### *Recognition and measurement of impairment loss*

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit-impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed amounts individually using internal information available. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment. The Company is of the view that the loss allowance is not material and hence, it is not provided for.

##### Inter-company balances

##### *Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

##### *Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancement.

##### *Recognition and measurement of impairment loss*

Generally, the Company considers loans and advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit-impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.



## Notes to the Financial Statements

### 23. Financial instruments (continued)

#### 23.4 Credit risk (continued)

##### Inter-company balances (continued)

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances as at the end of the reporting period:

	Gross carrying amount RM'000	Loss allowance RM'000	Net RM'000
<b>Company</b>			
<b>2024</b>			
Low credit risk	45,148	-	45,148
Credit-impaired	55,857	(16,172)	39,685
	101,005	(16,172)	84,833
<b>2023</b>			
Low credit risk	73,581	-	73,581
Credit-impaired	57,155	(16,172)	40,983
	130,736	(16,172)	114,564

The movements in the allowance for impairment in respect of subsidiaries advances during the financial year are shown below.

	Company	
	2024 RM'000	2023 RM'000
At 1 January	16,172	15,164
Net remeasurement of loss allowance	-	1,008
At 31 December	16,172	16,172

##### Other receivables and deposits

Credit risks on other receivables and deposits are mainly arising from other receivables and deposits paid for the procurement of trading goods, office buildings and fixture rented.

The maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group and the Company are of the view that the loss allowance is not material due to the low probability of default and hence, it is not provided for.

#### 23.5 Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables, lease liabilities, loans and borrowings.

The Group and the Company maintain a level of cash and bank balances and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.





## Notes to the Financial Statements

### 23. Financial instruments (continued)

#### 23.5 Liquidity risk (continued)

##### Maturity analysis

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

	Carrying amount RM'000	Contractual interest rate/ coupon/ discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>Group</b>							
<b>2024</b>							
<i>Non-derivative financial liabilities</i>							
<b>Secured</b>							
Term loans	58,080	4.52% - 6.42%	72,783	10,833	10,276	22,127	29,547
Hire purchase liabilities	1,814	2.24% - 4.86%	1,868	1,720	148	-	-
Bankers' acceptances	83,162	4.30% - 5.95%	83,162	83,162	-	-	-
Bank overdrafts	6,800	6.72% - 8.39%	6,800	6,800	-	-	-
<b>Unsecured</b>							
Bankers' acceptances	327,971	4.34% - 5.36%	327,971	327,971	-	-	-
Bank overdrafts	15,122	7.50% - 8.30%	15,122	15,122	-	-	-
Revolving credit	90,695	5.43% - 5.72%	90,695	90,695	-	-	-
Payables and accruals	124,147	-	124,147	124,147	-	-	-
	<u>707,791</u>		<u>722,548</u>	<u>660,450</u>	<u>10,424</u>	<u>22,127</u>	<u>29,547</u>
Lease liabilities	2,716	3.43% - 5.06%	3,986	378	292	636	2,680
	<u>710,507</u>		<u>726,534</u>	<u>660,828</u>	<u>10,716</u>	<u>22,763</u>	<u>32,227</u>
<b>2023</b>							
<i>Non-derivative financial liabilities</i>							
<b>Secured</b>							
Term loans	37,703	4.52% - 6.46%	42,240	10,896	8,043	17,669	5,632
Hire purchase liabilities	2,955	2.24% - 3.39%	3,050	2,589	385	76	-
Bankers' acceptances	113,850	4.25% - 6.05%	113,850	113,850	-	-	-
Bank overdrafts	7,039	6.72% - 8.39%	7,039	7,039	-	-	-
<b>Unsecured</b>							
Bankers' acceptances	323,191	4.28% - 6.46%	323,191	323,191	-	-	-
Bank overdrafts	17,817	7.65% - 8.30%	17,817	17,817	-	-	-
Revolving credit	142,814	4.55% - 5.79%	142,814	142,814	-	-	-
Payables and accruals	110,942	-	110,942	110,942	-	-	-
	<u>756,311</u>		<u>760,943</u>	<u>729,138</u>	<u>8,428</u>	<u>17,745</u>	<u>5,632</u>
Lease liabilities	2,707	3.43% - 4.47%	3,910	327	304	591	2,688
	<u>759,018</u>		<u>764,853</u>	<u>729,465</u>	<u>8,732</u>	<u>18,336</u>	<u>8,320</u>



## Notes to the Financial Statements

## 23. Financial instruments (continued)

## 23.5 Liquidity risk (continued)

*Maturity analysis (continued)*

	Carrying amount RM'000	Contractual interest rate/ coupon	Contractual cash flows RM'000	Under 1 year RM'000
<b>Company</b>				
<b>2024</b>				
<i>Non-derivative financial liabilities</i>				
<b>Unsecured</b>				
Amounts due to subsidiaries	143,171	4.00% - 5.10%	143,171	143,171
Payables and accruals	32,841	-	32,841	32,841
Corporate guarantees	-	-	587,346	587,346
	<u>176,012</u>		<u>763,358</u>	<u>763,358</u>
<b>2023</b>				
<i>Non-derivative financial liabilities</i>				
<b>Unsecured</b>				
Amounts due to subsidiaries	120,755	5.25%	120,755	120,755
Payables and accruals	25,422	-	25,422	25,422
Corporate guarantees	-	-	647,569	647,569
	<u>146,177</u>		<u>793,746</u>	<u>793,746</u>

## 23.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

## 23.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases, borrowings and cash and bank balances that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Singapore Dollar ("SGD"), Euro ("EUR") and Chinese Yuan ("CNY").

*Risk management objectives, policies and processes for managing the risk*

The Group's exposure to foreign currency risk is monitored on an ongoing basis and will use forward exchange contracts to hedge its foreign currency risk when necessary. Forward exchange contracts, if any, would have maturities of less than one year. Where necessary, the forward exchange contracts are rolled over at maturity.

*Exposure to foreign currency risk*

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	USD RM'000	SGD RM'000	EUR RM'000	CNY RM'000
<b>2024</b>				
Cash and bank balances	1,106	645	-	-
Receivables	-	69	-	-
Payables	(1,332)	-	(743)	(938)
<b>Exposure in the statements of financial position</b>	<u>(226)</u>	<u>714</u>	<u>(743)</u>	<u>(938)</u>





## Notes to the Financial Statements

### 23. Financial instruments (continued)

#### 23.6 Market risk (continued)

##### 23.6.1 Currency risk (continued)

*Exposure to foreign currency risk (continued)*

	<b>USD</b> <b>RM'000</b>	<b>SGD</b> <b>RM'000</b>	<b>EUR</b> <b>RM'000</b>	<b>CNY</b> <b>RM'000</b>
<b>2023</b>				
Cash and bank balances	15	316	-	-
Receivables	-	91	-	-
Payables	(2,596)	-	(1,205)	-
<b>Exposure in the statements of financial position</b>	<b>(2,581)</b>	<b>407</b>	<b>(1,205)</b>	<b>-</b>

A 10% (2023: 10%) strengthening of the RM against foreign currencies at the end of the reporting period would have increased post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	<b>Group</b>	
	<b>2024</b> <b>RM'000</b>	<b>2023</b> <b>RM'000</b>
USD	17	196
SGD	(54)	(31)
EUR	56	92
CNY	71	-

A 10% (2023: 10%) weakening of the RM against foreign currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remained constant.

##### 23.6.2 Interest rate risk

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

*Risk management objectives, policies and processes for managing the risk*

The Group adopts a practice to continuously seek for alternative banking facilities, which provide competitive interest rates to finance and/or refinance its working capital requirements.

*Exposure to interest rate risk*

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b> <b>RM'000</b>	<b>2023</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>	<b>2023</b> <b>RM'000</b>
<b>Fixed rate instruments</b>				
Financial assets	11,132	15,091	4,532	-
Financial liabilities	(503,642)	(582,810)	-	-
Lease liabilities	(2,716)	(2,707)	-	-



## Notes to the Financial Statements

## 23. Financial instruments (continued)

## 23.6 Market risk (continued)

## 23.6.2 Interest rate risk (continued)

*Exposure to interest rate risk (continued)*

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Floating rate instruments</b>				
Financial assets	-	-	61,461	98,721
Financial liabilities	(80,002)	(62,559)	(143,171)	(120,755)

*Interest rate risk sensitivity analysis*(a) *Fair value sensitivity analysis for fixed rate instruments*

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

(b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 25 basis points ("bp") (2023: 25 bp) in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	2024		2023	
	Profit or loss		Profit or loss	
	25 bp	25 bp	25 bp	25 bp
	increase	decrease	increase	decrease
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Floating rate instruments	(152)	152	(119)	119
Cash flow sensitivity (net of tax)	(152)	152	(119)	119
<b>Company</b>				
Floating rate instruments	(155)	155	(42)	42
Cash flow sensitivity (net of tax)	(155)	155	(42)	42

## 23.6.3 Other price risk

Price risk arises from the Group's investments in highly liquid investments that are held with other institutions.

*Risk management objectives, policies and processes for managing the risk*

The Group's highly liquid investments are money market funds that are not exposed to significant risk of changes in fair value. Consequently, the Group and the Company are of the view that the highly liquid investments are not exposed to significant price risk.





# Notes to the Financial Statements

## 23. Financial instruments (continued)

### 23.7 Fair value information

The carrying amounts of cash and bank balances, deposits with licensed banks, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The Company provides financial guarantees to banks and suppliers for credit facilities extended to certain subsidiaries. The Directors are of the opinion that the fair values of such financial guarantees are not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote as described in Note 23.4.

The table below analyses the financial instruments carried at fair value and those not carried at fair value for which fair values are disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments		Total	Carrying
	carried at fair value Level 2 RM'000	not carried at fair value Level 3 RM'000	fair value RM'000	amount RM'000
<b>Group</b>				
<b>2024</b>				
<b>Financial assets</b>				
Highly liquid investments with other institutions	5	-	5	5
<b>Financial liabilities</b>				
Hire purchase liabilities	-	(1,801)	(1,801)	(1,814)
Term loans	-	(58,080)	(58,080)	(58,080)
	-	(59,881)	(59,881)	(59,894)
<b>2023</b>				
<b>Financial assets</b>				
Highly liquid investments with other institutions	4	-	4	4
<b>Financial liabilities</b>				
Hire purchase liabilities	-	(2,919)	(2,919)	(2,955)
Term loans	-	(37,703)	(37,703)	(37,703)
	-	(40,622)	(40,622)	(40,658)

#### Level 2 fair value

Fair value of highly liquid investments with other institutions is calculated based on the net assets value of the highly liquid investments as advised by the said institutions.

#### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

#### Non-derivative financial asset and liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the interest rate determined at the end of the reporting period.

For hire purchase liabilities, the market rate of interest is determined by reference to similar agreements. For term loans, the carrying amounts approximate the fair value as they bear variable rates of interest determined based on a margin over the lender bank's base lending rate.



## Notes to the Financial Statements

### 23. Financial instruments (continued)

#### 23.7 Fair value information (continued)

##### Level 3 fair value (continued)

##### *Interest rates used to determine fair value*

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	2024	2023
<b>Group</b>		
Hire purchase liabilities	4.70% - 5.35%	4.33% - 5.35%

##### Transfers between Level 2 and Level 3 fair values

There has been no transfer between Level 2 and Level 3 fair values during the financial year (2023: no transfer in either direction).

#### 23.8 Material accounting policy information

The Group or the Company applies settlement date accounting for regular way purchase or sales of financial assets.

### 24. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The net debt-to-equity ratios at 31 December were as follows:

		<b>Group</b>	
	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>RM'000</b>	<b>RM'000</b>
Total loans and borrowings	14	583,644	645,369
Less: Cash and cash equivalents	11	(137,983)	(91,824)
Net debts		445,661	553,545
Total equity		842,714	826,484
Net debt-to-equity ratio		0.53	0.67

There was no change in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

The Group's debt-to-equity ratio should not exceed 1.5 times (2023: 1.5 times) to comply with a bank covenant, failing which, the bank may call an event of default. The Group has complied with this covenant at the end of the reporting period.





## Notes to the Financial Statements

### 25. Commitments

	Group	
	2024	2023
	RM'000	RM'000
<b>Property, plant and equipment</b>		
Authorised but not contracted for	48,527	8,815
Contracted but not provided for	9,867	3,679
	<u>58,394</u>	<u>12,494</u>

### 26. Related parties

#### 26.1 Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

#### 26.2 Significant related party transactions

The significant related party transactions of the Group and the Company, other than key management personnel compensation which is disclosed in Note 18 are shown below. The balances related to the below transactions are shown in Notes 10 and 15.

		Amounts transacted for the financial year ended 31 December	
	Note	2024	2023
		RM'000	RM'000
<b>Group</b>			
<i>Companies in which certain Directors of the Company have interests</i>			
Sales	a	(1,973)	(2,240)
Disposal of plant and equipment	b	-	(60)
Rental income from properties	c	(72)	(72)
Rental income from motor vehicles	c	(276)	(218)
Expenses relating to short-term leases for properties	c	1,453	1,517
Acquisition of plant and equipment	b	25	28
Purchases	a	14,095	15,751
<i>Companies in which certain directors of certain subsidiaries have interests</i>			
Sales	a	(1,486)	(941)
Purchases	a	5,684	592
<i>Directors of the Company</i>			
Expenses relating to short-term lease for a property	c	24	24



## Notes to the Financial Statements

## 26. Related parties (continued)

## 26.2 Significant related party transactions (continued)

	Note	Amounts transacted for the financial year ended 31 December	
		2024 RM'000	2023 RM'000
<i>A person connected to certain Directors of the Company</i>			
Expenses relating to short-term lease for a property	c	24	24
<i>Certain directors of certain subsidiaries</i>			
Expenses relating to short-term lease for a hostel	c	7	17
Consultancy fees expenses	d	487	473
<i>A person connected to a director of a subsidiary</i>			
Sales	a	-*	(1)
Consultancy fees expenses	d	60	60
<i>An associate</i>			
Interest income	e	-*	-
Purchases	a	81	-
<i>Key management personnel</i>			
Disposal of plant and equipment	b	-	(77)
<b>Company</b>			
<i>A company in which certain Directors of the Company have interests</i>			
Purchases	a	31	31
<i>An associate</i>			
Interest income	e	-*	-
<i>Subsidiaries</i>			
Dividend income (gross)		(6,500)	(6,560)
Interest income		(3,124)	(4,393)
Interest expenses		6,867	5,805
Purchases		24	11
Management fees expenses		264	264

\* Denotes amount less than RM500.

**Note a**

From time to time, the Group and the Company may sell and purchase goods and services with companies in which certain Directors of the Company, certain directors of certain subsidiaries have interests and a person connected to a director of a subsidiary. These sales or purchases are based on negotiated terms and are domestic in nature.

**Note b**

During the financial year, the Group acquired and disposed of plant and equipment with companies in which certain Directors of the Company have interests and certain key management personnel. The transactions were carried out under normal commercial terms and conditions not more favourable than those generally available to other eligible employees of the Group.





## Notes to the Financial Statements

### 26. Related parties (continued)

#### 26.2 Significant related party transactions (continued)

##### Note c

The Group entered into rental agreements with companies in which certain Directors of the Company have interests, a Director of the Company, a person connected to certain Directors of the Company and a director of a subsidiary, for the letting of industrial properties and hostels, and motor vehicles. The rental terms are based on negotiated terms and amounts are receivable or payable on monthly basis for the duration of the agreements.

##### Note d

The Group entered into agreements with a director of certain subsidiaries and a person connected to a director of a subsidiary, for provision of consultancy services. The contract terms are based on negotiated terms and conditions.

##### Note e

From time to time, the Company may provide interest-bearing advances to the associate to meet its working capital requirement.

### 27. Acquisition of a subsidiary

Acquisition of a subsidiary – Variglobal Sdn. Bhd.

In June 2024, the Company acquired 1,000 ordinary shares representing 100% equity interest in Variglobal Sdn. Bhd. ("VGSB") for a total cash consideration of RM6,560,494. If the acquisition had occurred on 1 January 2024, management estimates the consolidated revenue would have remained the same and no material impact to the consolidated profit for the financial year.

The following summarise the consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Note	Group RM'000
<i>Fair value of consideration transferred</i>		
Cash and cash equivalents		6,560
<i>Identifiable assets acquired and liabilities assumed</i>		
Leasehold land	4	7,122
Deferred tax liabilities	8	(562)
Total identifiable net assets		6,560
<i>Net cash arising from the acquisition</i>		
Purchase consideration settled in cash and cash equivalents		(6,560)
Total consideration transferred		6,560
Fair value of net identifiable assets		(6,560)
		-



## Notes to the Financial Statements

### 28. Significant events during the financial year

#### 28.1 Acquisition of a subsidiary

In June 2024, the Company acquired 1,000 ordinary shares representing 100% equity interest in Variglobal Sdn. Bhd. ("VGSB") for a total cash consideration of RM6,560,494. The intended principal activity of VGSB is that of investment holding.

The acquisition had no material effect on the Group's financial performance and position on the acquisition date.

#### 28.2 Disposal of properties

- (i) In April 2024, a wholly owned subsidiary entered into an agreement with a third party to dispose of a freehold land, hotel building and related assets located at Leboh Pasar Besar, Kuala Lumpur for a total cash consideration of RM22,000,000. The disposal was completed during the financial year. Subsequent to the disposal, the wholly owned subsidiary is allowed to operate its hotel business until the vacant possession of the property on an "as is where is" basis within one (1) year from the full settlement of purchase price.
- (ii) In December 2024, a wholly owned subsidiary entered into an agreement with a third party to dispose of an industrial leasehold land located at Subang New Village, Mukim Sungai Buloh, Daerah Petaling for a total cash consideration of RM4,500,000 of which RM450,000 was received as deposit. The transaction is pending for completion.

### 29. Significant event after the financial year end

#### Repurchase of Company's shares

Subsequent to the financial year end, the Company repurchased 1,000,000 of its issued share capital from the open market at an average price of RM0.55 per share plus the transaction costs for a total cash consideration of RM551,158.





## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 44 to 99 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Boards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

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

**Tan Sri Dato' Ng Hook**  
Director

**Ng Chooi Guan**  
Director

Sungai Buloh, Selangor Darul Ehsan  
Date: 18 April 2025

## STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Khoo Chong Keong**, the officer primarily responsible for the financial management of Engtex Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 44 to 99 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named Khoo Chong Keong, NRIC: 690107-10-5007, MIA CA11413 at Kuala Lumpur in the state of Wilayah Persekutuan on 18 April 2025.

**Khoo Chong Keong**

Before me:

**Balwant Singh A/L Shaginder Singh**  
Commissioner of Oaths  
No.W857



# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF ENGTEX GROUP BERHAD

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Engtex Group 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 year then ended, and notes to the financial statements, including material accounting policies information, as set out on pages 44 to 99.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for Opinion

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

#### *Independence and Other Ethical Responsibilities*

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

#### Key Audit Matters

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

<b>Valuation of trade receivables</b>	
Refer to Note 10 – Receivables, deposits and prepayments and Note 23.4 – Credit risk	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Group has significant trade receivables, comprising many customers, and certain customers with a portion of long outstanding debts, leading to the increase in credit risk exposure to the financial statements. These factors, together with the customers' credit risks could result in a risk over the recoverability of the Group's trade receivables.</p> <p>The adoption of the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit loss, could increase the risk if not appropriately applied.</p> <p>We identified the valuation of trade receivables as a key audit matter because it required management to exercise judgement and estimation in assessing the recoverability of the Group's trade receivables.</p>	<p>Our audit procedures performed over this area included, among others:</p> <ul style="list-style-type: none"> <li>Assessed the Group's credit evaluation, control and monitoring processes by evaluating the design and implementation of control over the allowance for impairment loss on trade receivables and monitoring of credit limit;</li> <li>Tested on a sample basis, the invoices of their respective age bracket to ascertain the accuracy of trade receivables ageing;</li> <li>Assessed on a sample basis, the recoverability of trade receivables by testing the receipts of cash after year end and considering the historical trend of payments and bad debts record for debts deemed doubtful as well as financial guarantees; and</li> <li>Challenged the key assumptions applied in determining the allowance for impairment loss on trade receivables by taking into account the historical trend of recoverability of the trade receivables within the Group.</li> </ul>





# Independent Auditors' Report

To The Members Of Engtex Group Berhad

## Key Audit Matters (continued)

Valuation of trade receivables (continued)	
The key audit matter	How the matter was addressed in our audit
	<p>For expected credit loss of trade receivables:</p> <ul style="list-style-type: none"> <li>• Evaluated Group's judgements made, including selection and application of the method, assumptions and data in making the estimate;</li> <li>• Assessed the adequacy of the expected credit loss on trade receivables by comparing our expectations against the loss allowance made by Group; and</li> <li>• Assessed the adequacy of Group's disclosure on expected credit loss and relevant credit risks of trade receivables</li> </ul>
Valuation of inventories	
Refer to Note 9 – Inventories	
The key audit matter	How the matter was addressed in our audit
<p>We identified valuation of inventories as one of the key audit matters due to the significance of the balance and the level of judgement required to assess the amount of impairment needed to record the value of the following inventories at the lower of cost and net realisable value and inventories that were slow moving:</p> <ul style="list-style-type: none"> <li>• Trading inventories</li> <li>• Manufactured inventories</li> </ul>	<p>Our audit procedures performed over this area included, among others:</p> <ul style="list-style-type: none"> <li>• Assessed the Group's key controls and processes in place to track, monitor and record inventories movements;</li> <li>• Inspected on a sample basis, costs of trading inventories by checking to supplier invoices and performing computation check over the inventories costing;</li> <li>• Assessed on a sample basis, the allocation of costs of manufactured inventories which included raw materials, labour and overhead costs allocation based on production output;</li> <li>• Compared on a sample basis, the selling prices of sales invoices subsequent to year end to the carrying values of these inventories as at year end; and</li> <li>• Assessed the adequacy of the impairment on inventories by comparing our expectations against the impairment loss made by the Group.</li> </ul>

We have determined that there is no key audit matter in the audit of the financial statements of the Company to be communicated in our Auditors' Report.

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

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

Our opinion on the financial statements of the Group and of the Company does not cover the Annual Report 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 Annual Report and, in doing so, consider whether the Annual Report 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 the Annual Report, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Statements

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



## Independent Auditors' Report

To The Members Of Engtex Group Berhad

### Responsibilities of the Directors for the Financial Statements (continued)

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company 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:

- i) 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.
- ii) 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 internal control of the Group and of the Company.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv) 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 ability of the Group or of the Company 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.
- v) 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 gives a true and fair view.
- vi) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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 auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





# Independent Auditors' Report

To The Members Of Engtex Group Berhad

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

## Other Matter

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

### KPMG PLT

(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Petaling Jaya

Date: 18 April 2025

### Ow Peng Li

Approval Number: 02666/09/2025 J  
Chartered Accountant



## LIST OF PROPERTIES

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.24 RM'000
<b><i>Engtex Sdn Berhad</i></b>						
H.S.(D) 31889 & H.S.(D) 31890 Lot No. P.T. 13177 & 13178 Mukim of Rawang, District of Gombak, Selangor D.E.  Lot 36, Jalan BRP 9/2B, Putra Industrial Park, Bukit Rahman Putra, 47000 Sg. Buloh, Selangor D.E.	4 Storey Office Building annexed with a Single Storey Warehouse Building / Office cum Warehouse	Freehold	20-Oct-97	117,610 sq ft (122,705 sq ft)	24	14,521
H.S.(D) 31897 & H.S.(D) 31898 Lot No. P.T. 13185 & 13186 Mukim of Rawang, District of Gombak, Selangor D.E.  Lot 37, Jalan BRP 9/2B, Putra Industrial Park, Bukit Rahman Putra, 47000 Sg. Buloh, Selangor D.E.	1 1/2 Storey Office Building annexed with a Double Storey Warehouse Building / Office cum Warehouse	Freehold	10-Sep-96	116,752 sq ft (99,207 sq ft)	24	6,931
Geran 62270, Lot No. 52407 Unit No: M1/1/1 & M1/N1/2 Daerah Gombak, Bandar Selayang, Selangor D.E.  No.140 & 140M, Jalan SBC 3, Taman Sri Batu Caves, 68100 Batu Caves, Selangor D.E.	Shop Office Ground & Mezzanine / Tenanted	Freehold	19-Jan-05	N/A (2,081 sq ft)	26	332
Master Title No.H.S.(D) 320446, PTD 163045 Mukim of Plentong, District of Johor Bahru, State of Johor, Johor.  No.11-02, Blok A, Taman Bayu Puteri 3, Jalan Bayu Puteri 2, 80150 Johor Baru, Johor.	Apartment / Vacant	Leasehold 99 years Expiry: 2097	6-Feb-07	N/A (1,002 sq ft)	19	115





## List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.24 RM'000
<b>Engtex Marketing Sdn Bhd</b>						
GM 4436, Lot 3198 Tempat Kuang, Mukim Rawang, Daerah Gombak, Selangor D.E.	A Single Storey Warehouse / Tenanted	Freehold	14-Sep-09	114,345 sq ft (36,000 sq ft)	13	- *
Geran 348543, Lot 112268 Mukim of Tebrau, District of Johor Bahru, State of Johor, Johor.  No.34, Jalan Setia Tropika 1/14, Taman Setia Tropika, 81200 Johor Bahru, Johor.	Double Storey Shop / Office	Freehold	31-Dec-14	1,680 sq ft (3,360 sq ft)	10	926
Geran 59401, Lot 52397 Unit No: M1/1/1 Daerah Gombak, Bandar Selayang, Selangor D.E.  No.17, Jalan SBC 1, Taman Sri Batu Caves, 68100 Batu Caves, Selangor D.E.	Shop Office Ground Floor / Tenanted	Freehold	17-Aug-18	N/A (1,328 sq ft)	26	970
Geran 571248, Lot 49507 Township of Johor Bahru, District of Johor Bahru, State of Johor, Johor.  #23-01, Block A3A-2, Mercu 1, Jalan Tanjung Puteri 1, R&F Tanjung Puteri, 80300 Johor Bahru, Johor.	Serviced Apartment / Vacant	Freehold	12-Mar-21	N/A (1,129 sq ft)	4	928



## List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.24 RM'000
<b><i>Hachita Enterprise Sdn Bhd</i></b>						
H.S.(D) 31967 & H.S. (D) 31968 Lot No. P.T. 34449 & 34450 Mukim of Batu, Daerah Gombak, Selangor D.E.  Lot 34449 & Lot 34450, Jalan BRP 9/2, Putra Industrial Park, Bukit Rahman Putra, 47000 Sg. Buloh, Selangor D.E.	2 parcels of Adjoining Vacant Commercial Land / Stockyard	Freehold	28-Jul-04	34,785 sq ft & 34,787 sq ft (N/A)	-	2,599
H.S.(D) 119421 Lot 200461 Mukim Setapak, Dearah Kuala Lumpur.  No.18, 18-1, Jalan Rampai Maju 3, Taman Sri Rampai, 53300 Kuala Lumpur, Wilayah Persekutuan.	A Light Factory Outlet / Tenanted	Leasehold 60 Years Expiry: 2070	6-Sep-11	1,625 sq ft (3,003 sq ft)	11	919
<b><i>Allpipes Technology Sdn Bhd</i></b>						
H.S.(M) 151 & PM 1688 P.T. 70 & Lot 29003 Respectively Mukim of Ulu Yam, District of Hulu Selangor, Selangor D.E.  Lot 3757, Batu 29, Jalan KL-Ipoh, 48200 Serendah, Selangor D.E.	A Single Storey Office Building with 5 Units of Single Storey Factory Buildings / Office cum Factory	Leasehold 99 Years Expiry: 2076 & 2082 Respectively	2-Jan-96	165,528 sq ft (136,640 sq ft)	25 to 27	4,498
Geran 37846, Lot 2470 Mukim of Ulu Yam, Daerah Hulu Selangor, Selangor D.E.  Lot 2470, Batu 29, Jalan KL-Ipoh, 48200 Serendah, Selangor D.E.	A Single Storey Factory / Factory	Freehold	28-Apr-04	98,825 sq ft (51,840 sq ft)	19	1,481





## List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.24 RM'000
<b><i>Allpipes Technology Sdn Bhd (continued)</i></b>						
PM 52, Lot 3763 Mukim of Ulu Yam, District of Hulu Selangor, Selangor D.E.  Lot 3763, Batu 29, Jalan KL-Ipoh, Hulu Selangor, 48200 Serendah, Selangor D.E.	A parcel of Vacant Industrial Land / Stockyard	Leasehold 99 Years Expiry: 2079	4-Dec-18	130,680 sq ft (N/A)	-	1,455
PM 167 & PM 168 Lot 4073 & Lot 4074 Mukim of Ulu Yam, District of Hulu Selangor, Selangor D.E.  Lot 4073 & Lot 4074 Jalan KL-Ipoh Hulu Selangor, 48200 Serendah, Selangor D.E.	2 parcels of Adjoining Industrial Land / Stockyard	Leasehold 99 Years Expiry: 2086	24-Jul-19	261,360 sq ft (N/A)	-	1,710
<b><i>Engtex Industries Sdn Bhd</i></b>						
H.S.(D) 54561, P.T.D. 103032 Mukim Kulai, District of Kulaijaya, State of Johor, Johor.  PLO 24 , Jalan Teknologi 5, Taman Teknologi Johor, 81400 Senai, Johor.	2 Storey Office annexed with a Single Storey Factory / Office cum Factory	Leasehold 60 Years Expiry: 2070	2-Jun-08	78,626 sq ft (33,388 sq ft)	14	3,296
H.S.(D) 57979, P.T.D. 87650 Mukim Kulai, District of Kulaijaya, State of Johor, Johor.  No.16, Jalan Teknologi 2, Taman Teknologi Johor, 81400 Senai, Johor.	A Single Storey Factory / Factory	Leasehold 60 Years Expiry: 2071	24-Jan-11	91,476 sq ft (46,500 sq ft)	11	4,157



## List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.24 RM'000
<b><i>Engtex Metals Sdn Bhd</i></b>						
Geran Mukim, No. G.M. 125 Lot 443, Mukim Ijok, District of Kuala Selangor, Selangor D.E.  Lot 443, Batu 7, Jalan Kepong Ijok, 45600 Bestari Jaya, Selangor D.E.	A Single Storey Factory and Warehouse / Factory cum Warehouse	Freehold	13-Mar-01	220,522 sq ft (141,078 sq ft)	21	7,951
H.S.(M) 4591 P.T. 28607, Mukim Ijok, District of Kuala Selangor, Selangor D.E.  Lot 442, Batu 7, Jalan Kepong Ijok, 45600 Bestari Jaya, Selangor D.E.	A Single Storey Factory and Warehouse / Factory cum Warehouse	Freehold	24-Aug-01	220,500 sq ft (134,120 sq ft)	13	9,592
H.S.(M) 4451, P.T. 26000 Tempat Kepong Road, Mukim Ijok, Selangor D.E.  Lot 427, Batu 8, Jalan Kepong Ijok, 45600 Bestari Jaya, Selangor D.E.	A Single Storey Factory and Warehouse / Factory cum Warehouse	Freehold	12-Mar-04	216,436 sq ft (95,029 sq ft)	11	9,284
GRN No. 443, Lot 441 Mukim Ijok, Daerah Kuala Selangor, Selangor D.E.  Lot 441, Batu 7, Jalan Kuala Selangor, 45600 Ijok, Selangor D.E.	A Single Storey Factory / Factory	Freehold	14-Jul-20	220,520 sq ft (108,572 sq ft)	1	24,685
GM 1234, Lot 444 Pekan Simpang Tiga Ijok, Daerah Kuala Selangor, Selangor D.E.  Lot 444, Batu 7, Jalan Kepong Ijok, Batu 7 Ijok, 45600 Bestari Jaya, Selangor D.E.	A parcel of Agricultural Land/ Construction	Freehold	7-Apr-22	217,797 sq ft (N/A)	-	5,335





## List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.24 RM'000
<b><i>Engtex Metals Sdn Bhd (continued)</i></b>						
Master Title GRN 334612, Lot 47703 Mukim Dengkil, Daerah Sepang, Selangor D.E.  Unit J2110, Block J, Mutiarra Ville, Persiaran Sepang, Cyber 11, 63000 Cyberjaya, Selangor D.E.	Condominium/ Vacant	Freehold	24-May-19	N/A (935 sq ft)	6	407
<b><i>LYE Industries Sdn Bhd</i></b>						
H.S.(D) 53647, P.T. 543 Bandar Rasa, Daerah Hulu Selangor, Selangor D.E.  No.5, 7 & 9, Persiaran Zurah 1, Perindustrian Zurah Rasa, 44200 Rasa, Selangor D.E.	3 parcels of Adjoining Industrial Land/ Vacant	Leasehold 99 Years Expiry: 2115	30-Oct-02	130,548 sq ft (N/A)	-	1,434
<b><i>Engtex Metals (Utara) Sdn Bhd</i></b>						
H.S.(D) 10829, Lot 20165 Mukim 13, Seberang Perai Tengah, Penang  No. 910, Jalan Perindustrian, Bukit Minyak, Mukim 13, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang.	A Double Storey Office cum a Single Storey Warehouse / Office cum Factory	Leasehold 99 Years Expiry: 2111	26-May-03	130,344 sq ft (65,970 sq ft)	20	3,941
GM 2672 , Lot 5571, Mukim 14, Daerah Seberang Perai Tengah, Penang  No.51, Lorong Impian 11, Taman Impian Alma, 14000 Bukit Mertajam, Penang	A Single Storey Terrace House/ Hostel	Freehold	27-Nov-23	1,195 sq ft (1,100 sq ft)	10	315



## List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.24 RM'000
<b><i>Engtex Ductile Iron Pipe Industry Sdn Bhd</i></b>						
H.S.(D) 15633, P.T. 46479 Mukim Sungai Karang, Daerah Kuantan, Pahang D.M.  Lot 68, Jalan Gebeng 1/6, Gebeng Industrial Estate, 26080 Kuantan. Pahang D.M.	A Single Storey Office Building and Factory Building / Office cum Factory	Leasehold 66 Years Expiry: 2062	9-Aug-02	762,300 sq ft (91,937 sq ft)	26	12,740
H.S.(D) 53650, P.T. 546 H.S.(D) 53651, P.T. 547 H.S.(D) 53652, P.T. 548 H.S.(D) 53653, P.T. 549  All in Bandar Rasa Daerah Hulu Selangor, Selangor D.E.  Lot 20, 22, 24 & 26, Jalan Zurah 5A, Pusat Perindustrian Zurah, 44200 Rasa, Selangor D.E.	4 parcels of Vacant Industrial Land / Vacant	Leasehold 99 Years Expiry: 2115	22-Jan-14	87,101 sq ft 87,134 sq ft 152,718 sq ft 101,202 sq ft <hr/> 428,155 sq ft (N/A)	-	3,351
<b><i>Benton Corporation Sdn Bhd</i></b>						
H.S.(D) 1169, P.T. 9613 Mukim Batu, Tempat Batu 11, Jalan Kuala Selangor, Daerah Gombak , Selangor D.E.  Lot 9613, Persiaran KIP Utama, Kepong, 52200 Kuala Lumpur.	3 Storey Office with a Single Storey Factory / Tenanted	Leasehold 99 Years Expiry: 2069	24-May-04	149,454 sq ft (46,505 sq ft)	14	10,253
Geran No.47032 Lot 6512, Mukim Kapar, Daerah Klang, Selangor D.E.	A parcel of Industrial Land/ Under Construction	Freehold	21-Jun-12	434,783 Sq ft (N/A)	-	57,626





## List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.24 RM'000
<b><i>East Coast Manufacturing Sdn Bhd</i></b>						
PN 7034, Lot 8937 Mukim Sungai Karang, Daerah Kuantan, Pahang D.M.  Lot 107, Jalan Gebeng 1/6, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang D.M.	2 Storey Office annexed with a Single Storey Factory / Office cum Factory	Leasehold 66 Years Expiry: 2064	25-Jul-12	127,613 sq ft (36,000 sq ft)	9	5,348
H.S.(D) 21408, P.T. No. 9129 Mukim Sungai Karang, Daerah Kuantan, Pahang D.M.  Lot 10769, Jalan Gebeng 1/2, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang D.M.	2 Storey Office with annexed 3 Single Storey Factory / Office cum Factory	Leasehold 99 Years Expiry: 2102	27-May-19	222,275 sq ft (85,448 sq ft)	10 to 19	11,970
<b><i>Engtex Leisure Sdn Bhd</i></b>						
H.S.(D) 72699 P.T.No.21537 Mukim Sungai Buloh, Daerah Petaling, Selangor D.E.  <i>Ibis Styles Sri Damansara</i> No. 5, Jalan Cempaka SD 12/5, Bandar Sri Damansara, PJU 9, 52200, Kuala Lumpur	14 Storey, 144 Rooms / Hotel	Freehold	28-Sep-11	17,913 sq ft (100,269 sq ft)	9	27,199
<i>Mercure Selayang</i> No. B-G-12, Dataran Emerald, Jalan PS 11, Prima Selayang, 68100 Batu Caves, Selangor D.E.	7 Storey, 120 Rooms / Hotel	Freehold	23-Jan-14	N/A (85,498 sq ft)	8	21,463
<b><i>Engtex Emerald Sdn Bhd</i></b>						
Unit 33, 34, 35, A-G-1, A-1-1, A-2-1 A-3-1, C-G-03A, C-1-3A, C-2-3A, C-2-1, C-2-6, D1, D2 and D3 Dataran Emerald, Jalan PS 11, Prima Selayang, 68100 Batu Caves, Selangor D.E.	The Mall, Retail Units and Car Park / Partly Tenanted	Freehold	28-Mar-08	N/A (71,569 sq ft)	10	26,882



## List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.24 RM'000
<b><u>Eng Lian Hup Marketing Sdn Bhd</u></b>						
H.S.(D) 11288, Lot 20011 Mukim 13, Seberang Perai Tengah, Penang.  Pmt 1171, Lorong Perindustrian Bukit Minyak 11, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang.	A Double Storey Office annexed with a Single Storey Factory / Office cum Factory	Leasehold 60 years Expiry: 2071	27-Apr-10	132,379 sq ft (72,014 sq ft)	10	6,986
<b><u>Engtex Platinum Sdn Bhd</u></b>						
Geran 44859, Lot 1885 Geran 44860, Lot 1886 Geran 45235, Lot 1888  All in Mukim Rawang, Daerah Gombak, Selangor D.E.	3 parcels of Vacant Housing Land/ Held for Development	Freehold	17-Feb-11	226,786 sq ft 1,400,740 sq ft 733,448 sq ft <hr/> 2,360,974 sq ft (N/A)	-	29,828
<b><u>Engtex Pipe Industry Sdn Bhd</u></b>						
H.S.(M) 18215, P.T. 24669 H.S.(M) 61267, P.T. 25078  Mukim Sungai Karang, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang D.M.  Lot 2A & Lot 2B Kawasan Perindustrian Harbour Park, Tg Gelang, 26080 Kuantan, Pahang D.M.	A Single Storey Office Building and Factory / Office cum Factory	Leasehold 99 Years Expiry: 2118	25-Feb-11	853,776 sq ft (165,060 sq ft)	9	21,834
<b><u>Engtex Pipe Industry Sdn Bhd &amp; Canova Manufacturing Sdn Bhd</u></b>						
Geran 227726, Lot 10073 Mukim Batang Kali, Daerah Ulu Selangor, Selangor  Lot 10073 Seksyen 5 Bandar Baru Batang Kali 44300 Batang Kali, Selangor D.E.	A parcel of Industrial Land / Partly Tenanted cum Stockyard	Freehold	22-Dec-22	2,073,127 sq ft (N/A)	-	43,418





## List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.24 RM'000
<b><i>East Coast Metals Sdn Bhd</i></b>						
H.S.(D) 28495 & H.S.(D) 28496 P.T. 92077 & P.T. 92078 Bandar Kuantan, Dearah Kuantan, Pahang D.M.  No.46 & 48, Jalan Putra Square 7, Construction Town, Putra Square, 25000 Kuantan, Pahang D.M.	2 Units of 3 Storey Shop House / Tenanted	Leasehold 99 Years Expiry: 2106	20-Jul-12	2,800 sq ft (8,000 sq ft)	13	1,514
H.S.(D) 20913 P.T. 65459 Mukim Kuala Kuantan, Dearah Kuantan, Pahang D.M.  No. 5A, Jalan Industri Semambu 2, Kawasan Perindustrian Semambu, 25350 Kuantan, Pahang D.M.	A Double Storey Office Building and Factory / Tenanted	Leasehold 66 Years Expiry: 2041	12-Dec-17	9,988 sq ft (4,640 sq ft)	26	1,131
<b><i>EngLen Manufacturing Sdn Bhd</i></b>						
Lot 5, Industrial Zone 7 (IZ 7), Kota Kinabalu Industrial Park (KKIP), Kota Kinabalu, Sabah.  Lot 5, Industrial Zone 7-PH 1, Jalan Norowot, Kota Kinabalu Industrial Park (KKIP), 88460 Kota Kinabalu, Sabah.	A Single Storey Warehouse with 2 Storey Office / Office cum Factory cum Warehouse	Leasehold 99 years Expiry: 2093	31-Dec-09	113,256 sq ft (45,000 sq ft)	11	6,762
<b><i>Engtex Manufacturing Sdn Bhd</i></b>						
PN 6986, Lot 8930 Mukim Sungai Karang, Daerah Kuantan, Pahang D.M.  Lot 67A, Jalan Gebeng 1/6, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang D.M.	A Single Storey Office Building and Factory / Tenanted	Leasehold 66 years Expiry: 2064	15-Jan-13	228,302 sq ft (62,040 sq ft)	24	7,429



## List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.24 RM'000
<b><i>Majestic Genius Sdn Bhd</i></b>						
H.S. (D) 123376 , P.T. 50001 Seksyen 49, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	A parcel of Freehold Land/ Tenanted	Freehold	21-Feb-13	11,227 sq ft (N/A)	-	14,736
<b><i>Ivory Progression Sdn Bhd</i></b>						
B-G-1 Block Baris @ Amanja Jalan Desa 2/2, Desa Aman Puri, Kepong, 52100, Kuala Lumpur.	Retail Unit / Tenanted	Freehold	8-Nov-12	N/A (5,360 sq ft)	6	779
H.S.(M) 24818, PT No.2090 H.S.(M) 24819, PT No.2091 H.S.(M) 24820, PT No.2092 H.S.(M) 24821, PT No.2093 H.S.(M) 24822, PT No.2094 H.S.(M) 24823, PT No.2095 H.S.(M) 24824, PT No.2096 H.S.(M) 24825, PT No.2097 H.S.(M) 24826, PT No.2098 H.S.(M) 24827, PT No.2099 H.S.(M) 24828, PT No.2100  All in Mukim Bandar Sungai Buloh, Batu 11, Jalan Kuala Selangor, Daerah Gombak, Selangor D.E.	11 Plots of Vacant Industrial Land / Held for Development	Leasehold 99 Years Expiry: 2113	05-Jan-23	18,056 sq ft 11,410 sq ft 13,140 sq ft 10,569 sq ft 9,250 sq ft 10,845 sq ft 7,187 sq ft 6,350 sq ft 7,597 sq ft 7,998 sq ft 12,189 sq ft <u>114,459 sq ft</u> (N/A)	-	16,813
<b><i>Blue Legacy Sdn Bhd</i></b>						
H.S.(M) 3572, Lot 9689 Mukim of Sungai Karang, Balok, District of Kuantan, Pahang D.M.	A parcel of Commercial Land/ Held for Development	Freehold	14-Feb-13	43,389 sq ft (N/A)	-	7,912
H.S. (M) 10290 , Lot 30997 Mukim of Sungai Karang, Batu 9, Jalan Kuantan / Kemaman, District of Kuantan , Pahang D.M.	A parcel of Commercial Land/ Held for Development	Freehold	27-Feb-13	58,071 sq ft (N/A)	-	2,484
GM 2054, Lot 1259 Mukim of Sungai Karang, Chengai Lemping, District of Kuantan, Pahang D.M.	A parcel of Commercial Land/ Held for Development	Freehold	23-Sep-13	112,440 sq ft (N/A)	-	9,398





## List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.24 RM'000
<b><i>LYE Marketing Sdn Bhd</i></b>						
H.S.(M) 12882, Lot 32B Tempat Subang, New Village, Mukim Sungai Buloh, Daerah Petaling, Selangor D.E.  Lot 32B (Lot 3793), Jalan 3D, Kampung Baru Subang, Seksyen U6. 40150 Shah Alam, Selangor D.E.	A parcel of Leasehold Industrial Land / Vacant	Leasehold 99 Years Expiry: 2065	25-Jan-14	87,123 sq ft (N/A)	-	3,800
<b><i>Tiara Mission Sdn Bhd</i></b>						
GM 243, Lot 599 Mukim Ceras, Daerah Hulu Langat, Selangor D.E.	A parcel of Housing Land / Held for Development	Freehold	18-Jun-14	109,716 sq ft (N/A)	-	18,980
<b><i>Mega Alliance Builder Supplies Sdn Bhd</i></b>						
Parcel No.3, Block A Storey No: Ground Floor Storey No: 1 <sup>st</sup> Floor Storey No: 2 <sup>nd</sup> Floor Storey No: 3 <sup>rd</sup> Floor  A-G-03 A-1-03 A-2-03 A-3-03 Dataran Emerald, Jalan PS11, Prima Selayang, 68100 Batu Caves, Selangor D.E.	4 Storey of Shop House / Partly Tenanted	Freehold	10-Jan-15	N/A (971 sq ft) (1,440 sq ft) (1,440 sq ft) (1,440 sq ft) <hr/> (5,291 sq ft)	10	1,927
Parcel No.2, Block A Storey No: Ground Floor Storey No: 1 <sup>st</sup> Floor Storey No: 2 <sup>nd</sup> Floor Storey No: 3 <sup>rd</sup> Floor  A-G-02 A-1-02 A-2-02 A-3-02 Dataran Emerald, Jalan PS11, Prima Selayang, 68100 Batu Caves, Selangor D.E.	4 Storey of Shop House / Partly Tenanted	Freehold	10-Jun-15	N/A (1,066 sq ft) (1,561 sq ft) (1,561 sq ft) (1,561 sq ft) <hr/> (5,749 sq ft)	10	2,104



## List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.24 RM'000
<b><i>Engtex Steel Industries Sdn Bhd</i></b>						
PM 476, Lot No 3250 PM 478, Lot No 3254 PM 480, Lot No.3257 PM 481, Lot No.3252 PM 482, Lot No.3256 PM 483, Lot No.3258 PM 484, Lot No.3259 PM 485, Lot No.3260 PM 486, Lot No.3261 HSM 4, P.T. No. 672  All in Mukim Sempang, District of Jasin, Melaka,  Lot 1A, Kawasan Perindustrian Merlimau, 77300 Merlimau, Melaka.	10 pieces of Industrial lands together with 3 units of Single Storey detached Offices, 2 units of Single Storey detached Factories, 3 units of Single Storey detached Stores and other Ancillary Buildings/ Office cum Factory	Leasehold 99 years Expiry: 2082 2082 2082 2082 2082 2082 2082 2082 2082 2076	20-Oct-15	59,598 sq ft 74,797 sq ft 76,756 sq ft 78,833 sq ft 77,423 sq ft 78,338 sq ft 77,294 sq ft 61,363 sq ft 59,545 sq ft 249,997 sq ft <hr/> 893,944 sq ft (124,410 sq ft)	39	12,757
<b><i>Variglobal Sdn Bhd</i></b>						
Lot 1220, Block 5, Muara Tebas, Land District, Senari , Kuching, Sarawak.	A parcel of Industrial Land/ Vacant	Leasehold 60 Years Expiry: 2084	25-Jun-24	197,679 sq ft (N/A)	-	7,238
<b>Total</b>						<b>502,444</b>

\* Denotes amount less than RM500.





## ANALYSIS OF SHAREHOLDINGS

### AS AT 28 MARCH 2025

Total number of issued shares	:	794,301,631
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share

#### SHAREHOLDINGS DISTRIBUTION

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
Less than 100	548	13.32	26,580	0.00
100 to 1,000	486	11.82	183,688	0.02
1,001 to 10,000	1,326	32.24	7,672,702	0.97
10,001 to 100,000	1,458	35.45	45,980,419	5.79
100,001 to less than 5% of issued shares	293	7.12	498,142,942	62.72
5% and above of issued shares	2	0.05	242,295,300	30.50
<b>Total</b>	<b>4,113</b>	<b>100.00</b>	<b>794,301,631</b>	<b>100.00</b>

Notes:

The number of 794,301,631 ordinary shares is inclusive of 1,000,101 treasury shares retained by the Company.

#### SUBSTANTIAL SHAREHOLDERS

as per Register of Substantial Shareholders as at 28 March 2025

	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Dato' Ng Hook	-	-	242,295,300 <sup>#</sup>	30.54
Puan Sri Datin Yap Seng Kuan	-	-	242,295,300 <sup>^</sup>	30.54
NH Holdings Sdn. Bhd.	192,087,152	24.21	-	-
NKG Resources Sdn. Bhd.	50,208,148	6.33	-	-

Notes:

\* Excluding a total of 1,000,101 shares bought-back by the Company and retained as treasury shares.

# Deemed interest via shareholding in NKG Resources Sdn. Bhd. and NH Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("Act").

<sup>^</sup> Deemed interest via spouse, Tan Sri Dato' Ng Hook's indirect shareholding in the Company.

#### DIRECTORS' INTEREST

as per Register of Directors' Shareholdings as at 28 March 2025

	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Dato' Ng Hook	-	-	242,295,300 <sup>#</sup>	30.54
Ng Chooi Guan	34,711,405	4.38	124,950 <sup>@</sup>	0.02
Ng Yik Soon	17,123,379	2.16	-	-
Puan Sri Datin Yap Seng Kuan	-	-	242,295,300 <sup>^</sup>	30.54
Ng Koi Lin	-	-	-	-
Dr. Lim Pang Kiam	-	-	-	-
Ho Sin Kheong	-	-	-	-
Dato' Leanne Koh Li Ann	-	-	-	-

Notes:

\* Excluding a total of 1,000,101 shares bought-back by the Company and retained as treasury shares.

# Deemed interest via shareholding in NKG Resources Sdn. Bhd. and NH Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

<sup>@</sup> Deemed interest pursuant to Section 59(11)(c) of the Act.

<sup>^</sup> Deemed interest via spouse, Tan Sri Dato' Ng Hook's indirect shareholding in the Company.



# Analysis of Shareholdings

AS AT 28 MARCH 2025

## TOP 30 SHAREHOLDERS/ DEPOSITORS

No.	Name of Shareholder	No. of Shares Held	*% of Issued Capital
1.	NH Holdings Sdn. Bhd.	192,087,152	24.21
2.	NKG Resources Sdn. Bhd.	50,208,148	6.33
3.	Ng You Chai	28,941,119	3.65
4.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Lim Seng Chee &amp; Sons Sdn Berhad</i>	24,649,037	3.11
5.	Ng Chin Man	20,437,333	2.58
6.	Ng Chooi Guan	18,278,933	2.30
7.	Crystal Image Sdn Bhd	16,488,692	2.08
8.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	16,300,000	2.05
9.	Ng Yik Soon	15,957,774	2.01
10.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad</i>	15,900,300	2.00
11.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (Islamic)</i>	15,152,700	1.91
12.	Radical View Sdn Bhd	14,466,534	1.82
13.	Ng Ah Leong	14,344,989	1.81
14.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Crystal Image Sdn Bhd</i>	14,000,000	1.76
15.	Ng Ai Swee	12,866,486	1.62
16.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An For AIA Public Takaful Bhd</i>	12,123,775	1.53
17.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Toh Su See</i>	11,591,017	1.46
18.	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC(M) Trustee Bhd For Pertubuhan Keselamatan Sosial</i>	9,900,000	1.25
19.	Maybank Nominees (Tempatan) Sdn Bhd <i>National Trust Fund</i>	9,423,400	1.19
20.	Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB For Prulink Equity Income Fund</i>	9,000,000	1.13
21.	Maybank Nominees (Tempatan) Sdn Bhd <i>Mtrustee Bhd For ALLMAN TNB RBTF</i>	8,522,400	1.07
22.	Su Ming Ming	7,698,348	0.97
23.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad</i>	7,504,100	0.95
24.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lim Kiam Lam</i>	7,145,426	0.90
25.	Yayasan Guru Tun Hussein Onn	7,140,000	0.90
26.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Lembaga Tabung Haji</i>	6,793,725	0.86
27.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ng Chooi Guan</i>	6,492,472	0.82
28.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Kumpulan Wang Persaraan (Diperbadankan)</i>	5,855,850	0.74
29.	Loo Kuan Chin	4,777,500	0.60
30.	Su Ming Yaw	4,639,215	0.58

Note:

\* Excluding a total of 1,000,101 shares bought-back by the Company and retained as treasury shares.





## ANALYSIS OF WARRANTHOLDINGS

### AS AT 28 MARCH 2025

Number of Warrants in issue : 172,406,788  
 Exercise price of the Warrants : RM0.40  
 Expiry date of the Warrants : 4 September 2026

#### WARRANTHOLDINGS DISTRIBUTION

Size of Holdings	No. of Warrantholders/ Depositors	% of Warrantholders/ Depositors	No. of Warrants Held	% of Issued Warrants
Less than 100	169	19.74	9,959	0.01
100 to 1,000	59	6.89	26,617	0.02
1,001 to 10,000	254	29.67	1,302,355	0.75
10,001 to 100,000	269	31.43	9,732,050	5.64
100,001 to less than 5% of issued shares	102	11.92	68,460,074	39.71
5% and above of issued shares	3	0.35	92,875,733	53.87
<b>Total</b>	<b>856</b>	<b>100.00</b>	<b>172,406,788</b>	<b>100.00</b>

#### SUBSTANTIAL WARRANTHOLDERS

as per Register of Substantial Warrantholders as at 28 March 2025

	No. of Warrants Held			
	Direct	%	Indirect	%
Tan Sri Dato' Ng Hook	-	-	56,875,733 <sup>#</sup>	32.99
Puan Sri Datin Yap Seng Kuan	-	-	56,875,733 <sup>^</sup>	32.99
NKG Resources Sdn Bhd	10,228,850	5.93	-	-
NH Holdings Sdn Bhd	46,646,883	27.06	-	-
Lim Choo Hong	36,000,000	20.88	-	-

Notes:

<sup>#</sup> Deemed interest via warrantholding in NKG Resources Sdn. Bhd. and NH Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("Act").

<sup>^</sup> Deemed interest via spouse, Tan Sri Dato' Ng Hook's indirect warrantholding in the Company.

#### DIRECTORS' INTEREST

as per Register of Directors' Warrantholdings as at 28 March 2025

	No. of Warrants Held			
	Direct	%	Indirect	%
Tan Sri Dato' Ng Hook	-	-	56,875,733 <sup>#</sup>	32.99
Ng Chooi Guan	2,275,700	1.32	-	-
Ng Yik Soon	4,878,175	2.83	-	-
Puan Sri Datin Yap Seng Kuan	-	-	56,875,733 <sup>^</sup>	32.99
Ng Koi Lin	-	-	-	-
Dr. Lim Pang Kiam	-	-	-	-
Ho Sin Kheong	-	-	-	-
Dato' Leanne Koh Li Ann	-	-	-	-

Notes:

<sup>#</sup> Deemed interest via warrantholding in NKG Resources Sdn. Bhd. and NH Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

<sup>^</sup> Deemed interest via spouse, Tan Sri Dato' Ng Hook's indirect warrantholding in the Company.



## Analysis of Warrantholdings

AS AT 28 MARCH 2025

### TOP 30 WARRANTHOLDERS/DEPOSITORS

No.	Name of Warrantholder	No. of Warrants Held	% of Issued Warrants
1.	NH Holdings Sdn. Bhd.	46,646,883	27.06
2.	Lim Choo Hong	36,000,000	20.88
3.	NKG Resources Sdn.Bhd.	10,228,850	5.93
4.	Geoffrey Lim Fung Keong	5,245,100	3.04
5.	Ng Han Joe	4,384,825	2.54
6.	Ng Yik Soon	3,388,175	1.97
7.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Cheang Wai Kett</i>	3,013,375	1.75
8.	CIMSEC Nominees (Tempatan) Sdn Bhd. <i>CIMB For Lim Seng Chee &amp; Sons Sdn Berhad</i>	2,488,675	1.44
9.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ng Beng Hoo</i>	2,441,100	1.42
10.	Ng Chooi Guan	2,275,700	1.32
11.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lim Aun Chuan</i>	1,997,825	1.16
12.	Susy Ding	1,750,000	1.02
13.	Ng Ai Swee	1,720,300	1.00
14.	Lim Boon Ngee	1,647,500	0.96
15.	Ng Yik Soon	1,490,000	0.86
16.	Maybank Nominees (Tempatan) Sdn Bhd <i>Mohamed Adzman Bin Mohamed Sura</i>	1,384,100	0.80
17.	Tan Teck Wee	1,355,200	0.79
18.	Maybank Nominees (Tempatan) Sdn Bhd <i>Ng Han Joe</i>	1,349,600	0.78
19.	Maybank Nominees (Tempatan) Sdn Bhd <i>Ng Cheo Well</i>	1,212,812	0.70
20.	Yayasan Guru Tun Hussein Onn	1,188,000	0.69
21.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd For Mohd Salman @ Leong Yew Mun</i>	1,103,375	0.64
22.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Toh Su See</i>	1,050,000	0.61
23.	Goh Lai Soon	990,000	0.57
24.	Susy Ding	967,925	0.56
25.	Maybank Nominees (Tempatan) Sdn Bhd <i>Tan Teck Wee</i>	932,300	0.54
26.	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Yoke Moey</i>	900,225	0.52
27.	Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Mary Tan @ Tan Hui Ngoh</i>	853,100	0.49
28.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Wong Yee Hui</i>	805,000	0.47
29.	Soh Chee Yong	800,000	0.46
30.	Ambank (M) Berhad <i>Pledged Securities Account For Tan Kong Han</i>	774,725	0.45





## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **Twenty-Fourth** (“24<sup>th</sup>”) Annual General Meeting (“**AGM**”) of the Company will be held at **The Orenda 1, 1<sup>st</sup> Floor, Mercure Selangor Selayang, B-G-12, Dataran Emerald, Jalan PS 11, Prima Selayang, 68100 Batu Caves, Selangor Darul Ehsan** on **Thursday, 22 May 2025 at 11.30 a.m.** for the following purposes: -

### AGENDA

#### As Ordinary Business

- 1) To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.
- 2) To approve the payment of Directors’ fees and benefits up to RM452,900.00 from 24<sup>th</sup> AGM until the next AGM of the Company. **(Ordinary Resolution 1)**
- 3) To re-elect the following Directors retiring pursuant to the Company’s Constitution and being eligible, offer themselves for re-election: -
  - 3.1 Tan Sri Dato’ Ng Hook (Article 86) **(Ordinary Resolution 2)**
  - 3.2 Dr. Lim Pang Kiam (Article 86) **(Ordinary Resolution 3)**
  - 3.3 Dato’ Leanne Koh Li Ann (Article 86) **(Ordinary Resolution 4)**
- 4) To re-appoint Messrs KPMG PLT as Auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

#### As Special Business

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

- 5) **Authority to Issue Shares and Waiver of Pre-emptive Rights** **(Ordinary Resolution 6)**

“THAT pursuant to Section 75 and 76 of the Companies Act 2016 (“**Act**”), and subject to the approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors be and are also hereby empowered to obtain the approval from the Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

AND THAT pursuant to Section 85 of the Act to be read together with Article 3 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Section 75 and 76 of the Act.”
- 6) **Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Renewal of Shareholders’ Mandate”)** **(Ordinary Resolution 7)**

“THAT, the mandate granted by the shareholders of the Company at the 23<sup>rd</sup> AGM held on 23 May 2024 pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Securities, authorising the Company and its subsidiaries (“**Engtex Group**”) to enter into recurrent transactions of a revenue or trading nature as set out in Section 2.3 of the Circular to Shareholders dated 23 April 2025 with the related parties mentioned therein which are necessary for Engtex Group’s day-to-day operations, be and is hereby renewed.



## Notice of Annual General Meeting

THAT Engtex Group be and is hereby authorised to enter into the recurrent transactions with the related parties mentioned therein provided that: -

- a) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- b) the disclosure will be made in the Annual Report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Proposed Renewal of Shareholders' Mandate during the financial year based on the type of Recurrent Related Party Transactions made, the names of the related parties involved in each type of Recurrent Related Party Transactions and their relationships with the Company.

THAT authority conferred shall continue to be in force until: -

- i) the conclusion of the next AGM of the Company following the forthcoming 24<sup>th</sup> AGM at which the Proposed Renewal of Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed;
  - ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - iii) revoked or varied by resolution passed by the shareholders in general meeting,
- whichever is earlier;

AND THAT the Directors of the Company be and is hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

### 7) **Proposed Renewal of Share Buy-Back Authority**

**(Ordinary Resolution 8)**

"THAT subject to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise an amount not exceeding the audited retained earnings of the Company as at 31 December 2024 of RM21,488,131 to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company;

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them;





## Notice of Annual General Meeting

THAT the authority conferred by this Resolution will be effective immediately upon the passing this Resolution and will expire at:

- i) the conclusion of the next AGM of the Company following the forthcoming 24<sup>th</sup> AGM at which the Proposed Renewal of Share Buy-Back Authority was passed, at which time it will lapse unless by a resolution passed at the AGM, the authority is renewed;
- ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any);

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority.”

- 8) To transact any other business which may properly be transacted at an AGM for which due notice shall have been given.

By Order of the Board

**KHOO CHONG KEONG (MIA CA11413) (SSM PC NO.: 202008001639)**  
**LIM SECK WAH (MAICSA NO. 0799845) (SSM PC NO.: 202008000054)**  
**TANG CHI HOE (KEVIN) (MAICSA NO. 7045754) (SSM PC NO.: 202008002054)**

Secretaries

Selangor Darul Ehsan  
Date: 23 April 2025

**Notes: -**

### **General Meeting Record of Depositors**

*For the purpose of determining a member who shall be entitled to attend the 24<sup>th</sup> AGM, the Company shall request the Record of Depositors as at 16 May 2025. Only a depositor whose name appears on the Record of Depositors as at 16 May 2025 shall be entitled to attend, speak and vote at this meeting or appoint proxy/proxies to attend, speak and vote in his stead.*

### **Appointment of Proxy**

1. A member may appoint up to two (2) proxies who need not be members of the Company to attend, speak and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
2. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities account.



## Notice of Annual General Meeting

3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("**omnibus account**"), the Exempt Authorised Nominee may appoint any number of proxy (no limit) in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or if such appointor is a corporation, under either its common seal or the hand of its officer or attorney duly authorized. The instrument duly completed shall be deposited at the Company's registered office not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting. The completed instrument appointing a proxy once deposited will not preclude the member from attending and voting in person at the general meeting should the member subsequently wish to do so.
5. 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 this meeting and any adjournment thereof.

### **Explanatory Notes to Special Business**

#### **1. Ordinary Resolution 6 - Authority to Issue Shares and Waiver of Pre-emptive Rights**

The proposed Resolution 6, if passed, will empower the Directors to issue shares up to 10% of the total number of issued shares of the Company at any one time during the validity of the authority granted for such purposes as they may consider being in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The general mandate sought to grant authority to Directors to issue shares is a renewal of the mandate that was approved by the shareholders at the 23<sup>rd</sup> AGM held on 23 May 2024. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

The waiver of pre-emptive rights pursuant to Section 85 of the Act will allow the Directors of the Company to issue new shares of the Company which rank equally with the existing issued shares of the Company, to any person without having to offer new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the mandate.

The previous mandate granted by the shareholders had not been utilised and hence no proceed was raised therefrom.

#### **2. Ordinary Resolution 7 - Proposed Renewal of Shareholders' Mandate**

The explanatory note on Ordinary Resolution 7 is set out in the Circular to Shareholders dated 23 April 2025.

#### **3. Ordinary Resolution 8 – Proposed Renewal of Share Buy-Back Authority**

The explanatory note on Ordinary Resolution 8 is set out in the Circular to Shareholders dated 23 April 2025.

As at the date of notice, the Company has an accumulative of 1,000,101 treasury shares.



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**PROXY FORM**

(Before completing this form please refer to the notes below)

**ENGTEX GROUP BERHAD**Registration No. 200101000937 (536693-X))  
(Incorporated in Malaysia)

CDS Account No.	
No. of ordinary shares held	

I/We \_\_\_\_\_ (Full name in block letters)

I.C. No./Co.No.: \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_  
(Full address) being a member/members of**ENGTEX GROUP BERHAD** hereby appoint the following person(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings
		%
Address		
Email Address		
Mobile Phone No.		

and / or\*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings
		%
Address		
Email Address		
Mobile Phone No.		

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 24<sup>th</sup> Annual General Meeting (“AGM”) of the Company to be held at **The Orenda 1, 1<sup>st</sup> Floor, Mercure Selangor Selayang, B-G-12, Dataran Emerald, Jalan PS 11, Prima Selayang, 68100 Batu Caves, Selangor Darul Ehsan** on **Thursday, 22 May 2025 at 11.30 a.m.** and at any adjournment thereof. My/our proxy is to vote as indicated below:-

No.	Resolution	First Proxy		Second Proxy	
		For	Against	For	Against
Ordinary Resolution 1	Approval of Director's fees and benefits up to RM452,900.00 from 24 <sup>th</sup> AGM until next AGM.				
Ordinary Resolution 2	Re-election of Tan Sri Dato' Ng Hook as Director.				
Ordinary Resolution 3	Re-election of Dr. Lim Pang Kiam as Director.				
Ordinary Resolution 4	Re-election of Dato' Leanne Koh Li Ann as Director.				
Ordinary Resolution 5	Re-appointment of Messrs KPMG PLT as Auditors of the Company.				
Ordinary Resolution 6	Authority to Issue Shares and Waiver of Pre-emptive Rights.				
Ordinary Resolution 7	Proposed Renewal of Shareholders' Mandate.				
Ordinary Resolution 8	Proposed Renewal of Share Buy-Back Authority.				

(Please indicate with a “√” or “X” in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion. All votings will be conducted by way of poll.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

\_\_\_\_\_  
Signature/Common Seal

Notes :-

**General Meeting Record of Depositors**

- A. For the purpose of determining a member who shall be entitled to attend the 24<sup>th</sup> AGM, the Company shall request the Record of Depositors as at 16 May 2025. Only a depositor whose name appears on the Record of Depositors as at 16 May 2025 shall be entitled to attend, speak and vote at this meeting or appoint proxy/proxies to attend, speak and vote in his stead.

**Appointment of Proxy**

- A member may appoint up to two (2) proxies who need not be members of the Company to attend, speak and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account (“omnibus account”), the Exempt Authorised Nominee may appoint any number of proxy (no limit) in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or if such appointor is a corporation, under either its common seal or the hand of its officer or attorney duly authorized. The instrument duly completed shall be deposited at the Company's registered office not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting. The completed instrument appointing a proxy once deposited will not preclude the member from attending and voting in person at the general meeting should the member subsequently wish to do so.
- 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 this meeting and any adjournment thereof.





Fold this flap for sealing

Fold Here

Affix  
stamp

The Company Secretary  
**ENGTEX GROUP BERHAD**  
(Registration No. 200101000937 (536693-X))  
  
Lot 36, Jalan BRP 9/2B,  
Putra Industrial Park, Bukit Rahman Putra,  
47000 Sungai Buloh, Selangor Darul Ehsan.

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**ENGTEX GROUP BERHAD**

Company No. : 200101000937(536693-X)

Lot 36, Jalan BRP 9/2B, Putra Industrial Park,  
Bukit Rahman Putra, 47000 Sungai Buloh,  
Selangor Darul Ehsan.

**Tel** : 603-6140 1111 **Fax** : 603-6157 0348

**Email** : [enquiry@engtexgroup.com.my](mailto:enquiry@engtexgroup.com.my)

[www.engtexgroup.com.my](http://www.engtexgroup.com.my)

