2024 Annual Report

誠成集團

K. SENG SENG CORPORATION BERHAD

Company No.: 198501000983 (133427-W)

INSIDE THIS REPORT

Corporate Structure and Overview

01.

CORPORATE INFORMATION

As at 16 April 2025

BOARD OF DIRECTORS

Lee Hai Peng
Executive Director

Er Kian Hong
Independent Non-Executive Director

Datuk Low Chin Koon
Independent Non-Executive Director

Teh Boon Beng
Independent Non-Executive Director

Dr Lim Pang Kiam
Non-Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairperson:
Er Kian Hong

Members:
Datuk Low Chin Koon
Teh Boon Beng

REMUNERATION COMMITTEE

Chairman:
Datuk Low Chin Koon

Members:
Teh Boon Beng
Er Kian Hong

NOMINATION COMMITTEE

Chairman:
Teh Boon Beng

Members:
Datuk Low Chin Koon
Er Kian Hong

CORPORATE INFORMATION

As at 16 April 2025

PRINCIPAL PLACE OF BUSINESS

Lot 3707, Jalan 7/5,
Taman Industri Selesa Jaya,
43300 Balakong,
Selangor Darul Ehsan, Malaysia.
Tel : 03-8961 5555
Fax : 03-8962 1111

COMPANY SECRETARIES

Khoo Ming Siang
(MAICSA No.: 7034037)
(SSM PC No.: 202208000150)
Chan Min Wai
(MIA No.: 26548)
(SSM PC No.: 202108000131)
Yip Wei Lun
(MIA No.: 47569)
(SSM PC No.: 202208000373)

PRINCIPAL BANKERS

Malayan Banking Berhad
RHB Bank Berhad
OCBC Bank (Malaysia) Berhad
Hong Leong Bank Berhad
Ambank (M) Berhad

WEBSITE

www.kssc.com.my

REGISTERED OFFICE

Unit 8, Level 7,
Kompleks Komersil Akasa,
Jalan Akasa, Akasa Cheras Selatan,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.
Tel : 03-8655 5188
Fax : 03-8655 5199
Email : coo@kssc.com.my

SOLICITORS

Phang Tham Teoh & Co
L.H. Tan & Partners

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

STOCK NAME : KSSC
STOCK CODE : 5192

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn. Bhd.
[197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A,
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Tel : 03-2783 9299
Fax : 03-2783 9222
Email : is.enquiry@my.tricorglobal.com

AUDITORS

Baker Tilly Monteiro Heng PLT
201906000600
(LLP0019411-LCA) & (AF0117)
Chartered Accountants
Baker Tilly Tower,
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Bangsar South,
59200 Kuala Lumpur, Malaysia.
Website : www.bakertilly.my
Tel : 03-2297 1000
Fax : 03-2282 9980

CORPORATE STRUCTURE

As at 16 April 2025

K. SENG SENG CORPORATION BERHAD
Company No.: 198501000983 (133427-W)

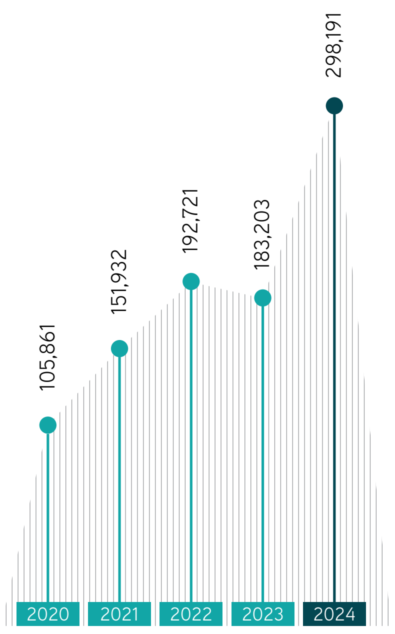
- 100% **EIE ASIAN HOLDING SDN. BHD. ("EIEA")** 200201001863 (569526-P)
  - 100% **EIE PULP & SPECIALITY SDN. BHD. ("EIEPS")** *(under member's voluntary winding up)* 199901010367 (485267-A)
  - 100% **EIE INDUSTRIAL PRODUCTS SDN. BHD. ("EIEIP")** 200201001353 (569016-W)
- 100% **K. SENG SENG INDUSTRIES SDN. BHD. ("KSSI")** 199901015238 (490138-K)
- 100% **THREE & THREE HARDWARE SDN. BHD. ("TTH")** 199501023130 (352333-P)
- 100% **K. SENG SENG PARTS SDN. BHD. ("KSSP")** 200601002494 (722242-D)
- 100% **PTM STAINLESS STEEL INDUSTRY SDN. BHD. ("PTM")** 199201013439 (244942-P)
  - 75% **PTM WATER SYSTEM SDN.BHD. ("PTMWS")** 202001019136 (1375456-D)
- 100% **SA ALUMINIUM & GLASS SDN. BHD. ("SAAG")** 202301030989 (1524912-X)
  - 100% **SA METALWORKS SDN. BHD. ("SAMW")** 202301033785 (1527708-M)
  - 100% **SA DESIGN & TECHNOLOGY SDN. BHD. ("SADT")** 201601010874 (1181804-A)
- 100% **K. SENG SENG MANUFACTURING SDN. BHD. ("KSSM")** 200701033513 (791541-W)
- 100% **KSG ENGINEERING SDN. BHD. ("KSG")** 201001038536 (922460-A)
- 75% **KOSENG SDN. BHD. ("KS")** 201101042486 (970606-A)
- 40% **METALMACH MICRO TECHNOLOGY SDN. BHD. ("MMT")** 199001010586 (202156-P)
  - 100% **TONG SOON MICRON SDN. BHD. ("TS")** 199401041272 (326959-P)
  - 100% **SENSHIN SEIMITSU SDN. BHD. ("SS")** 199701039999 (455499-K)
  - 100% **BLU RESOURCES SDN. BHD. ("BLU")** 202001031627 (1387947-A)

5-YEAR FINANCIAL HIGHLIGHTS

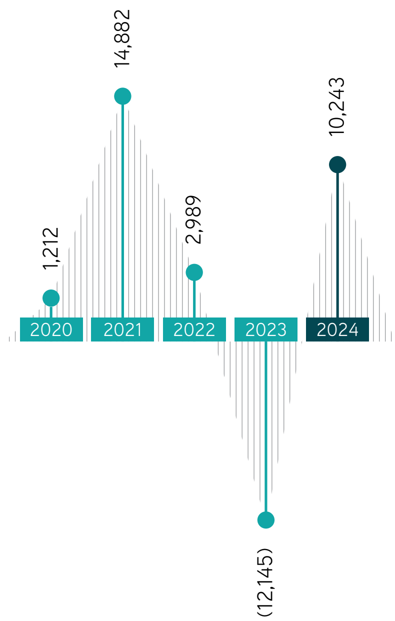
	2020	2021	2022	2023 (Restated)	2024
Revenue (RM'000)	105,861	151,932	192,721	183,203	**298,191**
Profit/(Loss) Before Tax (RM'000)	1,212	14,882	2,989	(12,145)	**10,243**
Profit/(Loss) After Tax (RM'000)	(751)	11,022	1,754	(13,239)	**7,980**
Earnings/(Losses) before interest, taxes, depreciation and amortisation (EBITDA/(LBITDA)) (RM'000)	4,710	19,299	8,997	(3,739)	**22,297**
Number of shares in issue ('000)	103,950	115,200	129,600	150,179	**185,279**
Total Equity attributable to owners of the Company (RM'000)	80,972	96,133	97,615	102,091	**140,454**
Net Earning/(Loss) Per Share (Sen)	(1.04)	8.25	1.14	(9.82)	**4.70**
Net Dividend Per Share (RM)	-	0.01	-	-	**-**
Net Assets Per Share (Sen)	0.79	0.85	0.78	0.73	**0.78**
Return on Equity (%)	-1%	11%	2%	-13%	**6%**
Return on Assets (%)	-1%	5%	1%	-5%	**2%**
Gearing (times)	0.45	0.58	0.55	1.14	**1.01**

5-YEAR FINANCIAL HIGHLIGHTS

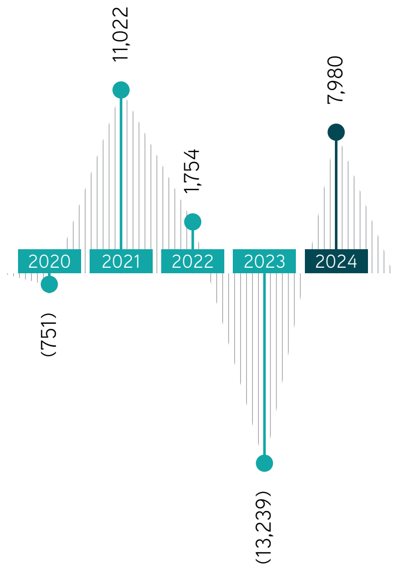
REVENUE
(RM'000)



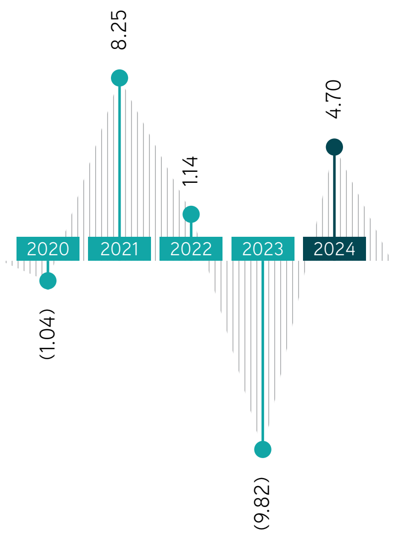
PROFIT/(LOSS) BEFORE TAX
(RM'000)



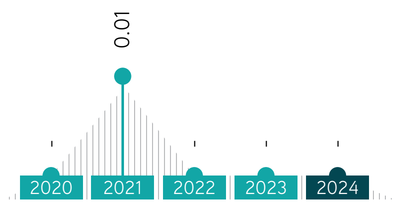
PROFIT/(LOSS) AFTER TAX
(RM'000)



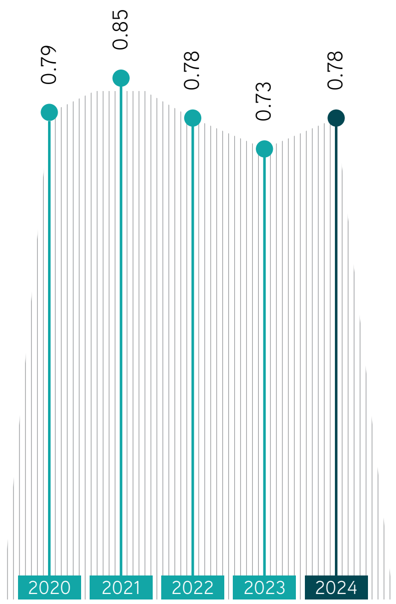
NET EARNING/(LOSS) PER SHARE
(SEN)



NET DIVIDEND PER SHARE
(RM)



NET ASSETS PER SHARE
(SEN)



Management Overview

02.

MANAGEMENT DISCUSSION AND ANALYSIS

STRATEGIC ENVIRONMENT REVIEW

The year 2024 presented a dynamic economic landscape, characterised by steady global growth despite challenges such as inflation, geopolitical instability, and ongoing supply chain disruptions.

According to the World Bank, global economic growth reached 3.2% in 2024, with projections of a solid 2.7% growth rate for 2025-2026, supported by moderated inflation, easing monetary policies, and continued steady growth. While geopolitical tensions, including the Ukraine conflict, US-China relations, and Middle East instability presented headwinds, global recovery remains resilient, driven by innovation, digitisation, and growth in key regions that are stabilising industries such as manufacturing and construction.

The global market for stainless steel was valued at RM527.7 billion (USD 120.2 billion) in year 2024 and is projected to reach RM691.0 billion (USD 157.4 billion) by year 2030, growing at a CAGR of 4.6% from year 2024 to year 2030. Additionally, volatility in crude oil prices, influenced by geopolitical instability and OPEC+ production cuts, saw prices fall to USD 73.86 per barrel in December 2024. These fluctuations may provide cost saving opportunities for the Group's, particularly by reducing energy and transportation costs. Despite ongoing geopolitical instability, the overall impact could be favourable, offering potential relief on operational expenses and supporting global demand.

The imposition of trade tariffs by the United States on its global trading partners in early 2025, has triggered market uncertainty, with investors citing a possibility of a global recession. Such tariffs are poised to have far-reaching effects on world economic growth, due to much higher manufacturing costs, falling business confidence, market volatility and supply chain disruptions.

Economy in Malaysia continues to thrive, growing by 5.1% in 2024 (up from 3.6% in 2023), driven by robust domestic demand and a strong rebound in exports. Investments in infrastructure and machinery have played a crucial role in this growth, providing a solid foundation for the future. Malaysia's stainless steel sector is making significant strides towards sustainability, with the government's forward-thinking policies, including a carbon tax set for 2026 and alignment with the EU's Carbon Border Adjustment Mechanism (CBAM), positioning local industries to remain competitive in the evolving global market.

Malaysia offers a favourable environment for continued growth, supported by government initiatives such as the New Industrial Master Plan (NIMP) 2030, which aims to strengthen key sectors like stainless steel and stimulate domestic demand for the Group's products.

Despite external challenges such as overcapacity in Southeast Asia's stainless steel market, the Group has demonstrated remarkable resilience. The Group achieved impressive financial results for FYE2024, marking a successful recovery with significant improvements in both sales and profitability, underscoring its ability to navigate and thrive amidst the evolving economic landscape. This adaptability has enabled the Group to position itself for sustained growth in FYE2024 and beyond, ensuring it remains well-equipped to capitalise on emerging opportunities and maintain its positive trajectory.

KEY PERFORMANCE INSIGHTS

STRATEGIC ADAPTATION AND INDUSTRY 4.0 COMMITMENT

In response to a complex operating landscape marked by economic volatility and industry disruption, the Group has demonstrated resilience through targeted strategic adjustments aimed at optimising productivity, broadening market reach, and future-proofing its operations. Central to this evolution is the Group's accelerated adoption of Industry 4.0 technologies, integrating automation and data-driven processes to enhance precision, reduce waste, and align with global manufacturing advancements.

Despite facing persistent challenges, including geopolitical uncertainties, currency instability, inflationary pressures on critical raw materials such as stainless steel and aluminium, and labour cost increases following July 2023 minimum wage implementation, the Group has prioritised operational agility. By streamlining workflows, investing in advanced machinery, and adopting cost-containment measures, the Group has fortified its competitive edge.

Strategically, the Group has diversified its portfolio into high-precision metal components while securing a 40% stake in complementary enterprises, expanding both its technical capabilities and regional footprint. These moves not only mitigate risks associated with market concentration but also position the Group to capitalise on emerging opportunities in specialised manufacturing sectors. Looking ahead, the Group remains focused on balancing innovation with fiscal discipline, ensuring sustainable growth amid ongoing macroeconomic headwinds.

CORE PRIORITIES OF RESILIENCE, INNOVATION, AND SUSTAINABILITY

The Group's core priorities are centred on resilience and robustness, focusing on operational efficiency, high-margin products, and expanding into precision manufacturing. In FYE2024, the Group's strategy revolves around embedding sustainability, driving innovation, improving operational efficiency, strengthening stakeholder relationships, and ensuring regulatory compliance. These efforts aim to position KSSC for long-term value creation. Key initiatives include integrating sustainable practices into operations, optimising production processes, reducing waste, and focusing on high-value, efficient products.

Additionally, the Group has expanded into high-precision metal fabrication, allowing it to tap into high-value industries, enhance competitiveness, and create new revenue streams. The Group has also prioritised cost reduction, improved stock management, and focusing on high-margin projects to optimise resources and profitability.

STRENGTHENING MARKET POSITION AND MITIGATING RISKS

To further strengthen its market position, the Group has deepened relationships with customers and suppliers, ensuring better service delivery and business resilience. The Group has implemented comprehensive financial and operational reviews to mitigate risks and ensure compliance with regulatory requirements.

The integration of digital tools and automation has played a crucial role in addressing skilled labour shortages and enhancing operational efficiency, contributing to improved performance, reduced product rejection rates, and higher customer satisfaction. In addition, the Group's focus on cost-saving strategies and high-margin products has safeguarded profitability and supported diversification into new sectors, such as aluminium fabrication.

This diversification has reduced reliance on any single sector and created new revenue streams, further strengthening the Group's market position and resilience amid global economic fluctuations. By expanding into new market segments, the Group aims to mitigate risks associated with overcapacity in the stainless steel market, which is facing structural challenges in both Southeast Asia and China.

GROUP FINANCIAL PERFORMANCE REVIEW

INDICATOR	FYE2024 RM'000	FYE2024 Movement (%)	FYE2023 RM'000 (Restated)	FYE2022 RM'000
Revenue	**298,191**	**62.77**	183,203	192,721
Operating Expenses	**36,628**	**9.87**	33,337	22,181
Profit/(Loss) from Operations	**16,983**	**320.59**	(7,699)	5,552
EBITDA/(LBITDA)	**22,297**	**696.34**	(3,739)	8,997
Profit/(Loss) Before Tax	**10,243**	**184.34**	(12,145)	2,989
Profit/(Loss) After Tax	**7,980**	**160.28**	(13,239)	1,754
Profit/(Loss) Attributable to Owners of the Company	**7,719**	**157.62**	(13,397)	1,481
Finance Cost	**7,395**	**52.73**	4,842	2,783
Shareholders' Equity	**140,454**	**37.58**	102,091	97,615
Total Assets	**341,230**	**18.70**	287,480	187,116
Total Liabilities	**197,610**	**10.76**	178,418	86,564
Capital Expenditure	**5,436**	**(74.56)**	21,369	9,142
Total Borrowings	**145,555**	**16.73**	124,691	55,371
Cash and Cash Equivalents and Bank Balances (exclude Fixed Deposits)	**11,874**	**(17.37)**	14,370	6,342
Debt to Equity Ratio (times)	**1.41**	**(19.43)**	1.75	0.89
Earning/(Loss) Per Share (RM)	**4.70**	**147.86**	(9.82)	1.14
Net Assets Per Share (RM)	**0.78**	**6.85**	0.73	0.78
Market Capitalisation as at end of Financial Year	**147,297**	**11.46**	132,158	186,624
Gearing Ratio (times)	**1.01**	**(11.40)**	1.14	0.55

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP PERFORMANCE OVERVIEW

REVENUE GROWTH

The Group celebrated a landmark year in 2024, marked by a striking return to profitability. In FYE2024, KSSC transitioned decisively from a RM13.24 million net loss in FYE2023 to a robust profit of RM7.98 million, driven by a 62.77% surge in revenue to RM298.19 million.

This remarkable turnaround was fuelled by strategic initiatives, including a sharp focus on high-margin segments, particularly in Stainless Steel and Metal Related Products, Engineering and Project Works segments.

Key financial milestones included a rebound in EBITDA to RM22.3 million (from a RM3.74 million LBITDA in FYE2023), a strengthened balance sheet with Shareholders' Equity growing 37.58% to RM140.5 million, and a reduced Debt-to-Equity Ratio of 1.41 times (from 1.75 times). Investor confidence was restored, reflected in Earning Per Share (EPS) rising to RM4.70, a stark contrast to the Loss Per Share of RM9.82 in FYE2023.

Despite navigating challenges such as currency volatility, geopolitical uncertainties, and rising borrowing costs, KSSC demonstrated resilience through proactive measures. The Group optimised operational efficiency by exiting non-profitable segments, renegotiating supplier terms, and prioritising working capital management.

Strategic diversification into high-value sectors such as aluminium extrusion and precision engineering, combined with Malaysia's carbon tax roadmap, positions KSSC for sustained growth in the future.

While cash reserves declined to RM11.9 million due to acquisitions and inventory investments, the Group's disciplined execution of its turnaround strategy and balanced financing approach underscore its readiness to capitalise on opportunities in FYE2025, particularly in infrastructure and green initiatives supported by Malaysia's RM421 billion 2025 Budget.

GROUP OPERATING EXPENSES

In FYE2024, the Group's Operating Expenses rose by 9.87% to RM36.63 million (FYE2023: RM33.3 million), primarily due to strategic investments in acquisitions, market expansion, and one-off restructuring costs. Despite inflationary pressures and rising labour expenses, disciplined cost management, including workforce optimisation, inventory streamlining, and supplier renegotiations, curbed expense growth amid a 62.77% revenue surge.

Further savings were achieved by exiting underperforming segments, reducing low-margin production, and enforcing tighter spending oversight. This focus on operational efficiency and prioritisation of higher-margin initiatives improved the expense-to-revenue ratio, freeing resources to fuel growth in precision manufacturing and aluminium extrusion. These measures not only enhanced financial resilience but also positioned the Group to navigate future cost challenges effectively.

PROFITABILITY

The Group achieved a strong turnaround in FYE2024, with EBITDA rising to RM22.30 million (FYE2023: RM-3.74 million) and Profit Before Tax rebounding to RM10.24 million (FYE2023: RM-12.15 million). This recovery was driven by high-margin contributions from the Stainless Steel and Metal-Related Products segment, the Engineering and Project Works segment, and diversification into precision manufacturing.

Operational efficiencies and customer-centric strategies expanded margins despite raw material volatility, while improved EPS of RM4.70 (FYE2023: RM-9.82) underscored enhanced shareholder value. Moving forward, KSSC will prioritise innovation and focus on Stainless Steel and Metal Related Products Segment, as well as Engineering and Project Works Segment, to optimise working capital, and leverage scale to sustain growth and resilience.

CAPITAL EXPENDITURE ("CAPEX")

KSSC's CAPEX decreased sharply by 74.56% to RM5.44 million (FYE2023: RM21.37 million), reflecting a strategic shift toward optimising existing assets over new investments. This reduction follows the elevated spending in FYE2023, mainly due to the acquisition of freehold land and buildings for the Marine Hardware and Consumables business. Additional factors include the purchase of tools, workshop equipment, computer equipment, and other assets for the aluminium business, as well as renovation activities carried out in FYE2023.

In FYE2024, the Group prioritised efficiency upgrades and maintenance of core operations, aligning with its focus on improving cash flow and profitability.

Moving forward, in FYE2025, CAPEX will focus more on diversifying product offerings and expand customer base in the Aluminium Project-Works segment. We will also invest in new machines to enhance production capabilities, focus on value-added services and reduce production waste in Stainless-steel & Metal-related Products segment.

This investment will enhance production efficiency, deliver high-quality, tailored solutions, and strengthen our market position, enabling us to serve customers better and tap into new growth opportunities.

CASH AND CASH EQUIVALENTS

In FYE2024, the Group's cash and cash equivalents declined by 17.37% to RM11.9 million (FYE2023: RM14.4 million), primarily due to strategic investments in inventory purchases and the acquisition of a 40% equity interests in Metalmach Micro Technology Sdn. Bhd. and its subsidiaries ("Metalmach Group") for a purchase consideration of RM14 million.

This reduction reflects deliberate capital allocation toward growth initiatives, despite lower capital expenditure. While liquidity tightened, the Group maintained sufficient reserves to support working capital needs and debt obligations. Looking ahead, management aims to bolster cash reserves through improved operational cash flows, shorter collection cycles, and selective divestments, ensuring alignment with FYE2025 expansion plans in aluminium extrusion and precision manufacturing.

ASSETS AND LIABILITIES

The Group strengthened its financial position in FYE2024, with Total Assets increasing by 18.70% to RM341.2 million, driven by strategic acquisitions, including a 40% stake in associate Metalmach Group, and inventory expansion to support growth.

Liabilities rose modestly by 10.76% to RM197.6 million, primarily for inventory financing, while Shareholders' Equity surged 37.58% to RM140.45 million, reflecting robust equity injections and retained earnings.

The Debt-to-Equity Ratio improved to 1.41 times (FYE2023: 1.75 times), showcasing prudent leverage management. Despite a temporary dip in cash reserves (down 17.37% to RM11.87 million) due to growth-focused investments, a 74.56% reduction in CAPEX to RM5.44 million underscores disciplined capital allocation toward high-return initiatives. This balanced approach fortifies KSSC's foundation for sustainable expansion in FYE2025.

MANAGEMENT DISCUSSION AND ANALYSIS

EARNING PER SHARE ("EPS")

The Group achieved a dramatic turnaround in FYE2024, with EPS rebounding to RM4.70 (FYE2023: RM-9.82), reflecting the Group's return to profitability. This improvement was driven by strategic initiatives such as prioritising high-margin projects in stainless steel and metal related products and aluminium engineering, exiting unprofitable segments, and diversifying into precision manufacturing.

Improved operational efficiency and optimised cost structures significantly boosted profits, while capital infusions through private placements and warrant conversions drove expansion without diluting per-share value. The positive EPS underscores restored investor confidence and positions KSSC to sustain momentum through innovation in the Group's core businesses, which are high-growth sectors such as Stainless Steel and Metal Related Products Segment and Engineering and Projects Works Segment, ensuring long-term value creation for shareholders.

SEGMENTAL PERFORMANCE

SEGMENT	FYE2024 RM'000	FYE2024 Movement (%)	FYE2023 RM'000 (Restated)	FYE2022 RM'000
Stainless Steel and Metal Related Products	**204,155**	**52.41**	133,947	184,101
Marine Hardware and Consumables	**22,316**	**(2.85)**	22,971	22,741
Engineering and Project Works	**102,950**	**150.76**	41,055	21,346
Other Industrial Hardware	**28,461**	**99.22**	14,286	55,665
Investment Holding	**5,179**	**29.28**	4,006	6,531
Intercompany Elimination	**(64,870)**	**96.21**	(33,062)	(97,663)
	298,191		183,203	192,721

SEGMENTAL PERFORMANCE OVERVIEW

KSSC's Stainless Steel and Metal Related Products segment solidified its position as the Group's cornerstone, delivering 52.4% revenue growth to RM204.16 million (FYE2023: RM133.95 million). This surge, driven by higher-margin product offerings, operational efficiency, and strategic customer focus, contributed 68.46% of total Group revenue, underscoring its pivotal role in driving profitability.

The Engineering and Project Works segment also excelled, soaring 150.76% to RM102.95 million, fuelled by high-value aluminium projects. Meanwhile, Other Industrial Hardware rebounded strongly (+99.22% to RM28.46 million), reflecting successful portfolio realignment.

Though Marine Hardware and Consumables saw a slight dip (-2.9%), it remained stable, while Investment Holding grew 29.3% on fair value gains on quoted investments.

Stainless Steel and Metal Related products' dominance, combined with diversified growth across segments, highlights the Group's balanced strategy to capitalise on core strengths while expanding into high-potential markets. This positions the Group to leverage synergies in FYE2025, particularly in aluminium extrusion projects and precision engineering.

Stainless Steel and Metal Related Products

The Stainless Steel and Metal Related Products segment emerged as KSSC's cornerstone growth driver in FYE2024, generating record-breaking revenue of RM204.16 million, a 52.4% year-on-year jump. Accounting for 68.46% of total Group revenue, the division's performance was instrumental in reversing profitability trends through its focused strategy on premium stainless steel and metal related products, enhanced production optimisation, and strategic market penetration.

Growth was driven by streamlined production processes, optimised supplier partnerships, and targeted customer engagement in key sectors such as construction and infrastructure. Participation in industry events, such as the Archidex Exhibition, further amplified market visibility. The segment also aligned with sustainability trends, positioning KSSC competitively amid Malaysia's carbon tax initiatives.

Marine Hardware and Consumables

The Marine Hardware and Consumables segment delivered steady revenue of RM22.32 million in FYE2024, showcasing resilience amid global maritime sector challenges. Its stability reflects the Group's operational agility, cost efficiency, and niche expertise in supplying specialised marine components.

Other Industrial Hardware

The Other Industrial Hardware segment delivered a remarkable recovery in FYE2024, with revenue soaring 99.2% to RM28.46 million (FYE2023: RM14.29 million). This surge reflects successful strategic initiatives, including portfolio realignment toward higher-demand products and improved market positioning.

Looking ahead to FYE2025, KSSC plans to expand its product range and target project-based sectors such as mining and manufacturing. These sectors often involve long-term contracts and large-scale solutions, offering more stable and higher-value business opportunities compared to smaller trading customers. This strategic shift aims to diversify revenue streams and strengthen KSSC's position in the Industrial Hardware segment.

Engineering and Project Works

The Aluminium Project Works subsegment drove FYE2024 revenue growth of 150.76% to RM102.95 million, propelled by high-margin projects in construction and industrial sectors. While traditional engineering works were inactive, aluminium-focused initiatives offset gaps.

In FYE2025, the Group will prioritise higher margin projects, aligning with Malaysia's infrastructure goals. With a leaner cost structure and a fortified order pipeline, the segment is strategically poised to amplify profitability as aluminium projects approach breakeven, cementing its role as a cornerstone of the Group's future expansion.

Investment Holding

The Investment Holding segment contributed RM5.2 million to the Group in FYE2024, a 29.3% increase from FYE2023, primarily driven by fair value gains on quoted investments. While non-operational in nature, this segment provided supplementary income, enhancing overall Group profitability.

KSSC will maintain a prudent approach to its investment portfolio, balancing risk and returns. Strategic divestments or reallocations may be explored to align with core business growth initiatives, ensuring the segment continues to support financial stability without diverting focus from operational priorities. The Investment Holding segment's strategic value lies in its potential to unlock future value, positioning it as a silent enabler of the Group's ambitious growth trajectory.

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE EXERCISES AND STRATEGIC GROWTH

In FYE2024, KSSC executed transformative initiatives to solidify its market leadership and operational resilience. The acquisition of a 40% stake in Metalmach Group unlocked cutting-edge precision engineering capabilities, aligning with global demand for advanced, sustainable manufacturing and allowing the Group to diversify its product offerings. Simultaneously, securing full equity ownership of EIE Asian Holding Sdn. Bhd. and its subsidiaries through the acquisition of the remaining 40% equity interest for a purchase consideration of RM2.8 million, streamlined control over its industrial equipment division, fostering supply chain synergies and enhancing niche market responsiveness. These strategic moves fortified KSSC's competitive edge while driving operational efficiency and revenue diversification.

Supply chain resilience was prioritised through proactive adjustments, including tighter supplier partnerships and technology integration, mitigating disruptions from FYE2023. Governance enhancements, such as strategic leadership transitions, further aligned corporate oversight with long-term, sustainable objectives.

Looking ahead, buoyed by robust FYE2024 performance, marked by sales growth, margin improvement, and a return to profitability, KSSC is poised to sustain momentum. Focus areas include expanding into high-margin sectors, leveraging cross-selling opportunities, and managing external risks such as geopolitical shifts and material costs through localised sourcing and hedging. By balancing innovation, operational discipline, and strategic agility, KSSC is primed to deliver sustained shareholder value and capitalise on emerging opportunities in a dynamic global landscape.

ACKNOWLEDGMENT

The Board and Management of KSSC would like to extend their heartfelt gratitude to all stakeholders, including employees, customers, shareholders, regulatory bodies, and business partners, whose steadfast support has been instrumental in the Group's achievements.

KSSC remains dedicated to driving growth and delivering value for all stakeholders, with a strong focus on a future-ready strategy and a solid financial foundation. Together, we will build on our momentum, expand our horizons, and ensure continued success for KSSC in FYE2025 and beyond.

DIRECTORS' PROFILE

As at 16 April 2025

Lee Hai Peng

Executive Director

Gender: Male **Aged:** 59 **Nationality:** Malaysian

Mr Lee was appointed to the Board as an Independent and Non-Executive Director on 22 December 2022. He was then re-designated to Executive Director on 16 January 2023. He is also the Chairman of the ESOS Committee.

Mr Lee obtained his professional qualification from the Chartered Institute of Management Accountants (CIMA), UK, in August 1994. He is a registered chartered accountant with the Malaysian Institute of Accountants (MIA) and has over 30 years of experience in auditing, marketing, corporate finance, and accounting.

Mr Lee began his career as an Audit Assistant with BDO Binder in June 1991, where he was involved in various audit assignments for public listed companies in Malaysia. He left in November 1992 to join Messrs Gee & Co. as its Branch Manager, responsible for its audit, secretarial and tax matters. In December 1994, he joined Trontex (M) Sdn. Bhd. as an executive director, responsible for the Company's overall finance and accounting functions, marketing, and business operations. Subsequently, he joined Chin Hin Group Berhad in September 2008 as the Group Accountant. He was promoted and became the Group Financial Controller in April 2009 and appointed as the Executive Director cum Chief Financial Officer on 23 January 2015, a position he held until 1 December 2022.

He is presently the Executive Director of Tex Cycle Technology (M) Berhad and Ge-Shen Corporation Berhad. He also has directorships in various other private businesses.

Er Kian Hong

Independent Non-Executive Director

Gender: Female **Aged:** 48 **Nationality:** Malaysian

Ms Er was appointed to the Board on 6 January 2023 as an Independent Non-Executive Director. She has also been appointed as the Chairperson of the Audit and Risk Management Committee and is a member of the Remuneration Committee and Nomination Committee.

She holds a degree in Accounting and Finance from the University of Technology, Australia. She is a Certified Practising Accountants (CPA) member in Australia.

Ms Er is currently attached to a boutique corporate advisory firm where she provides advisory services to companies undertaking corporate exercises. Ms Er has vast experience in corporate finance and was involved in corporate exercises such as initial public offerings (IPO), fundraising and restructuring. Ms Er served in the Corporate Finance department of M&A Securities Sdn. Bhd. from May 2014 to December 2021. Before that, she was in the Corporate Finance/Strategy department of KSK Group Berhad from February 2007 to March 2014, where she was involved in assessing and implementing possible mergers and acquisition opportunities for KSK Group Berhad.

She is currently the Independent Non-Executive Director of several other public listed companies, namely Aldrich Resources Berhad, Ajiya Berhad, Hextar Capital Berhad and SSF Home Group Berhad.

DIRECTORS' PROFILE

As at 16 April 2025

Datuk Low Chin Koon

Independent Non-Executive Director

Gender: Male **Aged:** 46 **Nationality:** Malaysian

Datuk Low was appointed to the Board on 22 December 2022 as an Independent Non-Executive Director. He is also the Chairman of the Remuneration Committee and a member of the Nomination Committee and Audit and Risk Management Committee.

Datuk Low is the Group Managing Director of Wysen Group of Companies. He founded Wysen Industry Sdn. Bhd. in 1999 venturing into the business of making office chairs. He then expanded his business by exporting to Australia, Brunei, Middle East, India, Africa and other countries.

In 2004 and 2005, he established Wysen Office Supplies Sdn. Bhd. and Wysen Office Systems Sdn. Bhd. to sell products to local markets and manufacturing of panel workstations respectively. As a Group Managing Director, Datuk Low monitors the entire operations and take charge of the business development of the Group, in addition to the implementation of quality management project within the Group. Datuk Low established a Corporate Charity Fund in 2009. He was a board committee of the Malaysia Furniture Council Youth Chief and Malaysian Timber Industry Board and was in the Research Advisor Committee of the Forest Research Institute Malaysia Board.

He is currently the Independent Non-Executive Chairman of Tex Cycle Technology (M) Berhad, and the Independent Executive Director of several other public listed companies namely Mestron Holdings Berhad and Techbase Industries Berhad. He is also a governing committee member of Malaysian Furniture Council (2023/2025).

Teh Boon Beng

Independent Non-Executive Director

Gender: Male **Aged:** 64 **Nationality:** Malaysian

Mr Teh was appointed to the Board on 22 December 2022 as an Independent Non-Executive Director. He is also the Chairman of the Nomination Committee and a member of the Remuneration Committee and Audit and Risk Management Committee.

Mr Teh holds a Bachelor's Degree in Economics majoring in Business Administration from the University of Malaya in the year 1984.

Mr Teh has extensive experience in the financial and banking industry through his 37 years of exposure in the banking sector. He started his career in Maybank in 1984 as Credit Officer after graduation. He has built up his career path in Maybank from Credit Officer to Assistant Branch Manager Operation, Assistant Branch Manager Credit, Branch Manager of Pengkalan Weld and Nibong Tebal and the Business Centre Head in Prai over the years. He was the Business Centre Head in Alor Setar for the past 6 years prior to his retirement in 2021. Indeed, he is an all-rounder capable of handling banking operations and credit loan applications in various business entities and sectors which include property development, rice milling, manufacturing and trading. He is able to plan and strategise his resources to achieve the desired outcome. He is competent in building up teamwork, guiding, directing and tracking their individual performance to be in line with corporate goals.

He is currently the Independent Non-Executive Director of Ajiya Berhad and Agricore CS Holdings Berhad.

Dr Lim Pang Kiam

Non-Independent Non-Executive Director

Gender: Male	**Aged:** 62	**Nationality:** Malaysian

Dr Lim was appointed to the Board on 28 June 2023 as Non-Independent Non-Executive Director. He was the Group's Chief Executive Officer before joining the Board.

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 Philosophy in 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 & Humanities Department for Undergraduate and Postgraduate Programs for a 2-year term expiry on 31 December 2025.

He currently serves on the Board of Engtex Group Berhad, SDS Group Berhad and Inta Bina Group Berhad as an Independent Non-Executive Director, as well as a Non-Independent Non-Executive Director of Lagenda Properties Berhad,. 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.

Other information:

1. **Family Relationship with any Director and/or Major Shareholder**
   None of the Directors has any family relationship with any other Director and/or Major Shareholder of the Company.

2. **Directors' Shareholdings**
   Details of the Directors' Shareholdings in the Company are provided in the Analysis of Shareholdings Section in this Annual Report.

3. **Conflict of Interest with the Group**
   None of the Directors of the Company has any conflict of interest with the Group.

4. **Convictions for Offences**
   None of the Directors of the Company has been convicted for any offences (excluding traffic offences) within the past five (5) years. There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.

5. **Number of Board Meetings Attended**
   Details of the Board meeting attendance of each director are disclosed in the Corporate Governance Overview Statement in the Annual Report.

KEY SENIOR MANAGEMENTS' PROFILE

As at 16 April 2025

Chan Min Wai

Chief Operating Officer and Joint Company Secretary

Gender: Male **Aged:** 51 **Nationality:** Malaysian

Academic/Professional Qualification:

- Malaysian Institute of Accountants (MIA)
- Chartered Association of Certified Accountants (ACCA), United Kingdom

Working Experience:

- He has more than 20 years of working experience in audits of small and medium-sized companies and public listed companies, and reporting accountants for various corporate exercises, including IPO, reverse takeover, acquisitions, and disposals of assets or companies, fund-raising, and financial due diligence review and investigations.
- He has been working in Ernst & Young Malaysia, KPMG Vietnam, and Baker Tilly Malaysia.
- He joined the Company in November 2020 as Chief Financial Officer. He was re-designated as Chief Operating Officer since September 2022. He is also the Joint Company Secretary since April 2021. He is sitting on the Board of various subsidiaries.
- His current role includes developing strategic, business goals, corporate finance, risk and compliance functions, and assisting the Executive Directors in the day-to-day operations.
- He is a member of the ESOS committee.

Appointment to the Current Position:

1 September 2022

Other directorship in public companies and listed issuers:

Nil

Yeoh Soo Chin

Chief Financial Officer

Gender: Female **Aged:** 49 **Nationality:** Malaysian

Academic/Professional Qualification:

- Malaysian Institute of Accountants (MIA)
- Chartered Association of Certified Accountants (ACCA), United Kingdom (Fellow Member)
- Certificate of Goods and Services Tax (GST) from the Royal Malaysian Customs Department

Working Experience:

- She has more than 20 years of working experience in accounting, audit, treasury, and corporate finance specializing in project financing, debt capital raising, corporate and debt restructuring, and treasury cash management.
- She started her career with Moore Stephens and held various senior positions in other listed companies in Malaysia which were involved in the construction, steel industry, and property development in Malaysia.
- Her current role includes being responsible for all financial aspects of the Group such as management and coordination of financial reporting, financial planning, debt financing, treasury and budget, developing business strategies and Group objectives and assisting the Executive Directors in the day-to-day operations.
- She is a member of the ESOS committee..

Appointment to the Current Position:

1 September 2022

Other directorship in public companies and listed issuers:

Nil

Yip Wei Lun

Deputy Chief Financial Officer and Joint Company Secretary

Gender: Male **Aged:** 38 **Nationality:** Malaysian

Academic/Professional Qualification:
- Malaysian Institute of Accountants (MIA)
- Certified Practising Accountants, Australia (CPA)
- Bachelor of Commerce (Hons) Accounting

Working Experience:
- He has 12 years of working experience in external audit, providing audit and assurance services for a diversified base of clients in various industries, primarily in manufacturing, construction, services and healthcare industries.
- Prior to joining the Company, he worked at BDO LLP Singapore and Baker Tilly Malaysia.
- Currently, he is executive director for PTM Stainless Steel Industry Sdn. Bhd. and EIE Industrial Products Sdn. Bhd., overseeing day-to-day operations, sales activities as well as business planning and development. He also sits on the Board of certain subsidiaries.

Appointment to the Current Position:
3 January 2023

Other directorship in public companies and listed issuers:
Nil

Ravindran P Jayaprathapan

Director of PTM Water System Sdn. Bhd.

Gender: Male **Aged:** 50 **Nationality:** Malaysian

Academic/Professional Qualification:
- BSc (Hons) Computing

Working Experience:
- He has more than 16 years of working experience in Stainless Steel Plumbing Systems and stainless steel-related products.
- He has been associated with the Department of Standards Malaysia working committee for MS Standard 1988:2007 welded Stainless-Steel tubes for the conveyance of water.
- He has also been involved in assessing new business opportunities in various organisations and developing sales and marketing teams, as well as implementing Enterprise Resource Planning System for various organisations before he joined the Group.
- Currently, he oversees the day-to-day operations, and sales activities as well as business planning and development of PTM Water System Sdn. Bhd.

Appointment to the Current Position:
3 January 2023

Other directorship in public companies and listed issuers:
Nil

KEY SENIOR MANAGEMENTS' PROFILE

As at 16 April 2025

Chia Ai Peng

Director of Koseng Sdn. Bhd.

Gender: Male **Aged:** 54 **Nationality:** Malaysian

Academic/Professional Qualification:
- Primary education at Sekolah Jenis Kebangsaan (C) Hwa Lien, Klang, Selangor

Working Experience:
- He has more than 30 years of experience in the trading of marine hardware and consumables and steel industrial hardware.
- He oversees the Marine Hardware and Consumables segment's day-to-day operations, sales activities as well as business planning and development.

Appointment to the Current Position:
24 September 2012

Other directorship in public companies and listed issuers:
Nil

Chi On Kang

Director of Three and Three Hardware Sdn. Bhd.

Gender: Male **Aged:** 65 **Nationality:** Malaysian

Academic/Professional Qualification:
- Bachelor of Arts in Political Study, Lakehead University, Canada

Working Experience:
- He has more than 30 years of experience working with various banks as a branch and regional manager, responsible for managing business development activities and building business relationships.
- He was the Head of Corporate Planning and Marketing of SDS Group Berhad before joining the Company as the Head of Business Development.
- He oversees the day-to-day operations, and sales activities as well as business planning and development of the subsidiary.

Appointment to the Current Position:
1 November 2021

Other directorship in public companies and listed issuers:
Nil

Other information:

1. **Family Relationship with any Director and/or Substantial Shareholder**
   There is no family relationship between the Key Senior Management with any Director and/or Substantial Shareholders of the Company.

2. **Conflict of Interest with the Group**
   None of the Key Senior Management of the Company have any conflict of interest with the Group.

3. **Convictions for Offences**
   None of the Key Senior Management of the Company have been convicted of any offenses (excluding traffic offences) within the past five (5) years. There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.

Sustainability and Governance

03.

SUSTAINABILITY STATEMENT

K. Seng Seng Corporation Berhad ("KSSC and its subsidiaries" or "the Group") is pleased to present the Sustainability Statement ("SS2024") for the financial year ended ("FYE") 31 December 2024 as part of its continued efforts to strengthen disclosures on the Group's Economic, Environmental and Social ("EES") performance.

ABOUT THIS STATEMENT

KSSC is cognisant of the importance of value creation at the core of its business operation, supporting its mission to be the leading regional strategic metals distribution hub, catering to the needs of manufacturing, trading and fabrication industry.

KSSC's business operations revolve around the manufacturing and processing of secondary stainless steel and other metal-related products, industrial and marine hardware trading, and project works such as fabrication and installation of aluminium and glass related products.

Aligning to the pillars of ESG, KSSC aims to strengthen its competitive ability to sustain stakeholder value creation amidst a fast-changing and dynamic business environment.

This report provides a balanced and transparent assessment of KSSC's performance and the strategies used to create and preserve the value in relation to issues that are most material to its stakeholders.

REPORTING FRAMEWORKS

Determination of content for inclusion in this report is also based on ensuring compliance with the listing requirements of the regulator, Bursa Malaysia Berhad and relevant accounting, financial and sustainability frameworks, as follows:

- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Berhad ("Bursa Malaysia")
- Global Reporting Initiative ("GRI")
- Bursa Malaysia Sustainability Reporting Guide, 3rd Edition 2022
- Malaysian Code on Corporate Governance 2021 ("MCCG 2021")
- Companies Act 2016 ("Act")
- Malaysia Financial Reporting Standards ("MFRSs")
- FTSE4Good Bursa Malaysia Index

REPORTING PERIOD

The SS2024's reporting period is from 1 January 2024 to 31 December 2024 ("FYE2024") and the reporting cycle is conducted on an annual basis.

STATEMENT OF USE

As the highest authority within the Group, the Board of KSSC acknowledges its responsibility in ensuring the integrity of SS2024 and that its Management Team has applied their collective minds to present a balanced and comprehensive report based on good governance practices.

The Board believes that the SS2024 addresses issues that are material to the Group's ability to create value and fairly presents the integrated performance of KSSC.

The SS2024 has been approved by the Board on 16 April 2025.

MEMBERSHIP OF ASSOCIATIONS

The Group views memberships in various industry associations as a means to broaden its understanding of integral industrial applications, gain exposure to industry best practices and inculcate a deep understanding of sustainability across the length and breadth of the Group.

The Group's list of membership of various professional bodies and industry associations are as below:

- Malaysia Steel and Metal Distributors' Association ("MSMDA")
- Federation of Malaysian Manufacturers ("FMM")
- The Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCCIM")
- Malaysian Iron and Steel Industry Federation ("MISIF")
- Construction Industry Development Board ("CIDB")
- Malaysia Façade Industry Association ("PIFM")

SCOPE AND BOUNDARY

Data and information presented in this report are scoped to operations of K. Seng Seng Corporation Berhad and all its subsidiaries (collectively, "the Group"). Kindly refer to the Corporate Structure Section for a list of the Group's operating entities, including subsidiary companies.

These subsidiaries are divided into two primary business segments, as below:

Manufacturing:	PTM Stainless Steel Industry Sdn. Bhd. ("PTM")	**Trading:**	Three & Three Hardware Sdn. Bhd. ("TTH")

Unless otherwise indicated, the content for this report reflects the Group's business model and strategies, performance, prospects, the management of our material matters, the risks and opportunities related to the business as well as the activities of the Group from 1 January 2024 to 31 December 2024.

Readers are encouraged to read this SS2024 together with KSSC's Annual Report 2024 ("AR2024") for a more comprehensive understanding of the Group's business outlooks and how sustainability strengthens its value creation strategies.

LIMITATIONS

KSSC is cognisant of data collection challenges for certain indicators but is nonetheless working to provide effective data tracking and gathering protocols to improve its future reporting and disclosure.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements discussing targets, future plans, operations and performance of the Group based on current assumptions and projections. Such assumptions and projections have been made based on existing information and the present external operating landscape.

While every care and precaution has been taken to ensure that forward-looking statements are as accurate as possible, such statements, comprising all assumptions, expectations, forecasts and projections, may change in tandem with changes in the operating environment which are beyond the control of the Group.

New information that comes available to the Group may also necessitate changes in the Group's forward focus planning. As such, readers are advised to conduct their own due diligence and to not rely solely on the forward-looking statements provided in this report. Readers are encouraged to seek clarification from the Group on any matters by contacting the designated investor relations personnel.

ASSURANCE

The internationally established and widely used Global Reporting Initiative ("GRI") principle of materiality has been applied in the selection of topics and disclosures for inclusion in this Statement. All data contained within this Statement has been sourced internally and verified accordingly by the Group's management.

In strengthening the credibility of the SS2024, selected aspects/parts of this Sustainability Statement have been subjected to an internal review by KSSC's internal auditors and has been approved by the Group's Audit Committee.

The subject matter(s) covered by the internal review include the following indicators:

Subject Matter(s)	Scope / Areas Covered
Anti-Corruption	(i) Percentage of employees who have received training on anti-corruption by employee category; (ii) Percentage of operation assessed for corruption-related risks; and (iii) Confirmed incidents of corruption and action taken.
Community/ Society	(i) Total amount invested in the community where the target beneficiaries are external to the listed issuer; and (ii) Total number of beneficiaries of the investment in communities.
Labour Practices and Standards	(i) Total hours of training by employee category; (ii) Percentage of employees that are contractors or temporary staff; (iii) Total number of employee turnover by employee category; and (iv) Number of substantiated complaints concerning human rights violations.

The scope and boundary of the internal review refers to KSSC's operations as detailed in the Scope and Boundary section of the SS2024.

The Group continues to enhance its data collection and analysis processes towards improving data accuracy and quality, with the aim to strengthen disclosures moving forward.

RESTATEMENT OF INFORMATION

Information or financial figures for previous years may be amended. Such restatements are due to various reasons such as improvements in data collection, more comprehensive calculations or the adoption of recommended best practices.

REPORT AVAILABILITY AND FEEDBACK

This SS2024 may be accessed at www.kssc.com.my.
We welcome questions, feedback and suggestions towards improving our sustainability disclosures and performance. Suggestions for improvements or comments can be sent to:

Ms. Yeoh Soo Chin, Chief Financial Officer
Email: cfo@kssc.com.my
Telephone number: +603 – 8655 5188

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

KSSC persists with its commitment to continuously enhancing sustainability governance, thereby further embedding ESG materiality within the Group. By aligning its sustainability goals and strategies with this approach, value creation for the Group will be supported.

BOARD DIVERSITY AND INDEPENDENCE

KSSC understands the significance of strengthening its corporate governance by promoting more diverse perspectives and independent discussion to support improved decision making at the Board level.

As at the financial year ended 31 December 2024, KSSC's Board comprises 6 Directors, of which 3, or 50%, are Independent Non-Executive Directors ("INEDs"). As an added assurance of strong governance, the Audit and Risk Management Committee ("ARMC") comprises all INEDs.

KSSC continues to uphold the aspirations of working towards the recommended target of 30% set by the MCCG. The current representation of women on the Board remains at 16.7% since 2023.

Details of the Group's present directors are provided in the Profile of the Board of Directors section of this report.

CORPORATE GOVERNANCE PRACTICES

KSSC upholds strong corporate governance standards through consistent practice of integrity and transparency. The Group has adopted various initiatives to maintain this commitment, such as the disclosure of a robust process for determining remuneration, as outlined in the Group's Remuneration Committee's Terms of Reference, available at www.kssc.com.my.

Additionally, the Group's senior executives continue to benefit from incentives that align their interests with the company's success, in the form of a long-term Employee Share Option Scheme ("ESOS").

As a standard procedure, all Related Party Transactions ("RPT") are transacted at arm's length and on standard commercial terms. Where warranted, the Board addresses conflicts of interest.

The effectiveness of the Board is evaluated during the Nomination Committee's meeting, held at least once annually, for added assurance. To further strengthen governance and transparency, shareholders retain the right to vote on Director appointments and dismissals.

Further information on KSSC's corporate governance is available within KSSC's Corporate Governance Report.

ZERO TOLERANCE ON CORRUPTION

Corruption has a debilitating effect on all business stakeholders. Within governments, companies and across all value chains, corruption erodes the creation of financial and non-financial values, diminishing competitiveness and promotes inefficiency and damages reputation and credibility.

With this in mind, KSSC firmly upholds its zero-corruption policy of ensuring no bribery and corruption activity exists within the Group as well as its business value chain.

Aligning with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, KSSC had established its Anti-Bribery and Corruption ("ABC") Policy in 2020, with oversight by the Board as well as Senior Management. This policy is available for review at www.kssc.com.my.

The ABC Policy outlines clearly the organisation's firm stance on corruption while defining what constitutes as corrupt acts. The policy states that both the beneficiary and the proposer of the corrupt act will be censured by the company and if necessary, reported to the relevant authorities for further enforcement action.

All Board members and employees have provided signed acknowledgement of having read and understood the ABC Policy, attesting to their willingness to abide by the policy at all times and in all of their dealings as agents of the Group.

KSSC conducts annual refresher trainings to remind and reinforce the anti-corruption agenda to all Board members and employees, as well as during induction sessions with new staff.

Attendance at ABC Training

Category	FYE2022 (%)	FYE2023 (%)	FYE2024 (%)
Board Members	-	100	**100**
Employees	-	100	**100**

Total ABC Training Hours

Category	FYE2022 (Hours)	FYE2023 (Hours)	FYE2024 (Hours)
Managerial	-	32	**68**
Operational	-	66	**56**
Executive	-	192	**152**
Non-Executive	-	20	**32**
Total	-	310	**308**

Note: In FYE2022, we were unable to secure an external trainer due to movement control order, hence training was deferred to FYE2023.

KSSC has established necessary controls and preventive measures across its operations to address corruption risks. Once such measure is the annual risk analysis on fraud and corruption, conducted by the Audit and Risk Management Committee ("ARMC"). In this exercise, areas of business with high potential of corruption are identified and evaluated to further strengthen control measures and processes.

At KSSC, any employee found to be in violation of the ABC Policy will be subject to stringent disciplinary action, which may result in job suspension, termination or legal action taken against them, if warranted.

In FYE2024, there has been zero incidents of violations against the Group's ABC Policy. More information on the ABC Policy is available at www.kssc.com.my.

SUSTAINABILITY STATEMENT

STRENGTHENING ANTI-CORRUPTION ACROSS THE VALUE CHAIN

The ABC Policy plays an essential role in upholding governance and integrity standards across KSSC's supply chain.

KSSC conducts a robust due diligence on its suppliers and vendors prior to any engagement to maintain a reliable and trustworthy business partnership. This includes a background check of their track record, CTOS financial strength, physical inspections, potential conflict of interests and other inspections prior to approving vendors to bid for contracts or awarding of contracts.

By adopting this stringent approach, KSSC is assured of procuring quality products at competitive prices as well as mitigating potential disruptions in the supply chain.

To further strengthen the integrity of its supply chain, KSSC maintain a database of its suppliers and vendors to ensure a traceability system and updates this periodically.

As a standard practice, KSSC ensure its suppliers and vendors are aware of this ABC Policy and of the requirements of high business standards. Local suppliers are asked to declare their awareness and compliance of this policy via an Anti-Corruption Questionnaire.

To ensure KSSC's ethical standards are actively adopted by its suppliers, KSSC has commenced conducting periodic reviews of performance via its vendor evaluation forms. Any supplier found not operating within this specified scope will be further assessed to determine their ability to continue being a business partner for KSSC.

ETHICAL CONDUCT AND CORPORATE INTEGRITY

The Group's code of conduct establishes clear standards for organizational ethics and professional behaviour, to which all subsidiary companies and employees are to adhere to.

This code underpins the Group's commitment to its corporate values of transparency, integrity, accountability, professionalism and corporate social responsibility, and outlines a desired and consistent corporate culture and behaviour. This corporate culture and behaviour will support the Group in enabling long-term stakeholders' value.

To ensure its effectiveness and relevance in our fast-evolving environment, the Board is responsible to review this code on a periodic basis.

For more details on the Group Code of Ethics, please refer to www.kssc.com.my.

In FYE2024, there were zero cases of non-compliance or unethical conduct.

POLICY GOVERNING GIFTS AND ENTERTAINMENT

In a corporate setting, the Group acknowledges that Business relationships often include customary practices of entertainment and gift-giving across different cultures; however, any gifts and entertainment given or received must be in compliance with law, must not violate the giver's and/or receiver's policies on the matter, and be consistent with local customs and practices.

Any benefits provision is subject to the prior consultation and approval of Senior Management and the ABC Compliance Unit on the basis of the Group's internal requisition process, as set forth in KSSC's ABC Policy.

Further detail on KSSC's policy on giving and receiving gifts and benefits, as well as related procedures can be found in the Group's ABC Policy at www.kssc.com.my.

WHISTLEBLOWING POLICY AND CHANNEL

To support the Group's commitment to ethical business conduct, KSSC has in place a Whistleblowing Policy and Whistleblowing channel, giving both internal and external stakeholders full access to report key concerns.

A whistleblower who discloses any real or perceived improper conduct will be accorded with confidentiality of identity, to the extent reasonably practicable, as long as the disclosure is made in good faith. The whistleblower shall be protected from victimisation, harassment or disciplinary action for his/ her disclosure.

The reporting procedure starts from the receipt a formal letter or email sent to the Executive Director with a copy to the Chairman of the ARMC. Alternatively, such a letter or email to a dedicated email address can be sent to the external Company Secretary.

Such a letter or email shall indicate the intended recipient and sent to the following address:

Mailing address:
Unit 8, Level 7 Kompleks Komersil Akasa,
Jalan Akasa, Akasa Cheras Selatan,
43300 Seri Kembangan,
Selangor.

Email address:
Executive Director: leehp@kssc.com.my
Company Secretary: khoo.mingsiang@aquilla.com.my

The Executive Director is responsible for determining the channel of investigation and further action and where warranted, the Board will deliberate on such whistleblowing reports. This may include recommendations for punitive action, guidance for continuing investigations or holding hearings involving affected parties.

Following the conclusion of the investigation, the whistleblower may request follow-up information about the reported investigation or any action taken thereafter. Subject to legal limitations, the whistle-blower will be notified of the final outcome of the investigation.

For more information on KSSC's whistleblowing mechanisms, please refer to the Group's Whistleblowing Policy at www.kssc.com.my.

In FYE2024, there were zero cases reported under the whistleblowing channel.

POLITICAL VIEWS AND CONTRIBUTIONS

As a public listed company, KSSC maintains a clear position of political neutrality, KSSC does not favour or promote the agenda of any political party, nor is it affiliated to any political organisation. The Group has not made any donations to any political parties.

However, the Group may participate in charitable, or nation-building events organised by the government of the day or its ministries and agencies. The Group may also support corporate social responsibility ("CSR") events or programmes that could see the involvement of political parties or politicians.

UPHOLDING DATA PRIVACY

During business operations, KSSC receives a vast amount of personal data, notably the data of its customers. The Group complies with the Personal Data Protection Act ("PDPA 2010"), where all data is regarded as private and confidential and is not made available to third parties unless mandated by law or enforcement agencies.

All data has been collected with the consent of customers and with their full understanding and awareness that such data being collected by KSSC may be used for internal purposes as agreed by the customer. Data security is of utmost importance and the Group maintains a secured IT security system to ensure that data remains confidential.

There have been zero cases of data breach throughout KSSC's operations.

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

KSSC recognises and takes into consideration the views, concerns and aspirations of its many stakeholders and where appropriate, included in our approach to ESG and ultimately value creation.

Perspectives of stakeholders are used to guide the identification, assessment and prioritisation of material topics, which in turn may influence KSSC's business strategies, management approach and assessment of ESG material topics.

In FYE2024, KSSC continued its efforts to engage its business-related stakeholders using multiple communication channels and approaches. KSSC's strong investment into this engagement is to ensure that the Group remains inclusive and receptive to the views of the various entities, groups, communities who are impacted by, or can possibly impact KSSC's business operations.

Stakeholder engagement at KSSC focuses on the key groups instrumental in driving the Group's business forward:

STAKEHOLDER	KEY TOPICS	OUTCOME AND SOLUTIONS	PLATFORMS AND CHANNELS
Community	• Promote community development and inculcate internal culture of social responsibility amongst employees	• The Group has continued to support various welfare and social economic programmes for underprivileged groups	• Yearly programmes and events with underprivileged communities and in-kind contributions • Employees drive and participate in social visits, creating a bond and handing over contributions
Investors	• Progress and compliance with regulations and sustainability standards • Maximisation of shareholder value	• Provide insight into our sustainable business progress and performance	• Annual General Meeting • Annual Report • Corporate website • Bursa announcements
Customers	• Product Quality • Fulfilment • Pricing	• Continuous engagement with customers and to avoid repeating mistakes • Quality management system • Competitive pricing • Quality assurance programme	• Meetings
Suppliers and Contractors	• Compliance issues • Tender prices and payments • Cost efficiency and introduction of products • Local procurement and supply chains	• Create awareness of policy and commitment to ethical and sustainable supply chain • Amicable solutions to conflicts and grievances	• Formal and informal briefings and meetings • Engagement with suppliers during Safety Day and assurance audit • Process improvement applied
Employees	• Employee performance monitoring, development and job satisfaction • Welfare and remuneration • Safety and health issues and practice	• Annual performance evaluation on targets and deliverables • Implementation of Environment, Safety and Health ("ESH") programmes involving employees • Job-related training and workshops offering upskilling and knowledge enhancements	• Staff engagement programmes • Internal communications (Emails, Memos, Newsletter)

STAKEHOLDER	KEY TOPICS	OUTCOME AND SOLUTIONS	PLATFORMS AND CHANNELS
Government and Regulators	• Compliance and adoption of rules and policies • Support for government policies and initiatives in the industry • Contribution to national sustainability goals	• Contribute to the development and implementation of shared initiatives • Comply with laws and regulations and their latest amendments	• Study visits and exploratory missions
Industry/ Business Associations	• Relevant issues and updates in the industry	• Active collaboration with prominent industry and business associations • Support initiatives and participate in industry events and conferences	• MSMDA • FMM • ACCCIM • MISIF • CIDB • PIFM

ASSESSING AND PRIORITISING MATERIAL TOPICS

KSSC is aware of the need for a consistent review of materiality toward ensuring that the Group remains attuned to its most pertinent concerns and issues. This is also to understand better how these can impact the realisation of its vision and mission and value creation both for KSSC and its stakeholders.

In accordance with Bursa Malaysia's guidelines and the Group's strategic planning cycle, KSSC conducts a comprehensive materiality assessment exercise ("MAE") periodically to identify, understand and prioritise material ESG topics including topics related to direct and indirect economic values performance.

To achieve this, a material topics' prioritisation exercise was carried out via an assessment survey, developed based on a wide range of material ESG topics and identified stakeholder categories. This questionnaire was cascaded widely to the Group's relevant stakeholders for their inclusive feedback.

In determining materiality, the following criteria was applied:

- Topics that impact the business model (including capitals)
- Topics that impact stakeholders
- Topics that impact economic, environmental and social performance (creation of financial and non-financial values)

KSSC's materiality assessment exercise was conducted as below:

Identification
Material ESG topics are identified based on relevance to KSSC.

01 STEP

Prioritisation
The importance of ESG material is analysed based on the collated responses from internal and external stakeholders.

02 STEP

Validation
Upon analysis of responses, the materiality matrix is generated and presented to the Board for validation.

03 STEP

SUSTAINABILITY STATEMENT

The topics for the MAE were drawn from the following reporting frameworks: GRI, Bursa Sustainability Reporting Guide 3rd Edition, National Sustainability Reporting Framework, FTSE 4 Good, TCFD and SASB.

The Group's material topics for FYE2024 is as below:

ECONOMIC

- Economic Performance
- Market Presence
- Indirect Economic Impact
- Procurement Impacts

GOVERNANCE

- Anti-Corruption

ENVIRONMENTAL

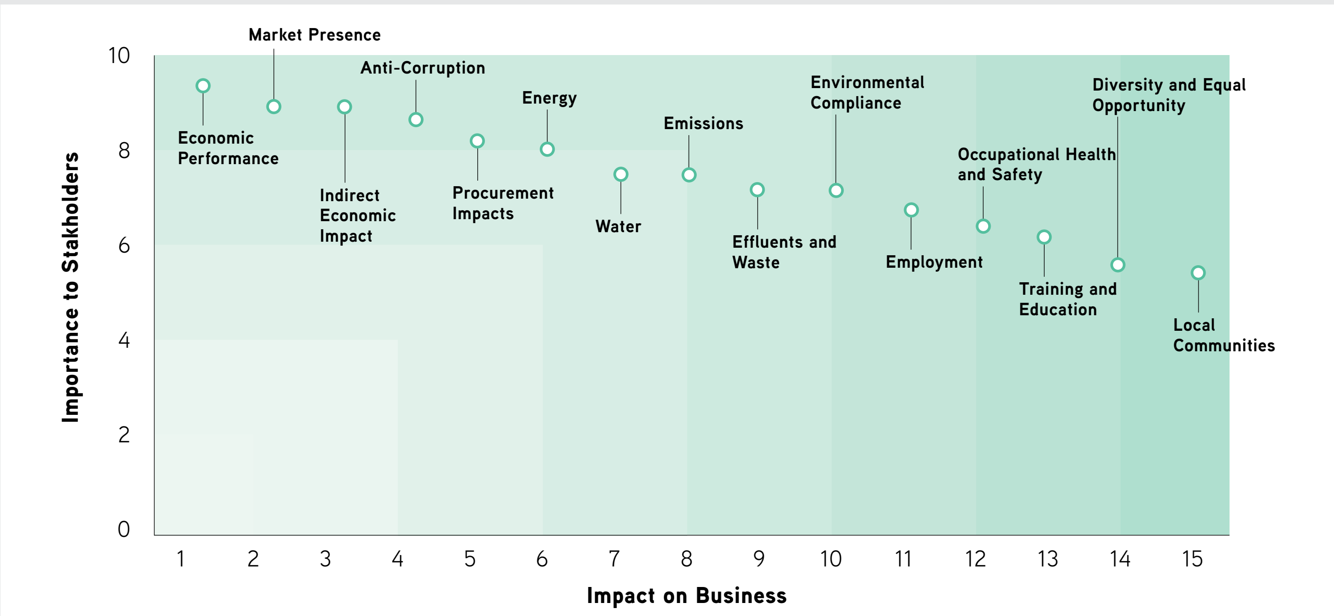
- Energy Consumption
- Water Consumption
- Effluents and Waste
- Emissions
- Environmental Compliance

SOCIAL

- Occupational Health and Safety
- Training and Development
- Diversity and Equal Opportunity
- Local Communities

KSSC's Materiality Matrix for FYE2024 is as below:

MATERIALITY MATRIX



ECONOMIC DISCLOSURES

DIRECT ECONOMIC VALUES CREATED

The sustainability of a company's business is determined by its continued generation of financial values, primarily driven by revenue and profit. As expected, financial performance is still necessary to pursue environmental and social performance. ESG strategies and action plans typically require some level of financial investments, especially at the commencement of such initiatives.

As an established and responsible corporate citizen, KSSC continues to support the nation's economy by supporting the creation of employment opportunities, community enhancement and in rewarding its shareholders.

Additionally, KSSC is committed to positive climate action and building a more sustainable, resilient future. Some of the positive impacts includes infrastructure investment, enhancing the wellbeing of the community, expansion of the business, adoption of new information technology and job creation for the local communities.

Financial performance is also responsible for the creation of indirect economic values for stakeholders, as evidenced by dividends to shareholders, payment of taxes which enables social and infrastructure development and repayments to finances. This is in addition to the development and support of community infrastructure and services via monetary and non-monetary support.

Specific information on financial and operational performance as well as the Group's business model and strategies are furnished the relevant section of this Annual Report 2024.

Below is the Group's overall financial performance over a three-year financial period:

Economic Value	RM'000		
	FYE2022	FYE2023	FYE2024
Revenue from the sales of goods and services	192,721	183,203	**298,191**
Revenue from financial investments	67	127	**140**
Other operating income	1,845	3,116	**11,198**

INDIRECT ECONOMIC VALUES DISTRIBUTED

KSSC primary business is in the manufacturing and processing of secondary stainless-steel products. This contributes significantly to manufacturers, stainless steel fabricators, shipbuilders, architects and building contractors as well as industrial hardware wholesalers and retailers.

SUSTAINABILITY STATEMENT

KSSC's financial performance at a glance:

Economic Value	RM'000 FYE2022	RM'000 FYE2023	RM'000 FYE2024
Economic value distributed	(164,988)	(157,565)	**(253,808)**
Economic value retained	27,732	25,637	**44,383**
Operating expenses	(23,474)	(35,887)	**(36,628)**
Wages and other payments to employees	(16,734)	(17,059)	**(25,583)**
Payment to financial institutions	(1,674)	(4,982)	**(1,804)**
Payment to creditors	(55,994)	(51,631)	**(52,193)**
Payment to the Government including income tax expenses	(4,274)	(2,253)	**(2,202)**
Payment to community investment	(10)	(10)	**(12)**

Note: Certain FYE2022 and FYE2023 figures have been revised and restated.

CREATING VALUE VIA THE ENVIRONMENTAL FOOTPRINT

As a measure of its commitment of responsibility toward environmental support, KSSC has continued its focus on energy and water consumption as well as carbon emissions. With ongoing evaluation, KSSC saw reduced intensity in FYE2024 over FYE2023.

KSSC's environmental footprint in relation to its economic value can been seen in the table below:

ABSOLUTE FIGURES	FYE2022	FYE2023	FYE2024
Revenue (RM'mil)	192.8	183.2	**298.2**
Total Energy Consumption (GJ)	4,334	4,154	**4,573**
Total Carbon Emissions (tonnes CO_2e)	423.6	410.2	**432.0**
Total Water Consumption (m^3)	4,708	3,587	**2,969**

INTENSITY RATIOS	FYE2022	FYE2023	FYE2024
Energy Consumption Intensity (GJ/ RM'mil revenue)	22.5	22.7	**15.3**
Carbon Emissions Intensity (tonnes CO_2e/ RM'mil revenue)	2.20	1.66	**1.45**
Water Consumption Intensity (m^3/RM'mil revenue)	24.4	19.6	**10.0**

Note:

1. *Due to improvements in our data collection process, revised fuel data has led to changes in the reported Scope 1 and Scope 3 emissions figures for FYE2022 and FYE2023. These adjustments also impact our intensity measurements and energy consumption metrics for FYE2022 and FYE2023.*
2. *KSSC revised its FYE2023 revenue from 246.5 million to 183.2 million. This revision will affect subsequent intensity measurements, including those for energy, carbon and water.*

COMMITMENT TO PRODUCT QUALITY AND SAFETY

KSSC's business operations include manufacturing and processing secondary stainless steel and other metal-related products, industrial hardware trading and engineering and project works.

In FYE2024, KSSC has acquired 40% of equity interest in the business related to manufacturing of high precision tools and dies, moulds and mould parts, precision jigs, fixtures and mechanical parts. This acquisition can diversify on the existing KSSC Group's business and increasing Group's overall profitability and market presence.

KSSC continued to invest significantly in new machinery and equipment during FYE2024. Operating such machinery and equipment in itself necessitates a competent workforce and hence, industry best practices are incorporated as a way of life at KSSC.

This has enabled efficient turnaround times of our operations and more importantly, provides our customers with the required products to meet the exacting international and local specifications and standards, with ISO 9001:2015 being one.

KSSC is aware of the importance of customer satisfaction to the sustainability of the business. With this in mind, the Executive Director of the respective subsidiaries are assigned the responsibility of the overall management of the quality and customer satisfaction. Their tasks and responsibilities are to build and maintain strong, long-term relationships with existing customers so as to encourage repeat business and customer loyalty and provide excellent customer service by addressing customers' enquiries in a timely manner.

The Company conducts safety training programmes regularly to the employees. In FYE2024, there were no customer complaints received nor incident of non-compliance with regard to product health and safety.

PROCUREMENT AND SUPPLY CHAINS

Despite the significant challenges such as the geopolitical conflicts on the supply chain in the post-pandemic era, KSSC's approach of sourcing served to ensure the reliability and sustainability of its business operations.

KSSC has adopted strategic sourcing solutions and analytics, adding value to KSSC's sourcing and procurement activities via better visibility on spending and process improvement. This has also enabled the Group to negotiate favourable terms with its suppliers.

Additionally, the Group has standardised its material sourcing practices with a comprehensive checklist that outlines category-specific sourcing strategies, creating total cost optimisation models, as well as market supply analysis. Such measures adopted and strong commitment have seen a positive impact in the Group's operations.

In FYE2024, the Group has successfully managed to reduce its proportion of foreign suppliers and rely more on local suppliers, it is determined to ensure that local suppliers, where feasible, will continue to be a priority for KSSC to engage with going forward as they remain instrumental to the business. Our procurement data is shown in the table below:

Procurement Details	FYE2022	FYE2023	FYE2024
Total Procurement (RM '000)	150,656	96,115	**158,368**
Total Local Procurement (RM '000)	38,199	33,963	**58,034**
Total Foreign Procurement (RM '000)	112,457	62,152	**100,334**
Proportion of Spending on Local Suppliers (%)	25%	35%	**37%**
Total number of Suppliers	437	340	**356**
Total number of Local Suppliers	371	293	**322**
Total number of Foreign Suppliers	66	47	**34**
Proportion of Local Suppliers (%)	85%	86%	**90%**

Note: The FYE2023 figures have been restated for better accuracy due to improved calculation methodologies being implemented.

In looking ahead, KSSC maintains its consistent approach of reviewing and updating its Supply Chain and Procurement Policy in line with the evolving environment and high expectation of customers. This approach also enables the Group to keep abreast of latest developments in the industry. By adopting best practices into its operations, KSSC remains relevant and adaptive to the fast-changing market demand.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL DISCLOSURES

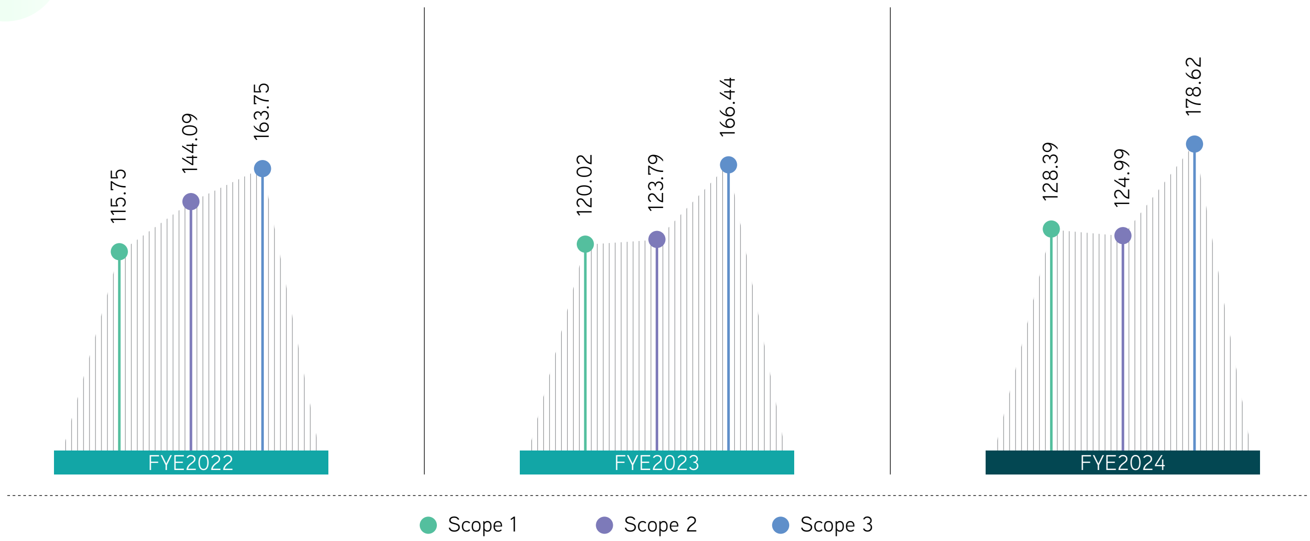
CLIMATE CHANGE

KSCC is aware that the stainless-steel sector generates significant emissions through its intensive energy consumption, raw material extraction activities, and production processes, which are necessary for manufacturing essential materials used across industries.

EMISSIONS

KSSC's emission sources primarily come from its Scope 1 and Scope 2 categories. Scope 1 emissions are associated with the fuel consumption of company-operated vehicles, notably diesel for forklifts and lorries utilised in logistics operations. Scope 2 emissions are attributed to the electricity used across the company's operations. Scope 3 emissions include employee commuting and business activities.

Scope 1,2 and 3 GHG Emissions (CO_2e Tonnes)



Note:

1. *The conversion factor used in Scope 1 emission is based on Malaysia Energy Statistic 2020, and the emission factor is based on the IPCC database. The emission factor used in Scope 2 emission is based on UNFCCC Harmonised Grid Factors 2021. Scope 3 is scoped to work related travels by employees.*
2. *Our calculation methodology has been updated to a more accurate approach. Due to improvements in our data collection process, revised fuel data has led to changes in the reported Scope 1 and Scope 3 emissions figures for FYE2022 and FYE2023. These adjustments also impact our intensity measurements and energy consumption metrics for FYE2022 and FYE2023.*

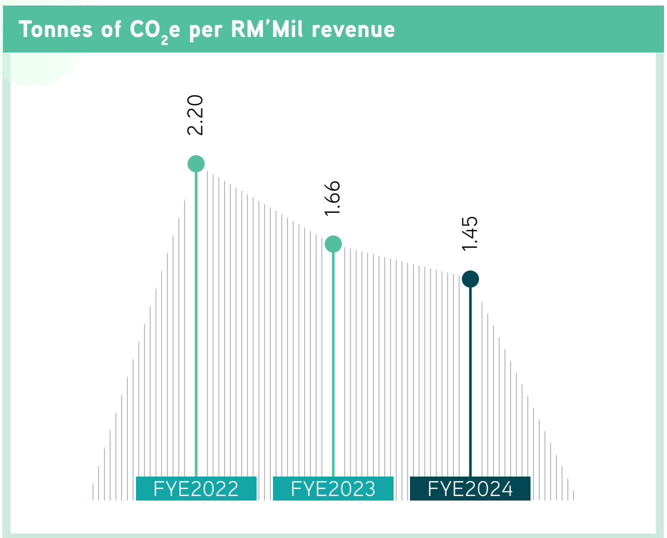
1. Corporate Structure and Overview
2. Management Overview
3. Sustainability and Governance
4. Financial Information
5. Other Information

KSSC continues to measure its carbon intensity against revenue, providing an accurate reflection of our environmental performance across diversified operations. The table below presents both the baseline and current results, illustrating the progress made thus far.

Area of Assessment	5-year Targets (FYE2021-2025)	Baseline Result	Current Result (FYE2024)
Scope 1 and Scope 2	2% reduction per annum	FYE2023: 410.24 CO_2e	432.0 Co_2e, did not meet the desired KPI, we remain committed to improvement
Carbon Dioxide reduction	Maintain CO_2e emission intensity below 2.5 tonnes per million revenues (tCO_2e/ RM'Mil)	FYE2021: 2.2 tCO_2e/Rm'Mil	FYE2024: 1.45 tCO_2e/RM'Mil Successfully maintaining below 2.5 tCO_2e/ RM'Mil
	Reduce CO_2e emissions intensity by 20% per million revenues (tCO_2e/ RM'Mil) within 5 years (FYE2021-2025)		

GHG Emissions intensity

Presented below is the graph illustrating KSSC's Greenhouse Gas ("GHG") Emissions Intensity, measured in tonnes of CO_2 equivalent (tCO_2e) per RM million in revenue over the past three years. Notably, the data shows a clear downtrend, with the intensity decreasing from 2.20 in FYE2022, to 1.66 in FYE2023, and further to 1.45 in FYE2024.



Note: The FYE2022 and FYE2023 figures have been restated for better accuracy due to improved calculation methodologies being implemented.

Air Emissions

KSSC complies with all the relevant air regulations in Malaysia, and any air emissions emitted do not exceed the permissible limits set by regulatory authorities.

In FYE2024, a dust emission measurement and monitoring were carried out on the Dust Collector at PTM Steel Industry Sdn. Bhd., one of KSSC's major subsidiaries. The emission level of the Total Particulate Matter ("TPM") recorded for the Dust Collector monitored in FYE2024 was 5.36mg/m^3, which was well within the limit of 150mg/m^3 set by the Malaysian Environmental Quality (Clean Air) Regulation 2014.

ENERGY CONSUMPTION

KSCC is aware of the energy-intensive nature of stainless-steel operations, particularly in melting, casting and refining processes. The Group understands that an effective energy management within this sector is not just a matter of cost efficiency but also a critical component of environmental responsibility. The Company is committed to reducing its energy consumption through sustainable initiatives, including the installation of solar panels to power its operations.

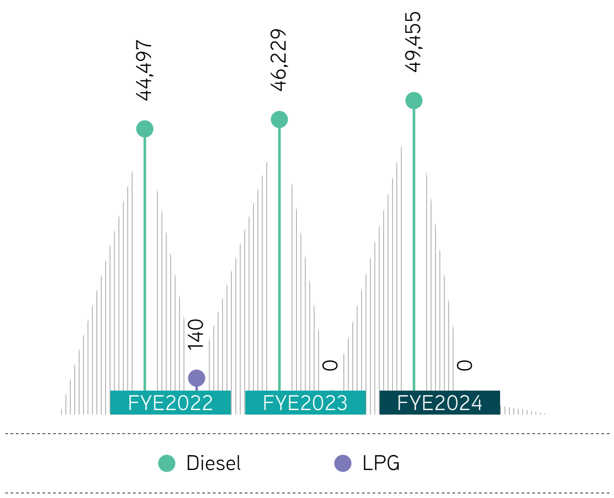
SUSTAINABILITY STATEMENT

DIRECT ENERGY CONSUMPTION

At KSSC, the energy required for stainless steel manufacturing is primarily sourced from diesel and liquefied petroleum gas ("LPG"), which power the machinery, including forklifts, essential for transporting raw materials across the industrial site. Additionally, the Company's vehicle fleet supports product delivery to various warehouses for distribution and is also available for employee use.

For FYE2024, KSSC will not report on LPG consumption due to the lack of tracking mechanisms in place for this specific energy source.

Fuel Consumption (Litres)

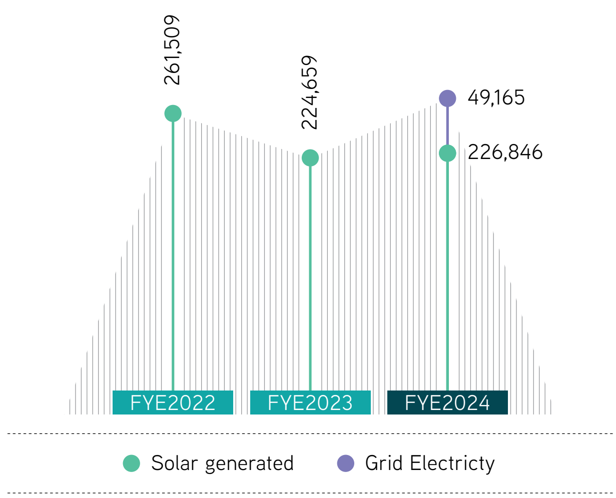


Note: The FYE2023 figures have been restated for better accuracy due to improved calculation methodologies being implemented.

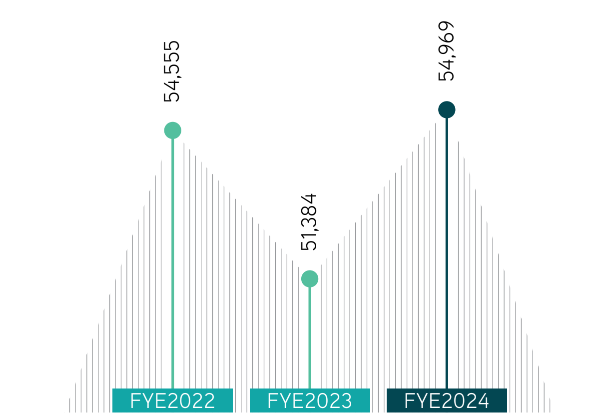
INDIRECT ENERGY CONSUMPTION

At KSSC, indirect energy consumption mainly refers to the electricity required to maintain infrastructure, including buildings and machinery integral to the production process. This electricity supports key operations such as lighting, heating, and powering equipment used in the manufacture of stainless-steel products. Furthermore, KSSC includes the fuel consumed by employees for business-related activities, such as sales, within its indirect energy usage.

Electricity consumption (KWH)



Petrol consumption-Work related travel (Litres)



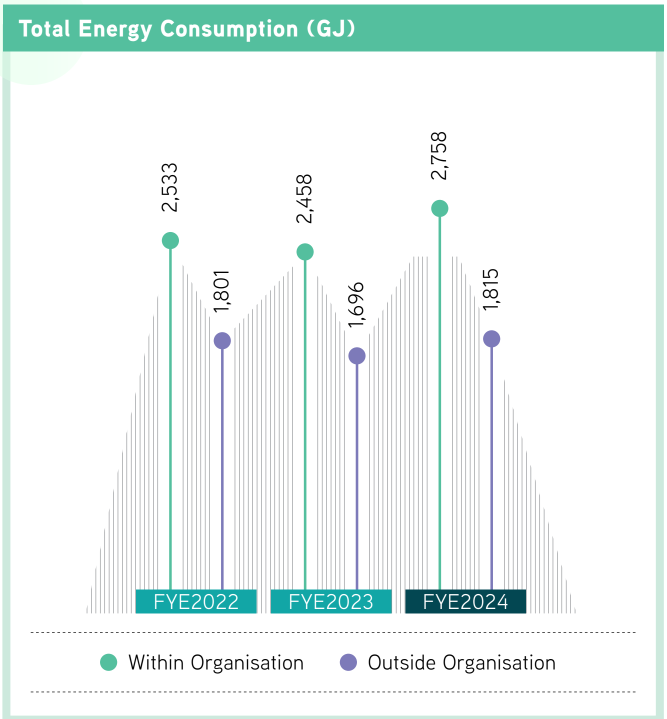
Note: The FYE2022 and FYE2023 figures have been restated for better accuracy due to improved calculation methodologies being implemented.

TOTAL ENERGY CONSUMPTION

As KSSC moves forward, we remain committed to our responsibility toward the environment. Our efforts to reduce energy consumption continue to reflect our dedication to sustainable development. We will persist in exploring opportunities to further optimise energy use and reduce it.

In FYE2024, KSSC installed a 285 kWp solar photovoltaic ("PV") system at one of its sites, marking a significant step towards sustainable energy production. The system has successfully generated 89,705 kWh of electricity, with 49,165 kWh utilised for on-site operations and 40,540 kWh exported to the grid as green electricity. This sustainable energy initiative has resulted in avoiding 49.34 tCO_2e of carbon emissions.

The collective energy usage of the Group is detailed in the subsequent illustration:



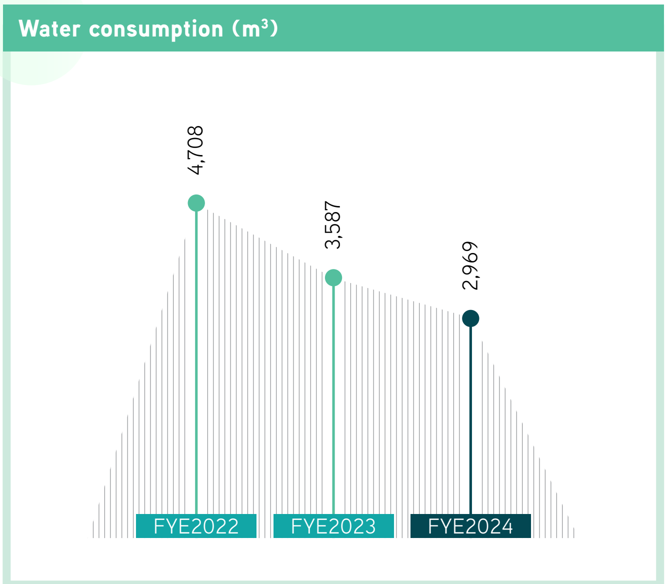
Note: The FYE2022 and FYE2023 figures have been restated for better accuracy due to improved calculation methodologies being implemented.

WATER CONSUMPTION

Water scarcity is a major environmental challenge globally, though KSSC operates outside of water-stressed regions. Despite this, KSSC has proactively adopted water efficiency measures within its operations. The Group capitalises on rainwater harvesting for non-consumable applications, including landscaping, nursery activities and factory cleaning. Ensuring compliance with strict environmental regulations on water use and discharge is essential in the regions where we operate, helping to prevent legal issues, fines, and potential reputational risks.

KSSC sources its water from a municipal supply provided by Pengurusan Air Selangor. Led by the Operational Manager, the Group continues to focus on identifying areas of high consumption, improving water efficiency at targeted operations, and contributing to the sustainability of water supply for all stakeholders.

In FYE2024, water consumption decreased as we reduced production of underperforming products as a strategic cost-saving measure.



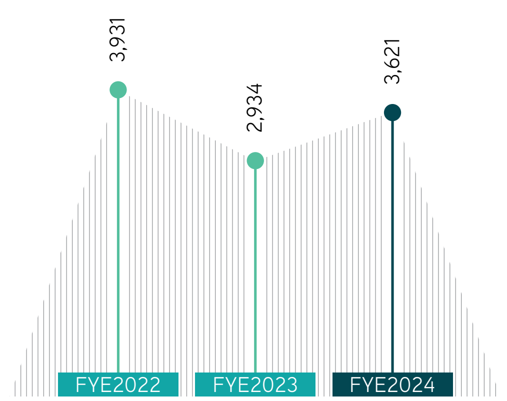
Note: The FYE2023 figures have been restated for better accuracy due to improved calculation methodologies being implemented.

SUSTAINABILITY STATEMENT

RESOURCES MANAGEMENT

Efficient resource management boosts productivity, reduces costs, and promotes sustainability in business operations. KSSC mainly works with stainless steel grade 304, converting it into various products such as pipes and sheets. Additionally, the Company incorporates recycling within its processes, repurposing and reusing materials like interleave paper and wood pallets from mother coils in production.

Tonnes of Stainless Steel Grade 304 used



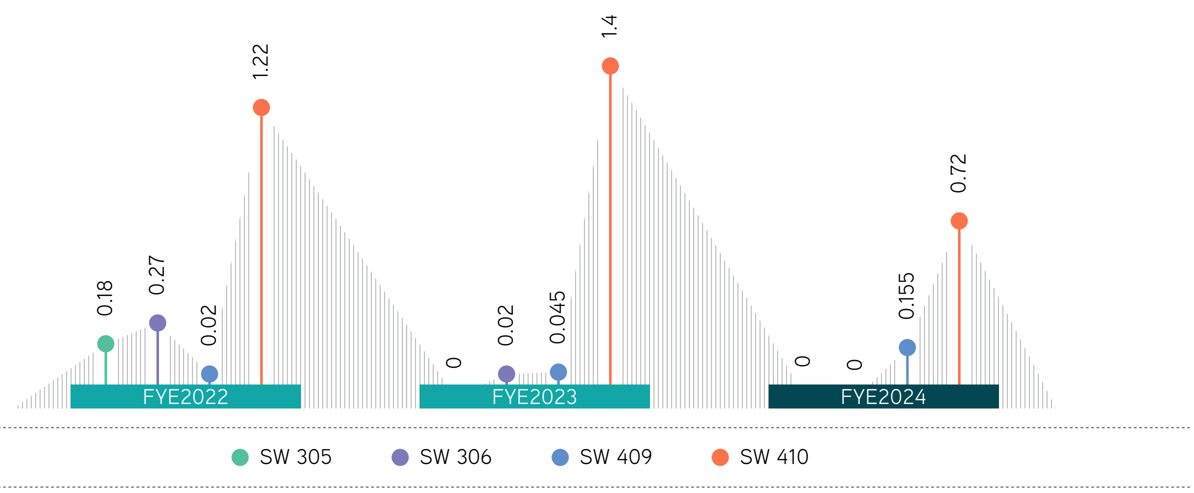
WASTE MANAGEMENT

Waste production is an inherent challenge in industrial processes, particularly within the manufacturing sector that utilises a range of raw materials. Below is a detailed list of the scheduled wastes produced by the Group. These wastes are responsibly managed by contracting with authorised waste disposal companies to ensure proper handling and disposal.

In FYE2024, no lubricating or hydraulic oil was utilised in KSSC's operations.

Waste Code	Description
SW 305	Used lubricating oil
SW 306	Used hydraulic oil
SW 409	Used containers, bags or equipment that contaminated with chemicals, pesticides, mineral oils or scheduled wastes
SW 410	Disposed gloves, rags and plastics contaminated with hazardous materials

Hazardous waste generated (Tonnes)

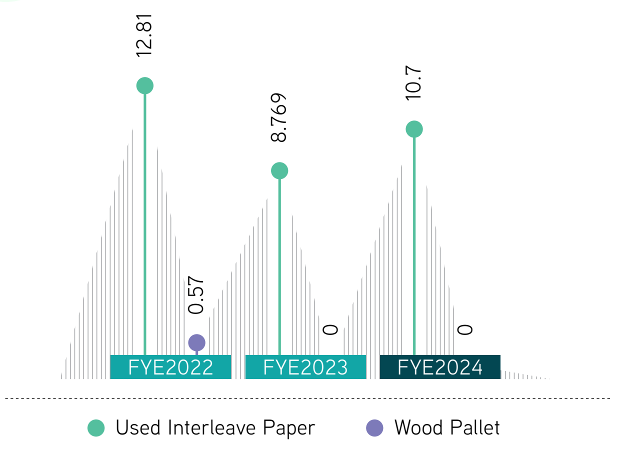


The Group prioritises strategic waste management as a key aspect of its commitment to waste reduction. The "Reduce, Reuse, Recycle" principles are actively implemented across our operations. As mentioned earlier, non-hazardous waste such as interleave paper and wood pallets from mother coils is either reused in production or disposed of by authorised waste collectors.

As a responsible stainless-steel manufacturer, KSSC recognises the environmental impact of waste and consistently encourages employees to use resources more efficiently.

In FYE2024, no wood pallet was utilised in KSSC's operations.

Non-Hazardous Waste Generated (Tonnes)



ENVIRONMENTAL PERFORMANCE MONITORING AND COMPLIANCE

In compliance with Department of Environment (DOE) regulations, KSSC monitors its environmental performance across all operations to ensure adherence to established standards. For example, under the Malaysian Environmental Quality (Clean Air) Regulation 2014, the group's emissions measure at just 7.91 mg/m^3—significantly below the regulatory limit of 150 mg/m^3.

To ensure comprehensive environmental responsibility throughout our supply chain, KSSC utilises the CTOS data system for thorough supplier screening. This approach helps us maintain high environmental standards not only in our direct operations but also across our broader business network.

SOCIAL DISCLOSURES

Another integral component to KSSC's sustainable business operations is its social impacts. The Group's material social topics are those linked to its key stakeholders, amongst which are its employees and local communities.

As KSSC continues to progress on its sustainability journey, it will continue to identify areas where it can deliver lasting positive impacts to stakeholders. This includes supporting local employment and benefitting local communities through socio-economic development.

COMMITMENT TO HUMAN RIGHTS

KSSC firmly upholds and adheres to fair labour practices as stipulated by local statutory laws across its company operations ("Human Rights Laws").

The Company condemns all forms of child exploitation and modern slavery. All workers, especially those employed by third party contractors/sub-contractors must ensure their labour force are treated with dignity and work under safe conditions. KSSC is strictly against forced labour, modern slavery, debt bondage and human trafficking.

Workers are provided decent living quarters, given access to healthcare and accorded their rights, including the right to freedom of association, the right to religious freedom and collective bargaining.

There have been no substantiated complaints on human rights violations during the reporting period.

SUSTAINABILITY STATEMENT

WORKFORCE CAPACITY AND TALENT MANAGEMENT

KSSC stands firm in the belief that human capital is its biggest asset and that high calibre, professional talent is essential in driving higher productivity, leading to operational excellence.

Hence, the Group's ability to sustain financial and non-financial values is dependent on the recruitment, retention and development of its workforce.

This area of recruitment and retention is governed by the Human Resources ("HR") department and closely monitored to ensure a stable workforce to drive continued and smooth operations at KSSC.

To enable a more productive approach for recruitment, the HR department uses a combination of interviews, assessments and reference checks to evaluate candidates. It even encourages employees to refer candidates, tapping into their professional networks and rewarding successful referrals to motivate existing employees.

Talent management at KSSC is not viewed solely from a business perspective but also from the Group's commitment to being an employer of choice.

EMPLOYEE INDUCTION AND EXIT INTERVIEWS

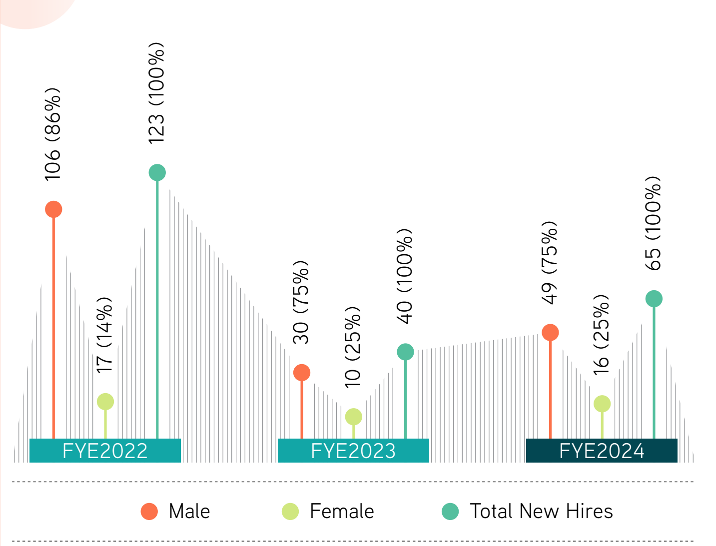
All new joiners are required to attend an induction programme where they will be provided with relevant information regarding their new employment, to enable them in their transition into their new role, making them feel supported while they adjust.

This exercise also serves to create awareness and understanding of the Group's stringent standards for good corporate governance, anti-corruption, business ethics and corporate integrity. It is also an opportunity for KSSC to inculcate the desired behaviours in new employees to ensure continued compliance and the strengthening of the desired organisational culture.

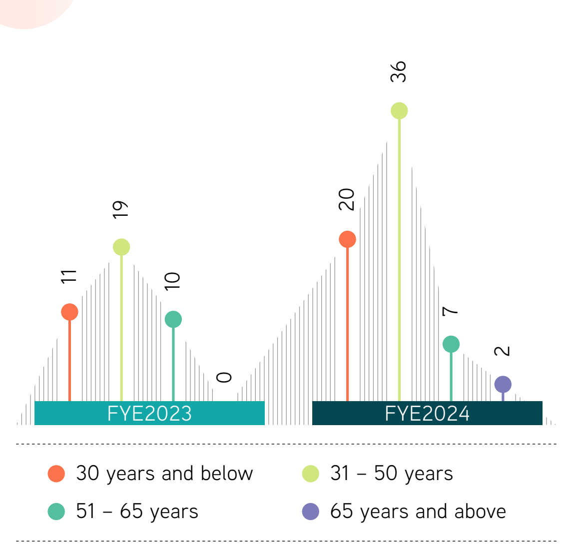
Employees who are resigning will be asked to join an exit interview where they need to complete a questionnaire/survey as well as assist with preparation of a handover checklist. HR will then share the employee's feedback of the exit interview with the respective HODs. Such information may be considered for further improvement to the company's operating process or culture.

New Hires Data

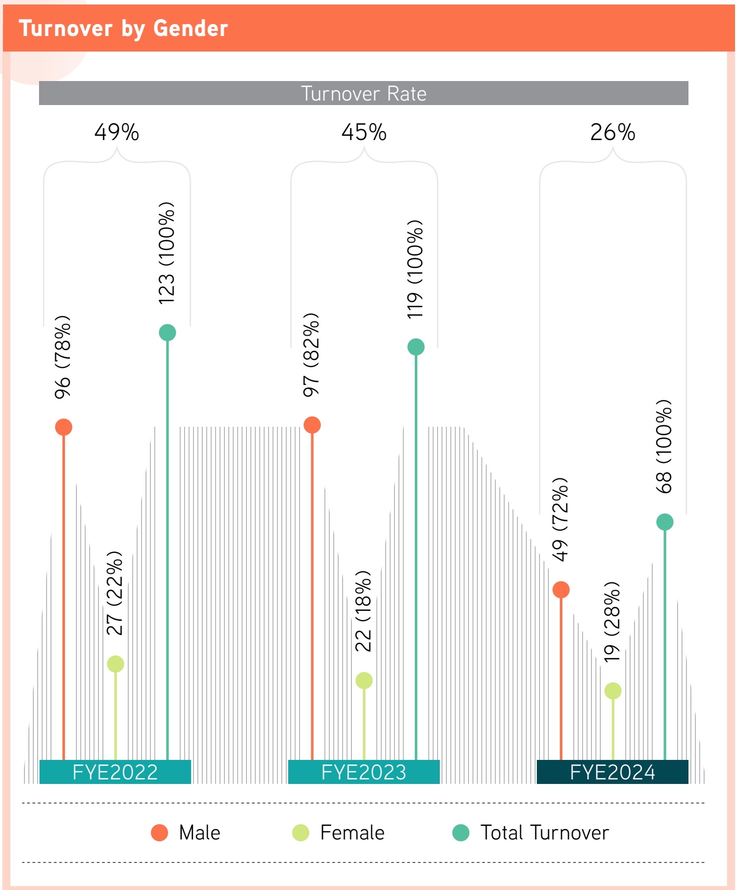
New Hires by Gender

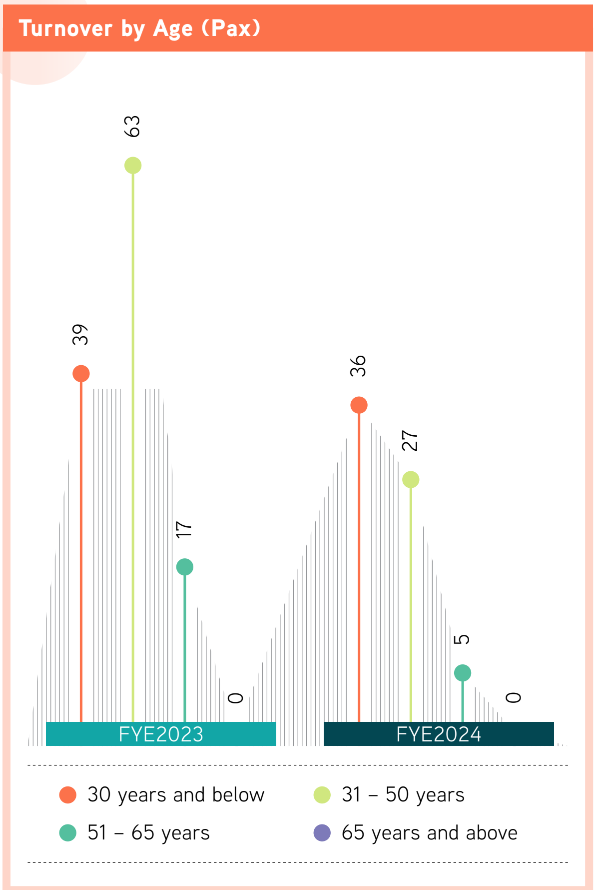


New Hires by Age (Pax)



Turnover Data





DIVERSITY, EQUALITY AND INCLUSION

Cognisant of operating in a country with a multi-ethnic and multi-cultural backdrop, KSSC promotes equality and diversity at the workplace and provides a conducive, competitive organisational culture that supports the development of its highly skilled workforce.

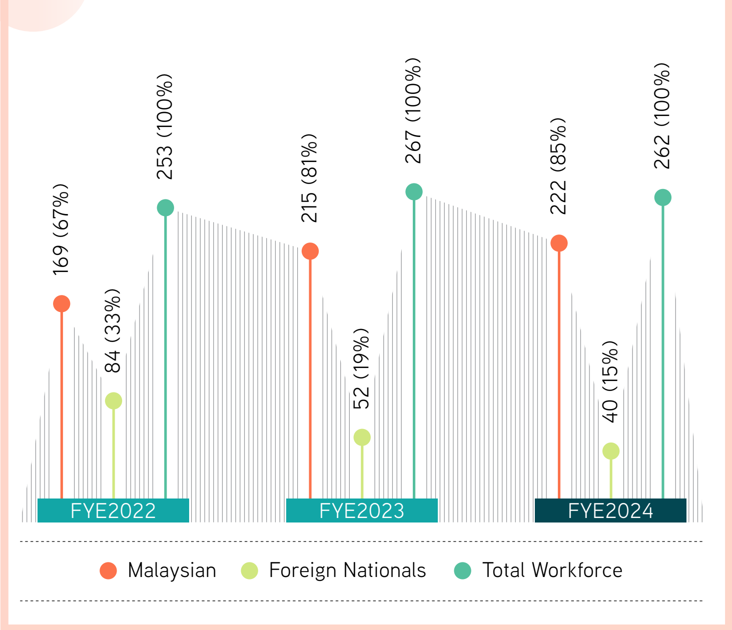
KSSC's management approach to talent is governed by a strong set of values, purpose, and behaviours that help drive employee engagement and connectedness. KSSC aspires to create a work environment where every employee thrives in their role within a safe, working environment, free from prejudice and discrimination.

Awareness that a diverse workforce within the Group supports the generation of innovative ideas from different perspectives, KSSC firmly upholds its pledge as an equal opportunity employer, regardless of differences in gender, religious background, sexual orientation and background at all levels of employment. In FYE2024, there is zero disabled employee at KSSC.

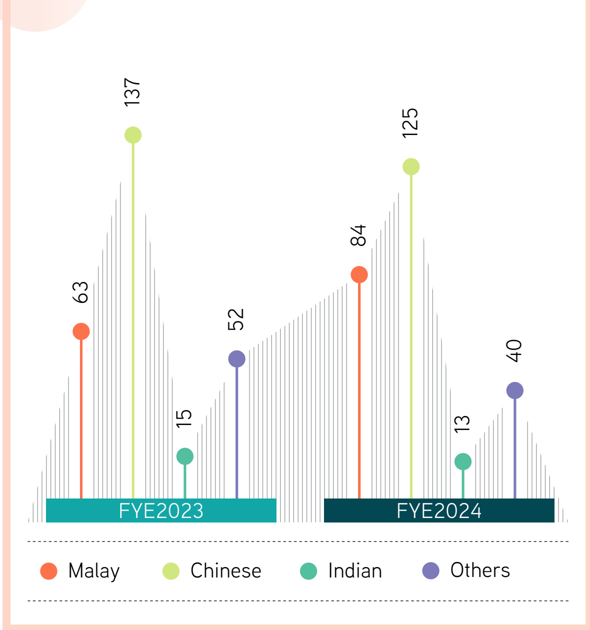
SUSTAINABILITY STATEMENT

The diverse demographics of KSSC's workforce is as below:

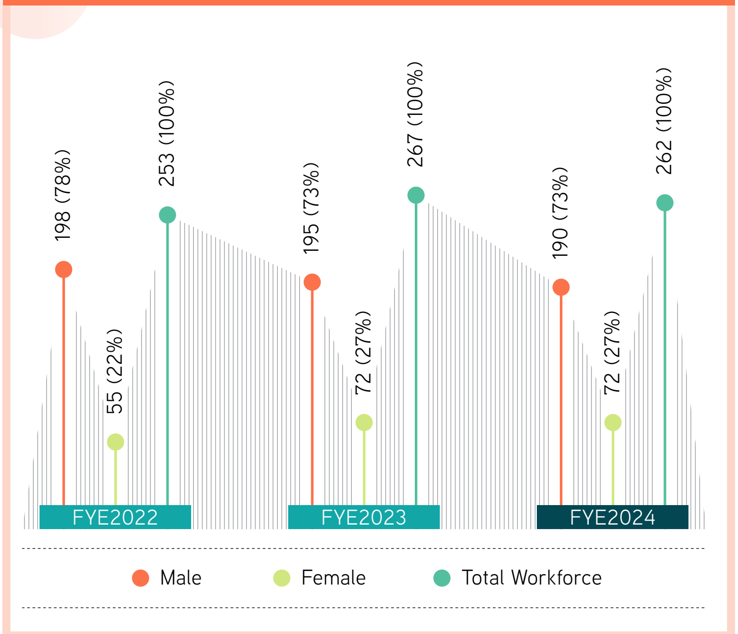
Total Employees by Nationality



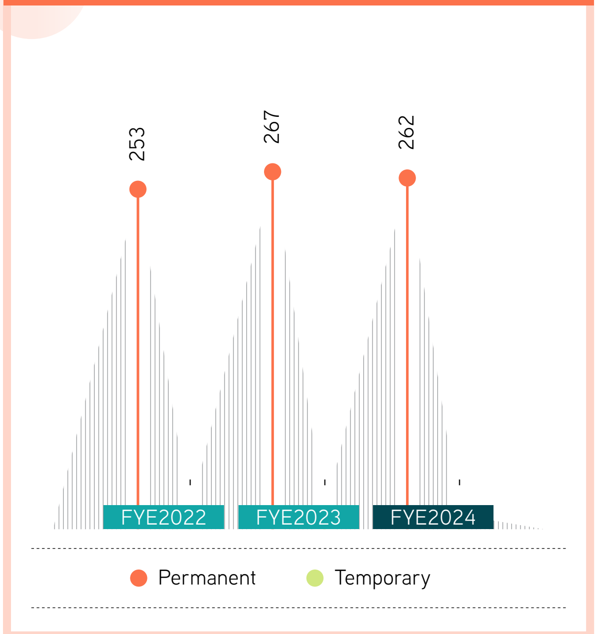
Total Employees by Ethnicity (Pax)



Total Employee by Gender

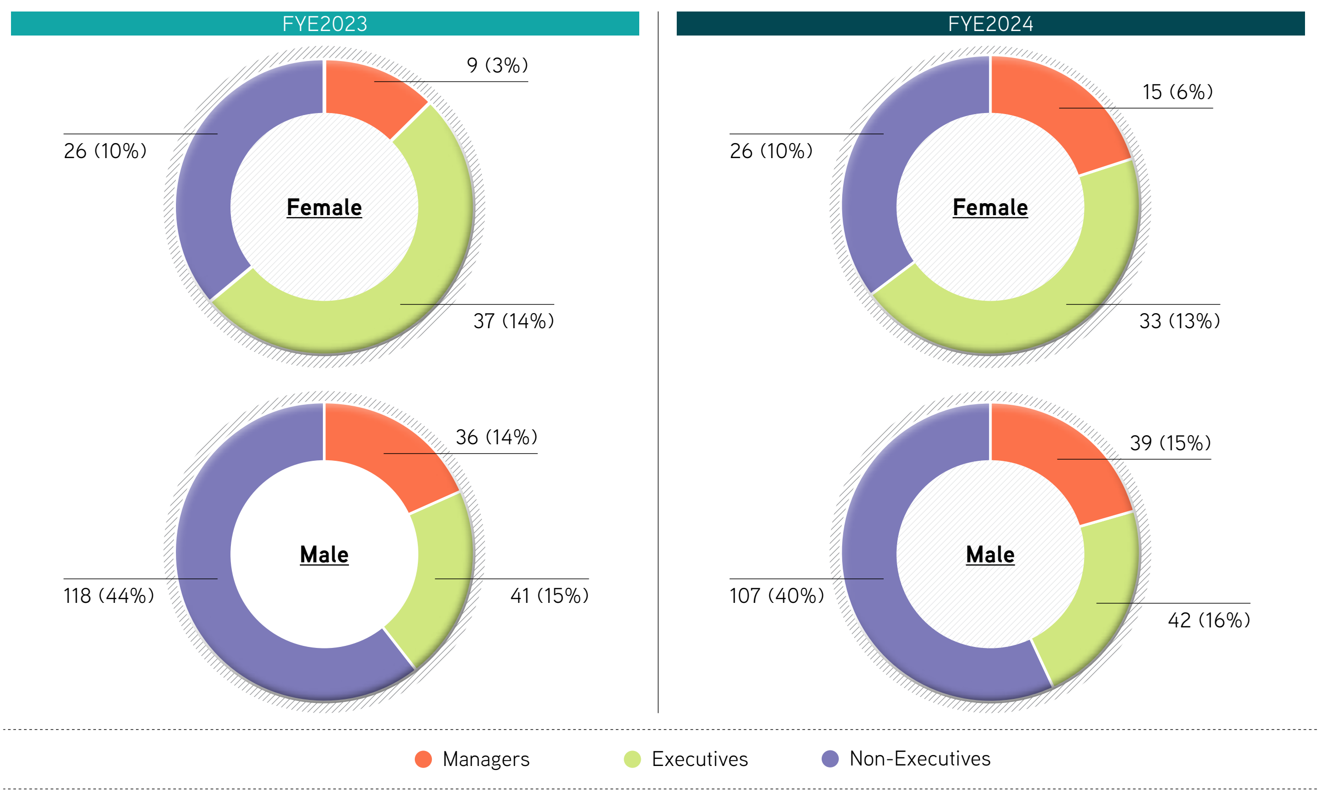


Proportion of Permanent and Temporary Staff (Pax)

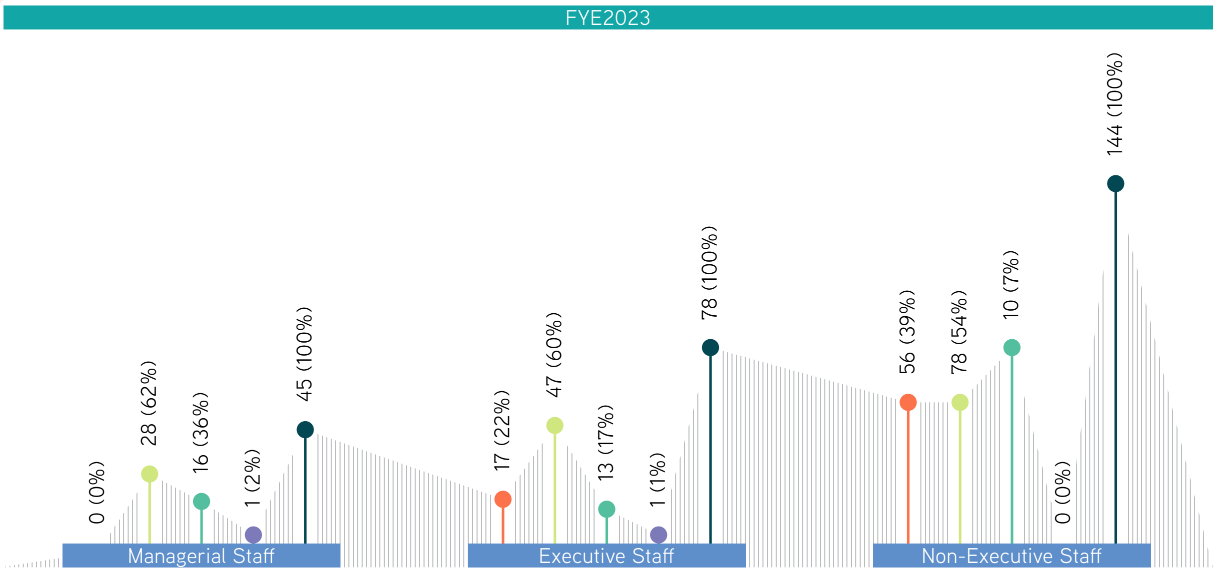


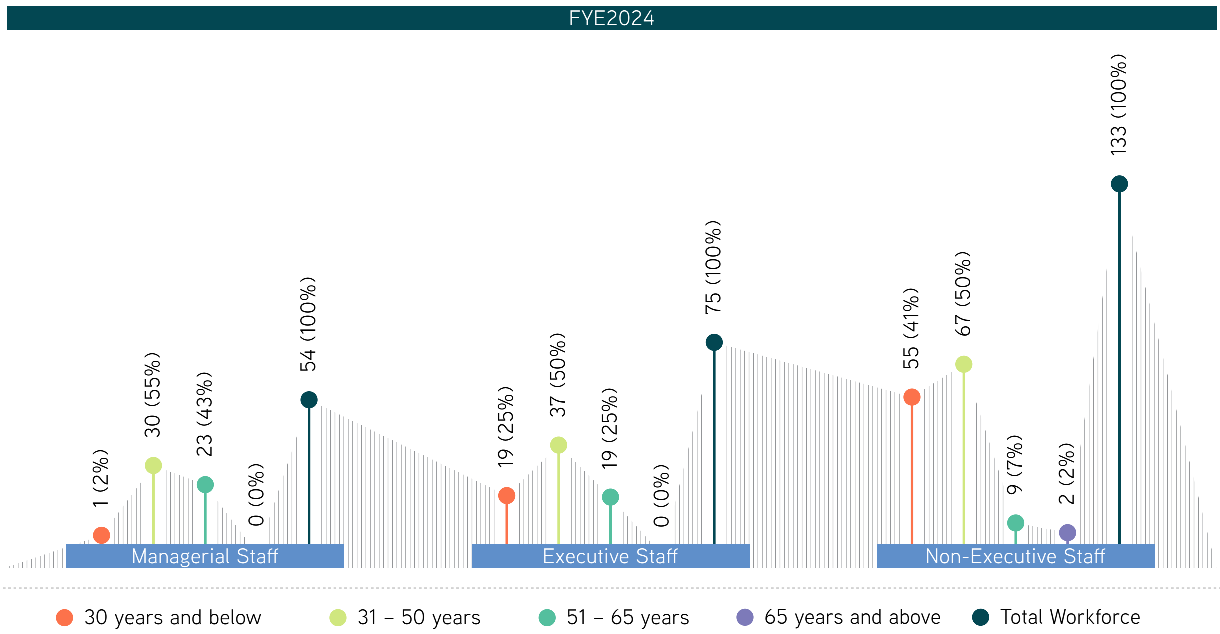
Total Employees by Employment Categories

Total Employees by Gender and Employment Categories

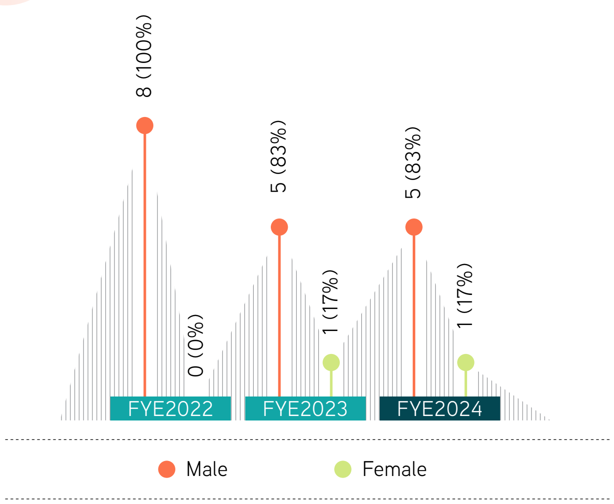


Total Employees by Employment Categories and Age

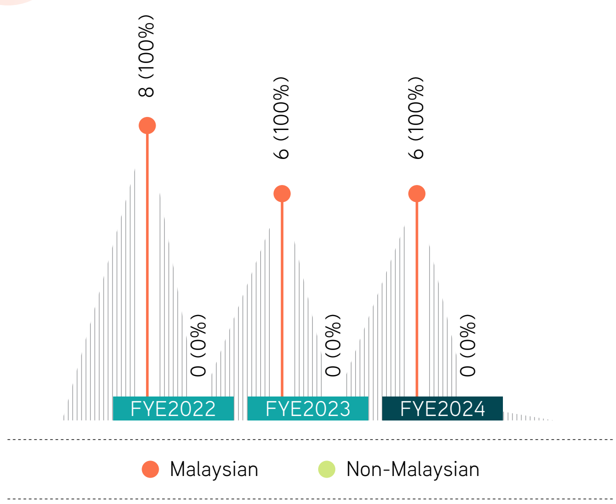




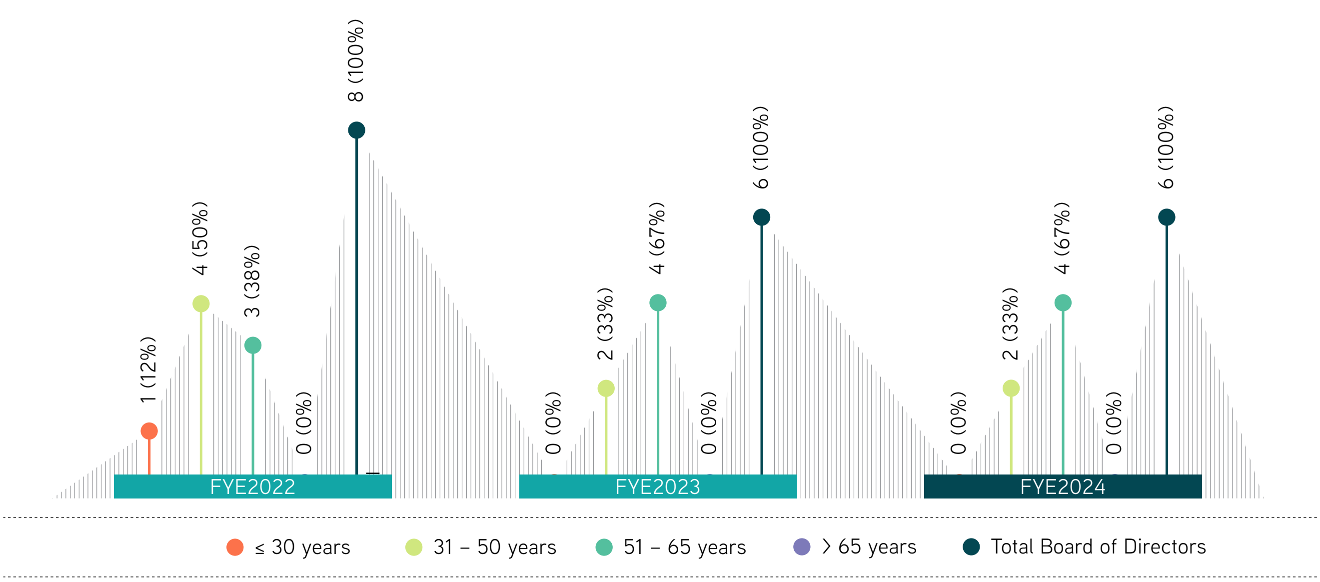
Board of Directors by Gender



Board of Directors by Nationality

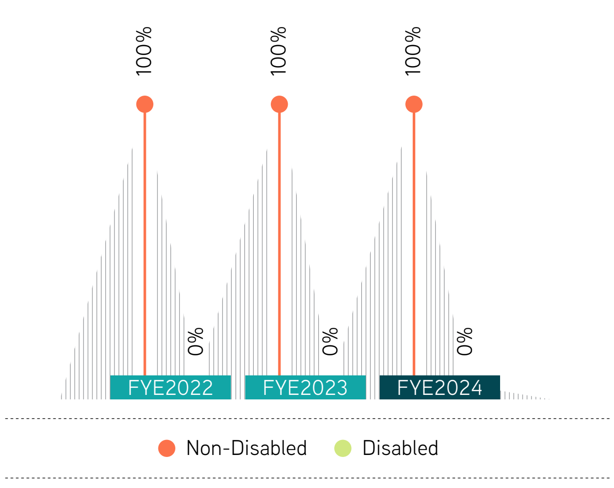


Board of Directors by Age



SUSTAINABILITY STATEMENT

Board of Directors by Disability (%)



EMPLOYEE REMUNERATION AND BENEFITS

To attract top talents and retain the existing workforce, the Group offers comprehensive workforce benefits and competitive remuneration to its employees. The Group also offers performance-based rewards such as monetary bonuses towards incentivising employees to meet and exceed their KPIs and targets.

The Group strives to ensure the compensation packages for employees are on par with present industry standards and also commensurate with an employee's job performance, seniority and tenure with the Group. Employees are entitled to financial and non-financial rewards which are accorded through a transparent 3600 appraisal process. In FYE2024, 100% of employees have undergone their annual appraisal.

KSSC operates in full compliance to applicable wage, work hours, overtime, benefits law and supports the nation's advocacy to ensure compliance with minimum wage.

Employee Benefits	FYE2022 (RM)	FYE2023 (RM)	FYE2024 (RM)
Total statutory payments made for employees' retirement benefits (EPF)	1,478,761	1,475,606	**2,082,934**
Total payments made for employees' medical insurance (SOCSO)	148,639	177,374	**181,417**
Total payments made to employees in terms of salaries, bonuses and benefits	14,542,698	14,526,743	**21,969,131**

Employee Benefits	FYE2022	FYE2023	FYE2024
Maternity/Paternity Leave			
Employees Entitled for Maternity and Paternity Leave	-	9 pax	**6 pax**
Employees taking Maternity Leave	-	4 pax	**3 pax**
Employees taking Paternity Leave	-	5 pax	**3 pax**
Return to Work Rates			
Males Returning to Work (after parental leave period)	-	60%	**100%**
Females Returning to Work (after parental leave period)	-	100%	**67%**

MINIMUM NOTICE PERIODS FOR CHANGES

KSSC provides sufficient notice periods for any significant change to an employees' work environment or job role. The exact notice period differs based on the change and employees are entitled to seek further clarification or information regarding such a change.

FREEDOM OF ASSOCIATION

KSSC respects the right of employees to join, support or participate in any legal association, cultural society, professional body or political entity as provided for in the laws of the country. KSSC does not discourage, or hinder employees from such involvement so long such participation is not against the law.

Employees may choose to jointly bring up issues or concerns to management. Such collective negotiation is recognised by the Group, with employee representatives of such groups given due credence by HR and Senior Management.

TRAINING AND DEVELOPMENT

KSSC acknowledges the importance of training and development to improve employees' job performance and promote high-performance and productivity, which in turn, drives financial and non-financial value creation for the Company.

This supports the Group's ability to adapt to the evolving business environment, enhance organisational effectiveness and staying competitive in the marketplace.

At KSSC, we provide fair and equal training opportunities to employees at all levels of the organisation in support of their career growth and guide them to achieve their aspirations.

KSSC's Human Resources Department ("HRD"), together with the employee's superior, is responsible for developing each employee's training plan, based on employees' appraisal process. This training plan outlines gaps in employee's skills as well as their aspirations for career progression.

Training provided is comprehensive, covering technical expertise, soft skills and leadership capabilities. The HRD shall work closely to ensure sufficient budget and all logistical matters are in place to facilitate employee training. This includes co-ordinating with external trainers, where necessary.

In FYE2024, various training programmes were carried, as listed below:

Date (FYE2024)	Programme	Business Entity	Attendance (Pax)
16.03.2024	The Sales Champion Mindset and Attitude	TTH	**24**
25.05.2024	Anti Bribery & Corruption Training (4hrs x 77)	KSSC Group	**77**
25.05.2024	Speak Up - Facing Difficult People and Conversations Confidently	TTH	**19**
28.05.2024	Chapter 10 Series: Computation of Percentage Ratios	KSSC	**2**
04.07.2024	e-Invoice Implementation: A Forum for Finance Leaders	KSSC Group	**7**
17.07.2024	Seminar Pematuhan Akta Kualiti Alam Sekeliling 1974	PTM	**1**
21.08.2024	2024 Crowe IPO Conference: Unlocking the Secrets of a Successful IPO	KSSC	**2**
02.09.2024	MIA Webinar Series Digital Technology and Artificial Intelligence as Productivity Tools for Accounting and Finance Professionals	KSSC	**1**
18.10.2024	Fair & Ethical Recruitment & Employment of Migrant Workers for SMEs	KSSC	**2**
04.11.2024	Tax Seminar on Budget 2025-Budget highlights and recent tax development	KSSC	**4**
08.11.2024	Microsoft Excel Advanced	KSSC	**1**
13.11.2024	Managing Workplace Absenteeism and Performance Issues	PTM	**1**
14.11.2024	MIA Webinar Series Business Intelligence with Power BI	KSSC	**1**
21.11.2024	Latest Amendment on Akta Kerja 1955 (Pindaan 2022)	KSSC	**1**
03.12.2024	MIA Webinar Series Strategic Planning Theories: Tools & Practice for Businesses	KSSC	**1**

SUSTAINABILITY STATEMENT

General Training Data	FYE2022	FYE2023	FYE2024
Total Training Hours	116 hours	731 hours	**1,644 hours**
Total Training Spend	RM33,719	RM34,271	**RM70,615**
Average Training Hours Per Employee (Hours)	10.8	2.7	**6.2**
Total Male Employees Attended Training (Pax)	-	81	**122**
Total Female Employees Attended Training (Pax)	-	50	**64**
Total Employees Attended Training (Pax)	-	131	**186**

Total Training Hours Per Employee Category (Hours)	FYE2023	FYE2024
Senior Management	110	**226**
Management	185	**349**
Executive	262	**932**
Non-Executive	174	**137**

INTERNSHIP OPPORTUNITY

Cognisant of the intrinsic knowledge and expertise built up within its operations, KSSC welcomes internship placements as part of its commitment to capability building for individuals eager to gain industry experience.

Although no internship placements were recorded in FYE2024, KSSC remains strongly committed to nurturing future talent and continues to encourage aspiring individuals to explore internship opportunities with the Group.

COMMITMENT TO OCCUPATIONAL HEALTH AND SAFETY

KSSC upholds its responsibility to ensure a safe and secure work environment for its employees, suppliers, contractors, visitors and other stakeholders involved in our business operations.

The aspect of occupational safety and health ("OSH") is more applicable to manufacturing sites, as opposed to an office environment, where there is naturally a higher risk for OSH incidents.

There are compelling reasons for why OSH is of utmost importance. Among these include business or commercial reasons as OSH accidents can cause serious disruption to ongoing works, cause delays in progress or inflict damages that lead to additional costs incurred.

OSH incidents can also lead to site shutdowns by regulatory authorities, which will consequently impact the schedule of work and revenue generation. Any OSH incident may not just disrupt the continuity of business activity leading to financial loss but also bring a negative impact to brand credibility and reputation.

However, the single most compelling motivation of pushing for strong OSH focus is to keep people safe. Any incident that causes injuries or fatalities is a serious tragedy and has serious impacts on families and societies.

In view of this, KSSC adheres to the requirements outlined in the Occupation Safety and Health Act 1994 ("OSHA") and maintains a close watch over such risks to better protect its employees, stakeholders and the business. Oversight of safety matters within the Group is the responsibility of the Senior Management, headed by the Group Safety Officer who monitors this with regular Safety Review Meetings where the health and safety performance and progress are evaluated against previously set OSH targets.

With proactive monitoring of safety performance, the Group may utilise the safety date to assess high-risk locations for planning hazard prevention in the future. In this exercise, the forming and polishing sections have been assessed and deemed a high HSE risk location.

Acknowledging its obligation as a responsible employer, KSSC endeavours to provide a safe and conducive workplace for employees by instituting safety SOPs and providing adequate medical equipment and safety awareness education. Such training includes safety procedures, hazard identification and emergency response, and may involve hiring trainers or utilising internal experts.

PTM as a KSSC's subsidiary maintains comprehensive safety protocols to ensure workplace safety for all of its employee. PTM implements a preventative measure for occupational health and safety (OHS) that combines best practices to reduce hazards and develop safety-oriented mindsets among employees. The key safety protocols at PTM are:

No.	Safety Focus Area	Safety Measure
1	**Safe Handling of Tools and Equipment**	Workers need to maintain safe use of tools along with appropriate storage methods to minimise workplace risk areas.
2	**Accessibility of Emergency Equipment**	Fire extinguishers together with emergency stop buttons and safety devices need to stay free from obstacles while receiving frequent inspection checks.
3	**Preventative Maintenance**	Equipment showing defects needs an immediate inspection for tagging and removal from service until repairing becomes complete.
4	**Competency-Based Equipment Operation**	Only trained and authorised personnel are permitted to use specialised equipment and machinery.
5	**Lockout-Tagout Procedures**	All energy-powered devices need to be fully deactivated and locked out during maintenance or repair.
6	**Personal Protective Equipment (PPE)**	All employees are required to use suitable PPE equipment for their duties when performing specific tasks, this including safety goggles, gloves, and protective footwear. A regular inspection must be conducted to ensure PPE integrity.
7	**Incident Reporting and Hazard Management**	All employees must report hazardous situations right away through either immediate on-spot resolution (when safe to do so) or by raising the matter to the safety team.
8	**Housekeeping and Workplace Hygiene**	All working areas need to be both clean and free of objects to avoid accidents caused by slips, trips and falls. Every spill and dust accumulation and debris must be removed immediately.
9	**Safe Storage and Material Handling**	All racking systems must not be overloaded and place in a suitable height that is reachable by operator.
10	**Workplace Conduct and Compliance**	All employees operating in the production area need to follow safety policies that restrict both wearing loose clothing next to machinery and eating in workspace areas for maintaining hygiene conditions.

There has not been any cases of non-compliance nor serious accidents in FYE2024.

SUSTAINABILITY STATEMENT

MANAGEMENT'S APPROACH TO OSH

KSSC adheres firmly to the Malaysian Occupational Safety and Health Act 1994, Environmental Quality Act 1974, regulation orders and other Codes of Practice.

In the existing OSH management, the Group's Safety Officer is responsible for overseeing safety matters within the Group. With view to monitoring closely activities related to OSH, the Group conducts Safety Review Meetings on a quarterly basis.

The committee monitors the emergency response team, building management as well as availability of first aid kits to ensure compliance and to promote a safe workplace.

In FYE2024, the committee convened four meetings, where the members comprise of staff of different levels and departments. The committee discusses matters pertaining to safety and health as well as concerns raised by employees.

Several training sessions for safety improvement and operational efficiency enhancement will take place through 2025. These include crane operation, HIRAC (Hazard Identification, Risk Assessment, and Control), forklift operation, and a fire drill conducted in collaboration with the Bomba (Fire and Rescue Department). Furthermore, we ensure workplace safety advancement with our employees through unique coloured safety helmet usage for role identification at job sites.

OSH TRAINING

Training continues to play an important role in OSH-related matters. KSSC takes a strong view of employees' capability of awareness of potential hazards at the workplace and its management of such situations.

In FYE2024, a total of 39 employees were trained on health and safety standards, an increase of 8.3% over FYE2023 with 36 employees. Total training hours on OSH was 287 hours in FYE2024.

OSH training programmes for FYE2024:

Date (FYE2024)	Programme	Business Entity	Attendance (Pax)
25.06.2024	OSH Conference 2024	KSSC	**1**
13.07.2024	Forklift Safety	KSSC Group	**11**
30.07.2024	Occupational Safety & Health Coordinator	SAAG	**1**
10.08.2024	MRCS Industrial First Aid & CPR with AED Course	KSSC Group	**13**
19.08.2024	Kursus Kesedaran Awam / Kursus Pasukan Keselamatan Kebakaran	SAAG	**5**
20.08.2024	Occupational Safety & Health Coordinator	KSSC	**1**
10.09.2024	Occupational Safety & Health Coordinator	KSSC Group	**3**
25.09.2024	Occupational Safety & Health Coordinator	KSSC Group	**2**
02.10.2024	Occupational Safety & Health Coordinator	TTH	**1**
04.12.2024	Occupational Safety & Health Coordinator	TTH	**1**

OSH PERFORMANCE

KSSC has inculcated a mindset of safety at the workplace, ingrained deeply across the length and breadth of the organisation. In FYE2024, there were zero fatalities reported.

Incident Category	Number of Cases		
	FYE2022	FYE2023	FYE2024
Fatality	0	0	**0**
Major Injury	0	0	**0**
Minor Injury	2	2	**0**
Dangerous Occurrence	0	0	**0**
Occupational Poisoning	0	0	**0**
Near Misses	0	0	**0**
Others	0	0	**0**

COMMUNITY ENGAGEMENT AND DEVELOPMENT

Creating social value has always been a cornerstone of KSSC's business philosophy. As a good corporate entity, KSSC has looked to fulfil its mandate of contributing to societal development, serving as a force for good.

KSSC's corporate social responsibility ("CSR") initiatives are underpinned by our critical focus on the 5Ps of People, Planet, Prosperity, Peace and Partnerships. Through purpose-fit and meaningful programmes, we seek to empower targeted communities with solutions to enhance their quality of life and at the same time promote preservation of the surrounding environment.

Our various CSR initiatives have had a positive impact on not just the targeted underserved community but on our own employees as well. By volunteering for such corporate initiatives, it serves to reinforce their sense of community engagement and social responsibility as well as providing a feeling of satisfaction and wellbeing.

In FYE2024, the Group engaged in various initiatives for underprivileged organisations, providing both monetary and in-kind contribution. More than RM10,000 was spent for different charitable organisations. Besides assisting the residents there, it also served to instil a deeper sense of appreciation and engagement in community support with KSSC employees who volunteered to actively participate and engage with the local residents.

KSSC's Community outreach initiative for FYE2024 is listed below:

Charitable Organisations
Pertubuhan Kebajikan Orang Tua Cacat & Kurang Upaya Taman Connaught

Activity

- Supported the purchase of essential items such as food, milk powder, diapers, and toiletries to fulfil their wish list
- Arranged lunch for the elderly and individuals with disabilities (OKU), served their meals, and provided assistance with feeding.

Impact / Contribution
32 residents benefitted.

Charitable Organisations
Persatuan Insan Istimewa Cheras Selangor

Activity

- Contributed to the purchase of essential items from their wish list, including food, milk powder, diapers, and toiletries.
- Provided lunch for individuals with disabilities (OKU) and children from orphanages, served their meals, and assisted in feeding them.
- We interacted with children as they enthusiastically showed their artwork in drawings and colouring books.

Impact / Contribution
43 residents benefitted.

SUSTAINABILITY STATEMENT

Charitable Organisations
Pertubuhan Kebajikan Amal Warga Emas Sejati Kuala Lumpur & Selangor

Activity

- Contributed food together with milk powder, diapers and toiletries to help meet their essential requirements.
- Provided lunch for the elderly, served their meals, and assisted in feeding them.

Impact / Contribution
45 residents benefitted.

Charitable Organisations
Pertubuhan Kebajikan Insan Istimewa Kuala Lumpur

Activity

- Funded the purchase of food along with milk powder and diapers and toiletries for their everyday requirements.
- Provided lunch for orphaned and abandoned children, served their meals, and assisted in feeding them.
- Interacting with kids as they proudly showcased their drawings and colouring work.

Impact / Contribution
28 residents benefitted.

Charitable Organisations
Pertubuhan Kebajikan Kaseh Sayang

Activity

- Donated necessary items such as milk powder, food, diapers and toiletries to cater to their needs.
- Assisted with the preparation and serving of meals for the elderly and ensured that they were being taken care of.

Impact / Contribution
45 residents benefitted.

ESG PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	100.00	100.00
Executive	Percentage	100.00	100.00
Non-executive/Technical Staff	Percentage	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	10,000.00	11,755.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	5	5 *
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.00	2.00
Management Between 30-50	Percentage	62.00	55.00
Management Above 50	Percentage	38.00	43.00
Executive Under 30	Percentage	22.00	25.00
Executive Between 30-50	Percentage	60.00	50.00
Executive Above 50	Percentage	18.00	25.00
Non-executive/Technical Staff Under 30	Percentage	39.00	41.00
Non-executive/Technical Staff Between 30-50	Percentage	54.00	50.00
Non-executive/Technical Staff Above 50	Percentage	7.00	9.00
Gender Group by Employee Category			
Management Male	Percentage	18.00	15.00
Management Female	Percentage	13.00	6.00
Executive Male	Percentage	21.00	16.00
Executive Female	Percentage	51.00	13.00
Non-executive/Technical Staff Male	Percentage	61.00	40.00
Non-executive/Technical Staff Female	Percentage	36.00	10.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	83.00	83.00
Female	Percentage	17.00	17.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	33.00	33.00
Above 50	Percentage	67.00	67.00

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

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2023	2024
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	4,158.00	4,572.72
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	36	39
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	295	575
Executive	Hours	262	932
Non-executive/Technical Staff	Hours	174	137
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	0	0
Executive	Number	0	0
Non-executive/Technical Staff	Number	0	0
General Workers	Number	0	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	61.00	37.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	3,587.000000	2.969000
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	-	11.57
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	10.70
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	0.88
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	-	128.39
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	-	124.99
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	178.62

Internal assurance External assurance No assurance (*)Restated

SECTOR SPECIFIC INDICATORS: INDUSTRIAL PRODUCTS AND SERVICES

Sector-Specific Matters	Code	Indicators	Location / Explanation
Emissions - Air Quality/Pollution	S4 (a)	Amount of air emissions of pollutants and particulate matter	35
Materials	S5 (a)	Total weight or volume of materials that are used to produce and package products and services	38

GRI CONTENT INDEX

Statement of use	K Seng Seng Corporation Berhad has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

PILLAR	GRI CODE	GRI DISCLOSURE	PAGE REFERENCE AND REASONS FOR OMISSIONS, IF APPLICABLE
ORGANISATIONAL OVERVIEW	2-1	Organizational details	4
	2-2	Entities included in the organization's sustainability reporting	23
	2-3	Reporting period, frequency and contact point	22-23
	2-4	Restatements of information	23
	2-5	External assurance	N/A: No external assurance for now but selected topics have undergone internal assurance
	2-6	Activities, value chain and other business relationships	4
	2-7	Employees	40-46
	2-8	Workers who are not employees	42
SUSTAINABILITY GOVERNANCE	2-9	Governance structure and composition	59-63
	2-10	Nomination and selection of the highest governance body	58
	2-11	Chair of the highest governance body	59-63
	2-12	Role of the highest governance body in overseeing the management of impacts	58-59
	2-13	Delegation of responsibility for managing impacts	58-59
	2-14	Role of the highest governance body in sustainability reporting	58-59
	2-15	Conflicts of interest	24
	2-16	Communication of critical concerns	23
	2-17	Collective knowledge of the highest governance body	61-62
	2-18	Evaluation of the performance of the highest governance body	63
	2-19	Remuneration policies	63

SUSTAINABILITY STATEMENT

PILLAR	GRI CODE	GRI DISCLOSURE	PAGE REFERENCE AND REASONS FOR OMISSIONS, IF APPLICABLE
SUSTAINABILITY GOVERNANCE	2-20	Process to determine remuneration	63
	2-21	Annual total compensation ratio	63
	2-22	Statement on sustainable development strategy	24
	2-23	Policy commitments	24-27
	2-24	Embedding policy commitments	24-27
	2-25	Processes to remediate negative impacts	27
	2-26	Mechanisms for seeking advice and raising concerns	27
	2-27	Compliance with laws and regulations	24-27
STAKEHOLDER	2-28	Membership associations	22
	2-29	Approach to stakeholder engagement	28-29
	2-30	Collective bargaining agreements	47
MATERIALITY	3-1	Process to determine material topics	29-30
	3-2	List of material topics	30-31
	3-3	Management of material topics	24-27, 31-52
ECONOMIC	201-1	Direct economic value generated and distributed	31
	201-3	Defined benefit plan obligations and other retirement plans	46
	201-4	Financial assistance received from government	32
	203-1	Infrastructure investments and services supported	51
	203-2	Significant indirect economic impacts	32
	204-1	Proportion of spending on local suppliers	33
GOVERNANCE	205-1	Operations assessed for risks related to corruption	25-26
	205-2	Communication and training about anti-corruption policies and procedures	25
	205-3	Confirmed incidents of corruption and actions taken	25
	207-4	Country-by-country reporting	32
ENVIRONMENTAL	301-1	Materials used by weight or volume	38
	301-2	Recycled input materials used	38
	302-1	Energy consumption within the organisation	36-37
	302-2	Energy consumption outside of the organisation	37
	302-3	Energy intensity	32
	302-4	Reduction of energy consumption	37
	303-1	Interactions with water as a shared resource	37
	303-3	Water withdrawal	37
	303-5	Water consumption	37
	305-1	Direct (Scope 1) GHG emissions	34
	305-2	Energy indirect (Scope 2) GHG emissions	34
	305-3	Other indirect (Scope 3) GHG emissions	34

PILLAR	GRI CODE	GRI DISCLOSURE	PAGE REFERENCE AND REASONS FOR OMISSIONS, IF APPLICABLE
ENVIRONMENTAL	305-4	GHG emissions intensity	34
	305-5	Reduction of GHG emissions	32,35
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	35
	306-1	Waste generation and significant waste-related impacts	38-39
	306-2	Management of significant waste-related impacts	38-39
	306-3	Waste generated	38-39
	306-4	Waste diverted from disposal	38
	306-5	Waste directed to disposal	38-39
SOCIAL	401-1	New employee hires and employee turnover	40-41
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	46
	401-3	Parental leave	46
	402-1	Minimum notice periods regarding operational changes	46
	403-1	Occupational health and safety management system	48-50
	403-2	Hazard identification, risk assessment, and incident investigation	48-50
	403-3	Occupational health services	49
	403-4	Worker participation, consultation, and communication on occupational health and safety	50
	403-5	Worker training on occupational health and safety	50
	403-8	Workers covered by an occupational health and safety management system	48-50
	403-9	Work-related injuries	50
	404-1	Average hours of training per year per employee	48
	404-2	Programs for upgrading employee skills and transition assistance programs	47-48
	404-3	Percentage of employees receiving regular performance and career development reviews	46
	405-1	Diversity of governance bodies and employees	42-46
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	39
	408-1	Operations and suppliers at significant risk for incidents of child labour	39
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	39
	413-1	Operations with local community engagement, impact assessments, and development programs	51-52
	415-1	Political contributions	27
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	27

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The objective of this Corporate Governance Overview Statement ("CG Statement") is to provide an overview of the application of the corporate governance practices of the Company during the financial year ended 31 December 2024 ("FYE2024") in accordance with the Malaysian Code on Corporate Governance ("MCCG").

This CG Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guidance was drawn from Practice Note 9 of Bursa Securities' Listing Requirements and the Corporate Governance Guide (4th Edition) issued by Bursa Securities with reference to the following three (3) key principles under the leadership of the Board:

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS	PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT	PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS
• Board responsibilities • Board composition • Remuneration	• Audit and Risk Management Committee • Risk management and internal control	• Engagement with stakeholders • Conduct of general meetings

This CG Statement and the Corporate Governance Report 2024 of the Company are available on the Company's website at www.kssc.com.my.

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities

The Board of Directors ("the Board") is entrusted to oversee the overall management of the business affairs of the Group, determine all major policies, ensure effective strategies and management are in place, assess the performance of the Group and the management team, and review the systems of risk management and internal control of the Group. When implementing the business plan, the Executive Directors are responsible for executing corporate decisions made by the Board while the Non-Executive Directors scrutinize the management performance by providing independent views and advice in the interests of the shareholders at large.

To ensure effective discharge of their function and responsibilities, the Board has defined and collectively reviewed and approved the roles and responsibilities as well as the schedule of reserved matters in the Board Charter. In order to assist the Board in the oversight function on specific responsibility areas, the Board has established three (3) Board Committees, namely:

(i) Audit and Risk Management Committee ("ARMC")
(ii) Nomination Committee ("NC")
(iii) Remuneration Committee ("RC")

Governed by their respective Terms of References, the Chairman of the respective Board Committees shall report to the Board on their meeting proceedings and deliberations as well as make recommendations to the Board on the matters under their purview. The Board ensures all Directors have unrestricted access to the advice and services of Senior Management and Company Secretaries and may obtain independent professional advice at the Company's expense in order to discharge their duties effectively.

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (continued)

The Chairman instils good governance practices, leadership and effectiveness in the Board through chairing of board meetings and deliberating together with the Board members on board matters and policies.

The Board is supported by three (3) professional Company Secretaries who carry out the responsibilities of the company secretarial function for the Group. These Company Secretaries have the requisite credentials and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. The Company Secretaries assist the Board in discharging its duties in regard to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices.

During the FYE2024, the Board had reviewed and approved, amongst others:

1) Quarterly results.
2) ARMC's Report on Related Party Transactions/Recurrent Related Party Transactions.
3) ARMC's Report on External Audit Plan for FYE2024.
4) ARMC's Report on Internal Audit Plan for FYE2024.
5) Annual Report 2023.
6) Employees' Share Option Scheme.
7) Adoption of Investment Policy.
8) Acquisition of the remaining 40% equity interest in EIE Asian Holding Sdn. Bhd.
9) Venturing into Aluminium Extrusion Manufacturing Business.
10) Endorsement of the Group Financial Budget 2025.

The Board had established the Anti-Bribery and Corruption Policy in keeping with the commitment set forth to prevent bribery and corruption. KSSC takes a zero-tolerance approach to bribery and corruption and is committed to act professionally, fairly and to uphold integrity in all business dealings and relationships wherever the Group operates and expects the stakeholders to uphold and adopt the same approach.

To further safeguard the integrity of the Group, the Board has established a Whistleblowing Policy to guide stakeholders in reporting genuine concerns regarding any potential improprieties related to financial reporting, compliance, malpractices and unethical business conduct within the Group. In addition, the Board has also established the Group Code of Ethics, serving as a means to communicate and embed its core values throughout the organization.

The Board Charter, Terms of Reference of the Board Committees, Director's Fit and Proper Policy, Anti-Bribery and Corruption Policy, Whistleblowing Policy and Group Code of Ethics are available on the Company's website at www.kssc.com.my.

2.0 Board Composition

Board appointments are made based on objective criteria and merit, with due consideration for diversity in skills, experience, age and gender. In evaluating potential directors, the Nomination Committee is guided by the Director's Fit & Proper Policy and takes into account the following attributes in the recruitment and screening process:

- Skills, knowledge, expertise and experience;
- Professionalism;
- Integrity;
- Boardroom diversity including gender diversity; and
- For candidates being considered for the role of Independent Non-Executive Directors, the Nomination Committee will also evaluate their ability to discharge such responsibilities/functions as expected of the position.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

2.0 Board Composition (continued)

During the FYE2024, the Board comprised six (6) members, three (3) of whom were Independent Non-Executive Directors, hence is in compliance with Paragraph 15.02 of the Listing Requirements of Bursa Securities which stipulates that at least 1/3 of the Board must be independent. Currently, the Board comprises five (5) members, including three (3) Independent Non-Executive Directors. Their profiles are set out in the Directors' Profile in this Annual Report.

The presence of Independent Non-Executive Directors from various fields is an invaluable assets to the Company and fulfil the pivotal role in corporate accountability. The role of Independent Non-Executive Directors is especially significant as they offer impartial perspectives, objective advice, and sound judgement to ensure that the interests of the Group and its stakeholders are duly considered.

The Board understands that quality of information affects the effectiveness of the Board to oversee the conduct of business and to evaluate the Management's performance of the Group. Relevant information and materials essential for the Board's or Committee's deliberation are distributed to Directors in advance, allowing sufficient time for thorough review and consideration prior to the meeting. Notice of Board meetings are usually issued at least five (5) working days prior to the meeting. Upon conclusion of meeting, the Company Secretaries will ensure that accurate and proper records of the proceedings and resolutions passed are recorded and the minutes is circulated to the Board members before the next meeting.

During FYE2024, there were five (5) Board meetings held and the Board Papers were circulated to the Board in a timely manner.

The attendance of the Directors at the Board and Board Committee meetings held during the FYE2024 were as follows:

Director	Designation	Board of Directors	Audit and Risk Management Committee	Nomination Committee	Remuneration Committee
Datuk Keh Chuan Seng (Resigned on 22 March 2025)	Executive Chairman	5/5	-	-	-
Lee Hai Peng	Executive Director	5/5	-	-	-
Er Kian Hong	Independent Non-Executive Director	5/5	5/5	1/1	1/1
Datuk Low Chin Koon	Independent Non-Executive Director	5/5	5/5	1/1	1/1
Teh Boon Beng	Independent Non-Executive Director	5/5	5/5	1/1	1/1
Dr Lim Pang Kiam	Non-Independent Non-Executive Director	5/5	-	-	-

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

2.0 Board Composition (continued)

The Directors were encouraged and afforded the opportunity to upskill and keep themselves abreast with the market and regulatory changes throughout the financial year. During the FYE2024, the Directors attended continuous professional development programme covering various topics ranging from financial, changes in statutory and regulatory requirements, governance, sustainability and industry knowledge. During FYE2024, the Directors attended the following training programmes:

Directors	Conference/Seminar/Workshop	Presenter/Organiser
Datuk Keh Chuan Seng (Resigned on 22 March 2025)	Anti-Bribery & Corruption	ATCEN
	MAP Part II: Leading for Impact	Institute of Corporate Directors Malaysia ("ICDM")
Lee Hai Peng	Anti-Bribery & Corruption	ATCEN
Er Kian Hong	MAP Part II: Leading for Impact	ICDM
	E-invoicing - Latest Requirements and Essentials of Implementation	Avics Tax Consultants Sdn. Bhd. in collaboration with Boardroom.com
	Anti-Bribery & Corruption	ATCEN
	Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securites Berhad relating to Enhances Sustainability Reporting Framework and Conflict of Interest	Cospec Management Services Sdn. Bhd.
	Beneficial Ownership Reporting	Cospec Management Services Sdn. Bhd.
	Roles & Duties of Directors in relation to Financial Statements	Asia Academy, Ch'ng Boon Huat
	Bursa Academy: Conflict of Interest and Governance of Conflict of Interest	Asia School of Business
	Introduction to Artificial Intelligence	Symphony Digest
	Thematic Investing - Technological Megatrends Affecting the Global	Symphony Digest
	Benchmark Your ESG Activities to Attract Investors	Symphony Digest
	ISSB: Applying the IFRS Sustainability Disclosure Standards	Sustainable Stock Exchanges Initiatives
	Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees	Securities Commission and Audit Oversight Board
	Board Briefing on ESG Insights: Trends, Compliance, Issues and Strategies Adoption	Joshua Rayan Communications
	Malaysia Budget 2025 and Latest Tax Developments	Jointly Boardroom.com and JAC Global Sdn. Bhd.
Datuk Low Chin Koon	Anti-Bribery & Corruption	ATCEN

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

2.0 Board Composition (continued)

The Directors were encouraged and afforded the opportunity to upskill and keep themselves abreast with the market and regulatory changes throughout the financial year. During the FYE2024, the Directors attended continuous professional development programme covering various topics ranging from financial, changes in statutory and regulatory requirements, governance, sustainability and industry knowledge. During FYE2024, the Directors attended the following training programmes: (continued)

Directors	Conference/Seminar/Workshop	Presenter/Organiser
Teh Boon Beng	Being Sued as an INED- A personal Journey	ICDM
	ICDM Power Talk – How can Boards Make the Most of Blockchain & Digital Assets	ICDM
	Aspiring Directors Immerse Program	ICDM
	Roles & Responsibility Directors in relation to financial statements	Mr Ch'ng Boon Huat
	Board Briefing on ESG Insights: Trend, Compliance Issues & Strategic Adoption	Joshua Rayan Integrated & Sustainability Reporting Specialists Sdn. Bhd.
	Strategic Data & Framework in Borad Governance	ICDM
Dr Lim Pang Kiam	Double Materiality Assessment for Sustainability Reporting: Challenges of Regulatory Evolutions	Association of Chartered Certified Accountants ("ACCA")
	Capital Gains Tax (CGT) on Foreign and Domestic Transaction	ACCA
	Sustainable Sustainability: Why ESG is Not Enough	Asia School of Business (ASB)
	How Accounting Professional can Use Thought Leadership to Drive Career Progression and Attract the Best Employers	Association of International Certified Professional Accountants (AICPA CIMA)
	IWD Coffee Talk – Invest in Women: Accelerate Progress	Association of International Certified Professional Accountants (AICPA CIMA)
	Sustainable Finance Leadership	AICPA & CIMA
	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 Acriae (Friend of Court)	Learnabee.com
	MIA Town Hall 2023/24 Session 2	Malaysian Institute of Accountants
	Leadership in a Changed World: Upskill Your Leadership Capabilities to Drive Resilient Teams	ACCA
	MIA Town Hall 2023/24 Session 3	Malaysian Institute of Accountants
	Transfer Pricing Awareness – OECD Pillar 1 Amount B	KPMG
	Conflict of Interest (COI) and Governance of COI by Mr. Khoo Guan Huat	Bursa Malaysia
	MIA Town Hall 2023/24 Session 1	Malaysian Institute of Accountants
	MAP Part II: Leading for Impact	ICDM

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

2.0 Board Composition (continued)

Nomination Committee Statement

During the FYE2024, the NC comprised the following three (3) members, all of whom are Independent Non-Executive Directors:

Name	Designation	Directorship
Teh Boon Beng	Chairman	Independent Non-Executive Director
Datuk Low Chin Koon	Member	Independent Non-Executive Director
Er Kian Hong	Member	Independent Non-Executive Director

Activities of the NC

During the FYE2024, the NC met once and performed the following activities in the discharge of its duties:

- Recommended the re-election of the Directors who retired by rotation at the 39th AGM of the Company.
- Reviewed the contribution and performance of each individual Director to assess their character, experience, integrity, and competence to effectively discharge their roles as Directors through a comprehensive assessment system.
- Evaluated the performance of the Board and the Board Committees.
- Assessed the independence of the Independent Directors of the Company.
- Reviewed the term of office of the ARMC and assessed its effectiveness as a whole.

3.0 Remuneration

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. The RC oversees the remuneration of Directors. The remuneration for Directors is in line with the Board's aim to retain, attract and reward talent based on industry benchmarks.

The remuneration packages for Executive Directors are reviewed by the RC and recommended to the Board for approval. The Board then made the decision without the involvement of the respective Executive Directors in determining their own remuneration.

The remuneration details of the individual Directors for FYE2024 are disclosed on page 31 of the Corporate Governance Report 2024 ("CG Report 2024"). The Board is of the view that the disclosure of the Senior Management's remuneration components will not be in the best interest of the Group given the competitive human resources environment as such disclosure may give rise to talent recruitment and retention issue. Also premised on the confidentiality of the remuneration package of the Senior Management, the Board has adopted the policy of disclosing the Senior Management remuneration in bands of RM50,000 without named basis, as disclosed on page 32 of the CG Report 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B:

EFFECTIVE AUDIT AND RISK MANAGEMENT

1.0 Audit and Risk Management Committee

The ARMC comprises three (3) members, all being the Independent Non-Executive Directors. The Chairperson of the ARMC is distinct from the Chairman of the Board so as to promote unfettered objectivity during the Board's review of the ARMC's findings and recommendations. The current ARMC composition meets the requirements of Paragraph 15.09 of the Listing Requirement of Bursa Securities. where the ARMC Chairperson, Er Kian Hong is a member of the Certified Practising Accountants (CPA), Australia. The present composition of the ARMC allows it to possess the requisite level of financial literacy and business acumen to have a sound understanding of the financial matters of the Group, as well as an understanding of the latest developments in financial reporting, accounting and auditing standards.

None of the members of the ARMC is former audit partners of the current external audit firm of the Group. The ARMC is mindful of the minimum three (3) years cooling off period best practice under the MCCG when considering the appointment of former key audit partner from its current external audit firm as an ARMC member, to ensure that the ARMC conducts an objective review of the Group's financial statements and the performance and independence of the External Auditors.

Before the commencement of the audit for current financial year, the ARMC had reviewed and deliberated with the External Auditors on their audit planning memorandum, covering the audit risk areas, approach, emphasis and timeline. The ARMC also noted the External Auditors' independence check and confirmation procedures carried out in the firm as well as no conflict of interest for rendering their non-audit services to the Group presently.

Full details of the ARMC's duties and responsibilities are stated in its Terms of Reference which is made available on the Company's website at www.kssc.com.my and the detailed disclosure on the role and activities undertaken by the ARMC during the financial year is provided in the ARMC Report of this Annual Report.

2.0 Risk Management and Internal Control Framework

The Board has ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policy and overseeing the Company's strategic risk management and internal control framework to achieve its objectives within an acceptable risk profile as well as safeguarding the interest of stakeholders and shareholders and the Group's assets.

The Board is supported by the ARMC which reports to the Board regarding the Group's risk exposures, including a review of risk assessment model used to monitor the risk exposures and the Management's view on the acceptable and appropriate level of risks faced by the Group. The ARMC is chaired by Er Kian Hong and comprises solely of Independent Directors. The ARMC will continue to evaluate, review and monitor the Group's risk management framework and activities on on-going basis to identify, assess and monitor the key business risks of the Company to safeguard shareholders' investment and Company's assets.

The Company also outsources its internal audit function to provide independent assessments on the adequacy, efficiency and effectiveness of the Company's internal control system. The outsourced internal auditors report directly to the ARMC and internal audit plans are tabled to the ARMC for review and approved by the Board to ensure adequate coverage.

The process of the risk management and internal control are ongoing, which are undertaken by each department within the Company. The Company will continuously enhance the existing system of risk management and internal control by taking into consideration of the changing business environment.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE C:

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

1.0 Engagement with stakeholders

The Board is committed to ensure effective, transparent and timely communication with the stakeholders. Shareholders and other stakeholders are kept informed of the latest developments of the Group via announcements to Bursa Securities, annual reports, quarterly financial results, circulars to shareholders and press releases.

In addition, the Company maintains a corporate website at www.kssc.com.my to promote accessibility of information to the Group's diverse stakeholder groups. The Board ensures that the website is regularly updated with recent announcements, past and current reports to shareholders as well as news and press releases pertaining to the Group. Any comments, queries and suggestions can be directed to a designated e-mail address, namely enquiry@kssc.com.my.

KSSC is not categorised as "Large companies" and thus, have not adopted integrated reporting based on a globally recognised framework.

2.0 Conduct of General Meetings

The Annual General Meeting ("AGM") serves as the primary platform for shareholders to engage with the Board and Senior Management in a productive two-way dialogue. Shareholders are accorded with the opportunity to put forward questions and seek clarifications on the broad areas of the Group's performance, business activities and outlook during a Question & Answer session held during the AGM.

The Company is committed to ensure that the notice for the upcoming AGM is issued to the shareholders at least 28 days in advance, in line with applicable requirements. All Directors will be attending the upcoming AGM and will ensure that the AGM supports meaningful engagement between the Board, senior management and shareholders. The minutes of the general meeting will be made available to shareholders no later than 30 business days after the general meeting.

COMPLIANCE WITH MCCG

The Board is satisfied that during the FYE2024, the Company has substantially complied with the best practices of the MCCG on the application of the principles and best practices in corporate governance.

This CG Statement was approved by the Board on 16 April 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION

As at the FYE2024, the ARMC comprises of the following three (3) members, all of whom are Independent Non-Executive Directors. The details of attendance of the ARMC members are as follows:-

				Meeting Attendance
Chairperson	:	Er Kian Hong ^	Independent Non-Executive Director	5/5
Members	:	Datuk Low Chin Koon	Independent Non-Executive Director	5/5
	:	Teh Boon Beng	Independent Non-Executive Director	5/5

^ Certified Practising Accountant (CPA)

TERMS OF REFERENCE

The Terms of Reference of the ARMC is available at www.kssc.com.my.

The ARMC members have undergone relevant trainings during the financial year to apprise the regulatory changes as well as to stay abreast with contemporary issues affecting the Group. Details of the ARMC members' trainings are outlined in the Company's Corporate Governance Overview Statement in this Annual Report.

ROLES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Board has entrusted the ARMC with the responsibilities in overseeing the financial reporting process, the audit processes and the risk management functions, including but not limited to the following:

- To review the Group's quarterly results and year-end financial statements;
- To review the External Auditors' Audit Plan and Audit Report, as well as the External Auditors' evaluation of the system of internal controls;
- To review the assistance and cooperation given by the Group's employees to the External Auditors;
- To meet with the External Auditors without the presence of any executive Board members and management;
- To assess the Group's risks profile and to mete it out with the appropriate internal audit plan and internal control system;
- To review the internal audit plan and processes, the findings, investigation undertaken, and whether or not any appropriate action is taken on the recommendations of the internal audit function, and reporting the same to the Board;
- To receive risks reports and update reports from the Risk Officers and respective Heads of Division;
- To review the suitability, objectivity and independence of the Group's internal and external auditors and the processes adopted by the auditors;
- To review the Related Party Transactions and/or Recurrent Related Party Transactions to ensure that they are not to the detrimental of the minority shareholders; and
- To review the Company's compliance of the relevant Accounting Standards and other legal requirements.

ROLES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (continued)

In line with the Terms of Reference of the ARMC, the following activities were carried out by the ARMC during the FYE2024 in discharging its functions and duties:-

Financial Performance & Reporting

- The ARMC reviewed the unaudited quarterly financial results and announcements and annual financial statements of the Group before submission to the Board of Directors for approval. This was to ensure that the financial statements were in compliance with the provisions of the Companies Act 2016, Malaysian Financial Reporting Standards, International Financial Reporting Standards and Listing Requirements of Bursa Securities.
- The ARMC reported to the Board on significant audit issues and concerns discussed during the ARMC meetings which have a significant impact on the Group from time to time, for consideration and deliberation by the Board.
- The ARMC reviewed the ARMC Report, the Sustainability Statement and the Statement on Risk Management and Internal Control before submission to the Board for approval and inclusion into the Annual Report of the Company.

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AUDIT AND RISK MANAGEMENT COMMITTEE DURING THE FINANCIAL YEAR

External Auditors

- Discussed and reviewed the External Auditors' Audit Planning Memorandum for the FYE2024 outlining their responsibilities, engagement team, audit risk assessment, significant risks and areas of audit focus, consideration of fraud and involvement of internal auditors, involvement of component auditors, timetable, engagement quality control, independence policies and procedures and audit fees.
- Deliberated on the External Auditors' report at its meeting with regard to the relevant disclosures in the annual audited financial statement for the FYE2023.
- Reviewed the External Auditors' findings arising from audits, particularly comments and management's responses towards the management letter issues and their actions to resolve them.
- Discussed and reviewed with the External Auditors the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board.
- Dialogue session with the External Auditors, without the presence of the Executive Directors and management.
- To discuss audit matters with the External Auditors for the FYE2023.

Internal Audit

- Reviewed the scope of work and audit plans for the Group prepared by the Internal Auditors.
- Reviewed the Internal Audit Report for the FYE2024 and assessed the internal audits findings, recommendations with the Management's responses.
- Reviewed and assessed the Internal Auditors' performance based on their staff strength, resources, professional integrity, independence, familiarity with Group's operation and recommended to the Board for their re-appointment.
- Reviewed the adequacy and performance of Internal Audit function and its comprehensiveness of the coverage of activities within the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AUDIT AND RISK MANAGEMENT COMMITTEE DURING THE FINANCIAL YEAR (continued)

Related Party Transactions ("RPTs") and Conflict of Interest ("COI")

All Board members will disclose if they have any RPT during the quarter at every quarterly Board meeting.

The ARMC reviewed the RPTs and COI situations that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity every quarter. There were no COI situations that required the attention of the ARMC.

The ARMC reviewed and determined whether the RPTs and COI situations presented by the Management is fair, reasonable and on normal commercial terms and in the best interest of the Company prior entering into such transaction.

The ARMC will review the RPTs and Recurrent RPTs ("RRPTs"), to assess if they are fair, reasonable and on normal commercial terms and in the best interest of the Company prior to the Company entering into such transaction. All RRPTs must be transacted at arm's length basis and not detrimental to the interest of the minority shareholders.

The ARMC must:

(a) Ensure that there is adequate oversight over the controls on the identification of the interested parties and identification of the RPT and possible COI situation; and

(b) Assess and address the reasonableness of the RPT and COI situation to ensure that interested parties do not abuse their powers to gain unfair advantages.

During the financial year under review, all RPTs have been disclosed in the financial statements and there was no COI situation being reported.

Others

The ARMC had reviewed the disclosure statements on Corporate Governance and Sustainability Statements; and recommended their adoption to the Board, for inclusion in this Annual Report.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to Eco Asia Governance Advisory Sdn. Bhd. The Internal Auditors had engaged with the various Heads of Division to conduct the enterprise risk management, to meet the risk appetites with the internal control and control plan. The Internal Auditors regularly review and appraise the effectiveness of the internal control system, governance and risk management within the Company and the Group.

The Internal Auditors report directly to the ARMC and they are given full access to all the documents relating to the Company and the Group's governance, financial statements and operational assessments.

INTERNAL AUDIT FUNCTION (continued)

The Company recognised that the internal audit function is important in assisting the ARMC to execute its oversight function and discharge its duties and responsibilities. They perform independent reviews to ensure adequacy and effectiveness of the internal control and risk management systems established by the Group.

The ARMC deliberate and discuss the report issued by the Internal Auditors. Its recommendations were duly acted upon by the Management with proper follow-up actions. During the financial year under review, the Internal Auditors had reviewed the following areas and operating processes:-

(a) Key internal control review of SA Group (SA Aluminium & Glass Sdn. Bhd., SA Design & Technology Sdn. Bhd., and SA Metalworks Sdn. Bhd.), the scope of work as follows:
- Human resources and payroll management;
- Finance management;
- Procurement management;
- Tender and project management;
- Fabrication management; and
- Warehouse management.

(b) Key internal control review of EIE Group (EIE Industrial Products Sdn. Bhd., EIE Asian Holding Sdn. Bhd., EIE Pulp & Specialty Sdn. Bhd.), the scope of work as follows:
- Human resource and payroll management;
- Finance management;
- Procurement management;
- Sales management; and
- Warehouse management.

(c) Follow up review, the scope of works as follows:
- Inventory Management;
- IT General Control;
- Hire To Retire;
- Procurement to Payment;
- Related Parties Transaction;
- Warehouse Management;
- Procurement to Payment (Trading Activities);
- ERM Adequacy;
- Record to Report; and
- Production Process.

The internal audit plan covers the review of the adequacy of financial and operational controls, compliance with laws and regulations and risk monitoring activities.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (continued)

The primary responsibility of the internal audit function is to assist the Board and the ARMC in reviewing and assessing whether the management systems of internal control procedures are effective and provide recommendations to strengthen these internal control procedures so as to foster a strong management control environment.

The Internal Auditors have organized their works in accordance with the principles of the internal auditing standards covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders on the audit concerns.

The Internal Auditors conducted the risk management profile to map out the proposed action plan to address those high-priority risks. Thereafter, the Internal Auditors would recommend and present the internal audit plan to the ARMC for approval annually before commencement of the internal audit work. During the quarterly meetings following the presentation of the internal audit reports, the ARMC will review the progress and coverage of the internal audit plan to ensure that the audit direction remains relevant and is in line with the expectations of the ARMC.

Prior to the presentation of reports and findings to the ARMC, comments from the Management were obtained and incorporated into the internal audit findings and reports.

The internal audit report also covered the follow-up actions by the Management on the implementation of the recommendations in their earlier reports.

The details of the internal audit functions during the financial year under review is stated in the Statement on Risk Management and Internal Control of this Annual Report.

The total cost incurred for the internal audit function of the Group for the FYE2024 was RM30,000.

This statement was approved by the Board on 16 April 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Paragraph 15.26 (b) of the Listing Requirements of Bursa Securities stipulates that a listed issuer must ensure that its board of directors makes a statement ("Statement on Risk Management and Internal Control" or "Statement") about the state of risk management and internal control of the listed issuer as a group. Accordingly, the Board of Directors (the "Board") is pleased to provide the Statement on Risk and Management and Internal Control, which outlines the nature and scope of the risk management and internal control system in the Group (comprising the Company and its subsidiaries) for the FYE2024 and up to the date of approval of this Statement for inclusion in the Annual Report of the Company. For disclosure, this Statement considers the "Statement on Risk Management and Internal Controls - Guidelines for Directors of Listed Issuers", a publication of Bursa Securities that guides boards of directors on the issuance of the Statement on Risk and Management and Internal Control.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's system of risk management and internal control to safeguard shareholders' investment and the Group's assets and review its adequacy and integrity. The Board is mindful of the need to establish clear roles and responsibilities in discharging its fiduciary and leadership functions in line with Practice 1.1 of the MCCG. Accordingly, the Board is aware that its principal responsibilities, as outlined in the Guidance of the MCCG, include, inter-alia, the following:

- ensure there is a sound framework for internal control & risk management;
- understanding and identifying principal risks of the business and ensuring the implementation of appropriate controls and mitigation measures;
- sets the risk appetite, within which the management is expected to operate; and
- reviewing the adequacy and integrity of the management information and internal controls system of the Company.

The Group has in place a risk management process to identify and evaluate significant risks, comprising strategic, financial, and operational risks and a system of internal control to mitigate such risks. Given the limitations inherent in any system of risk management and internal control, the system is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's business and corporate objectives. The system can therefore only provide reasonable, but not absolute assurance, against any material misstatement, financial loss, or fraudulent practice.

Following the latest publication of the Statement on Risk and Management and Internal Controls Guidelines for Directors of Listed Issuers, the Board affirms that there is an ongoing process for identifying, evaluating, and managing significant risks faced by the Group.

RISK MANAGEMENT PROCESS

The Board recognises the importance of risk management to safeguard shareholders' investment and the Group's assets. Accordingly, it has deployed a process to identify and evaluate significant business risks faced by the Group to manage them during the financial year under review and up to the date of approval of this Statement. Management is entrusted to identify such risks for onward reporting to the Board so that remedial measures may be taken to mitigate the risks as appropriate. For each risk identified, the risk management process includes assessing the likelihood of its occurrence and the impact thereof. The significant risks faced by the Group, including action plans to mitigate risks within acceptable levels, are reported by Management to the Board yearly.

The Board also had established an Enterprise Risk Management framework to identify, evaluate, control, report, and monitor significant risks faced by the Group. Such a framework also includes pertinent risk management policies and guidelines to provide structured guidance to personnel across the Group in addressing risk management. The risk appetite of the Group is articulated via the use of risk parameters in the framework, covering financial and non-financial metrics, to assess the likelihood of risks occurring and the impact thereof should the risks occur. Internal controls deployed by Management are linked to, and mitigate the business risks identified.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM

The Group has in place a system of internal control which encompasses all types of control including those of a financial and operational nature. The system of internal control is structured in such a manner that it provides reasonable assurance that the likelihood of a significant adverse impact arising from a future event is at a level acceptable to the business.

The system of internal control entails, inter-alia, the proper delegation of duties and responsibilities from the Board to the Executive Director and Senior Management (collectively, "the Management"), with specified limits of authority, in running the main operating functions of the Group. In this respect, Management essentially comprises personnel with many years of "hands-on" experience who are in a position to identify and manage business risks.

In order to enhance the Group's risk management and internal control system, the Group engaged an independent professional firm, in carrying out a review, development, and improvement to the Group's risk management and internal control system. Key focus areas reviewed by the professional firm include:-

- Review and revise the existing governance structure of the Group to ensure a clearly defined line of responsibilities and appropriate levels of delegation and authority. A process of hierarchical reporting is established which provides for a documented and auditable trail of accountability.
- Review and enhance the Board Charter and Terms of Reference of the Audit and Risk Management Committee, Nomination Committee, and Remuneration Committee.
- Development of a Code of Ethics and Conduct for Directors to serve as a document to guide the business ethics and conducts for all Directors of the Company and its subsidiaries.
- Development of the Corporate Disclosure Policies and Procedures on corporate disclosures, including investor relations and communication with stakeholders.
- Review, develop and enhance the existing standard operating procedures for the key functions of the Group.
- Review and enhance the existing Enterprise Risk Management Framework.
- Review and develop key performance indicators of the Group.
- Other key areas of improvement to be identified.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to a firm of independent professionals, which adopts the International Professional Practices Framework ("IPPF") in carrying out internal audit assignments on the Group. The IPPF includes, inter-alia, the attribute and performance standards for internal auditing promulgated by the Institute of Internal Auditors, a global professional body for internal auditors. The internal audit function, which reports directly to the ARMC, assists the Board in assessing the adequacy and integrity of the internal control system established by Management based on an agreed scope of work as outlined in an Internal Audit Plan approved by the ARMC. There is no restriction placed upon the scope of the Internal Audit function's work and the internal auditor is allowed full, accessible and unrestricted access to the records and relevant personnel of the Group.

INTERNAL AUDIT FUNCTION (continued)

During the financial year under review, the internal audit function covered the following key processes of the Group to assess the adequacy and operating effectiveness of internal controls to address the business risks therein:

Key internal control review of SA Group (SA Aluminium & Glass Sdn. Bhd., SA Design & Technology Sdn. Bhd., and SA Metalworks Sdn. Bhd.), the scope of work as follows:

- Human resources and payroll management;
- Finance management;
- Procurement management;
- Tender and project management;
- Fabrication management; and
- Warehouse management.

Key internal control review of EIE Group (EIE Industrial Products Sdn. Bhd., EIE Asian Holding Sdn. Bhd., EIE Pulp & Specialty Sdn. Bhd.), the scope of work as follows:

- Human resource and payroll management;
- Finance management;
- Procurement management;
- Sales management; and
- Warehouse management.

Follow up review, the scope of works as follows:

- Inventory Management;
- IT General Control;
- Hire To Retire;
- Procurement to Payment;
- Related Parties Transaction;
- Warehouse Management;
- Procurement to Payment (Trading Activities);
- ERM Adequacy;
- Record to Report; and
- Production Process.

Their reviews are reported directly to the ARMC which includes significant internal audit findings, recommendations for improvements, Management's responses, and proposed action plans. Based on the internal audit reviews conducted, weaknesses had been identified and rectified and these weaknesses did not result in any material losses, contingencies, or uncertainties that would require separate disclosure to be made in this Annual Report.

The costs incurred for the Internal audit function for the FYE2024 amounted to approximately RM30,000 (2023: RM59,000).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Assurance by the Executive Director and Chief Financial Officer on the adequacy and effectiveness of the risk management and internal control system

The Board has received assurance from the Executive Director and Chief Financial Officer through various reports that the Group's risk management and internal control system is operating adequately and effectively, for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

Board's comments on the adequacy and effectiveness of the Group's risk management and internal control system

The Board, through its ARMC, has reviewed the adequacy and effectiveness of the risk management and internal control systems. Those relevant actions have been or are being taken, as the case may be, to remedy internal control weaknesses identified from the review, which was largely based on the outcome of observations raised by the internal auditors directly to the ARMC.

The Board is of the view that there have been no significant weaknesses in the system of internal control that resulted in material losses, contingencies, or uncertainties that would require disclosure in the Company's Annual Report 2024. Management of the Group continues to take measures to strengthen the internal control environment from time to time based on recommendations of the internal audit function as well as the external auditors.

For this statement on Risk Management and Internal Control, the associates of the Group has not been taken into account. The Group's interests in this associates are served through representation on the Board of the associate as well as through the review of management financial statements.

This statement is issued in accordance with a resolution of the Board dated 16 April 2025.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements, the external auditors have reviewed this Statement in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the FYE2024 and has reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls Guidelines for Directors of Listed Issuers, or
(b) is factually inaccurate.

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

DIRECTORS' RESPONSIBILITY STATEMENT

in respect of the Audited Financial Statements

The Directors are required by the Companies Act, 2016 ("CA") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards (IFRSs), the requirements of the CA in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, to give a true and fair view of the financial position as at the end of each financial year and the financial performance for each financial year of the Group and of the Company.

In preparing the financial statements for the financial year ended 31 December 2024, the Directors ensured that the Management has:-

- adopted appropriate accounting policies and applied them consistently;
- made judgment and estimates that are reasonable and prudent;
- ensured that applicable approved accounting standards and statutory requirements have been followed; and
- prepared the financial statements on a going concern basis.

The Directors are also responsible to ensure that the Group and the Company keep proper accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the CA and applicable approved accounting standards.

The Directors have overall responsibility for taking all reasonable measures to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

The summary of the utilisation of proceeds from Private Placement is as follows:-

(i) The 1st Private Placement was completed on 11 January 2021 and RM10,257,250 were received.

To date, the Company has yet to fully utilise the Private Placement Proceeds. The Board has resolved to extend the timeframe for utilising the proceeds for business expansion, particularly the construction of the new office building.

The status of the utilisation of the Private Placement Proceeds for the FYE2024 are as follows:-

Purpose	Private Placement Received RM'000	Actual Utilisation RM'000	Unutilised Proceed RM'000	Initial Time Frame for Utilisation	Extended Time Frame for Utilisation
(i) Business Expansion	5,000	600	4,400	18 Months	Quarter 2 2025
(ii) Working Capital	5,157	5,157	-	-	-
(iii) Defray Estimated Expense	100	100	-	-	-
	10,257	5,857	4,400		

(ii) The 2nd Private Placement, which was completed on 08 November 2024 with a total of 25,000,000 and 10,000,000 Placement Shares issued at the issue price of RM0.85 and RM0.82 per share, respectively, total gross proceeds received of RM29,450,000.00. The Private Placement Proceeds was fully utilised for the acquisition of an associate company, repayment of bank borrowings and working capital.

AUDIT AND NON-AUDIT FEES

The auditors' remuneration including non-audit fees for the Company and the Group for the FYE2024 is as follows:-

Details of Audit Fees	Group (RM'000)	Company (RM'000)
Statutory Audit Fees	314	90
Non-Audit Fees	5	5
Total	**319**	**95**

MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries, involving directors' and major shareholders' interest, either still subsisting at the end of the FYE2024 or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

The Company did not seek any mandate from its shareholders pertaining to recurrent related party transactions of revenue or trading nature during the FYE2024.

Financial Information

04.

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries and associate are disclosed in Notes 12 and 13 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	7,980,083	7,786,232
Attributable to:		
Owners of the Company	7,719,474	7,786,232
Non-controlling interests	260,609	-
	7,980,083	7,786,232

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2024.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would require the writing off of bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had 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 which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT
(CONTINUED)

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and of the Company during the financial year were RM319,250 and RM95,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

(i) issued 100,000 new ordinary shares at a price of RM0.54 per ordinary share from conversion of warrants for working capital purposes;

(ii) issued 25,000,000 new ordinary shares at a price of RM0.85 per ordinary share from private placement for working capital purposes; and

(iii) issued 10,000,000 new ordinary shares at a price of RM0.82 per ordinary share from private placement for working capital purposes.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

During the financial year, no new issue of debentures were made by the Company.

WARRANTS

The Warrants 2022/2029 were constituted under the Deed Poll dated 19 September 2022.

The exercise period of the Warrants 2022/2029 expires on 10 October 2029.

As at 31 December 2024, the total number of Warrants 2022/2029 that remained unexercised were as follows:

	Number of warrants			
	At 1 January 2024	Bought	Exercised	At 31 December 2024
Warrants 2022/2029	**35,620,529**	-	(100,000)	**35,520,529**

The salient terms of Warrants 2022/2029 are disclosed in Note 24(b) to the financial statements.

Details of the Warrants 2022/2029 issued to Directors are disclosed in the section of Director's Interests in this report.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the by-laws approved by the shareholders of the Company of an Extraordinary General Meeting held on 25 May 2022.

The salient features and other details of the ESOS are disclosed in Note 24(c) to the financial statements.

There were no ESOS granted during the financial year.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Lee Hai Peng*
Teh Boon Beng
Datuk Low Chin Koon
Er Kian Hong
Dr Lim Pang Kiam
Datuk Keh Chuan Seng (Resigned on 22 March 2025)

* *Directors of the Company and certain subsidiaries*

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Chan Min Wai
Chia Ai Peng
Chi On Kang
Ravindran P. Jayaprathapan
Yeoh Soo Chin
Yip Wei Lun
Ang Chek Peow
Lee Choon Ming (Resigned on 2 May 2024)

DIRECTORS' INTERESTS

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

Interests in the Company

	Number of ordinary shares			
	At 1 January 2024	Bought	Sold	At 31 December 2024
Direct interests:				
Lee Hai Peng	**3,000,000**	-	-	**3,000,000**
Deemed interests:				
Datuk Keh Chuan Seng	**34,531,012***	-	-	**34,531,012***

DIRECTORS' REPORT
(CONTINUED)

DIRECTORS' INTERESTS (CONTINUED)

	Number of Warrants 2022/2029			
	At 1 January 2024 Unit	Bought Unit	Sold Unit	At 31 December 2024 Unit
Direct interests:				
Lee Hai Peng	**1,000,000**	-	**-**	1,000,000
Deemed interests:				
Datuk Keh Chuan Seng	**11,177,637***	-	**-**	11,177,637*

* *Deemed interest in K. Seng Seng Corporation Berhad by virtue of his substantial shareholding in Frazel Group Sdn. Bhd.*

By virtue of his interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Datuk Keh Chuan Seng is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as 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 of the Group and of the Company were as follows:

	Group RM	Company RM
Fees	288,000	220,000
Other emoluments	2,337,239	832,435
Defined contribution plan	282,974	97,200
Benefits-in-kind	80,798	31,150
	2,989,011	1,180,785

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company and certain subsidiaries were RM9,000,000 and RM13,865 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 12 to the financial statements, which also serve for the purpose of this report.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualifications.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, retire and do not seek for re-appointment at the forthcoming Annual General Meeting ("AGM") of the Company.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

LEE HAI PENG
Director

ER KIAN HONG
Director

Date: 16 April 2025

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year ended 31 December 2024

	Note	Group 2024 RM	Group 2023 RM (Restated)	Company 2024 RM	Company 2023 RM
Revenue	5	**298,190,635**	183,202,753	**5,099,280**	3,861,780
Cost of sales		**(253,807,753)**	(157,565,407)	**-**	-
Gross profit		**44,382,882**	25,637,346	**5,099,280**	3,861,780
Other income		**11,198,338**	3,115,818	**10,455,400**	2,128,012
Selling and distribution costs		**(4,960,274)**	(2,640,708)	**(270,838)**	(189,581)
Administrative costs		**(22,707,259)**	(17,035,075)	**(5,410,820)**	(4,694,652)
Impairment losses on financial assets		**(1,811,328)**	(565,012)	**-**	(5,678,281)
Other costs		**(9,119,194)**	(16,211,676)	**(1,174,924)**	(6,389,866)
		(38,598,055)	(36,452,471)	**(6,856,582)**	(16,952,380)
Operating profit/(loss)		**16,983,165**	(7,699,307)	**8,698,098**	(10,962,588)
Finance income		**139,861**	126,793	**113,965**	595,340
Finance costs		**(7,394,709)**	(4,842,162)	**(1,025,831)**	(330,767)
Share of results of an associate, net of tax		**514,590**	269,219	**-**	-
Profit/(Loss) before tax	6	**10,242,907**	(12,145,457)	**7,786,232**	(10,698,015)
Tax (expense)/credit	8	**(2,262,824)**	(1,093,731)	**-**	99,038
Profit/(Loss) after tax, representing total comprehensive income/(loss) for the financial year		**7,980,083**	(13,239,188)	**7,786,232**	(10,598,977)
Profit/(Loss) attributable to:					
Owners of the Company		**7,719,474**	(13,396,706)	**7,786,232**	(10,598,977)
Non-controlling interests		**260,609**	157,518	**-**	-
		7,980,083	(13,239,188)	**7,786,232**	(10,598,977)
Earning/(Loss) per share (sen):					
Basic	9	**4.70**	(9.82)		
Diluted	9	**4.35**	(9.82)		

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	10	**39,536,338**	37,717,606	**7,600,987**	6,487,799
Intangible asset	11	**688,644**	1,870,415	**-**	-
Investment in subsidiaries	12	**-**	-	**60,031,148**	57,231,148
Investment in an associate	13	**14,514,590**	-	**14,000,000**	-
Deferred tax assets	14	**803,376**	854,313	**-**	-
Total non-current assets		**55,542,948**	40,442,334	**81,632,135**	63,718,947
Current assets					
Inventories	15	**89,349,428**	71,392,311	**-**	-
Trade receivables	16	**100,606,089**	90,391,740	**4,500**	1,500
Other receivables, deposits and prepayments	17	**12,885,408**	11,199,635	**870,671**	3,044,134
Contract assets	18	**29,844,667**	24,622,145	**-**	-
Contract costs	19	**-**	5,616,747	**-**	-
Amounts due from subsidiaries	20	**-**	-	**3,256,168**	1,267,662
Amount due from an associate	21	**17,921**	-	**-**	-
Current tax assets		**2,339,071**	2,540,561	**264,878**	221,534
Other investments	22	**32,585,742**	17,519,402	**32,512,710**	17,447,545
Cash and short-term deposits	23	**18,058,390**	23,754,684	**1,171,458**	831,920
Total current assets		**285,686,716**	247,037,225	**38,080,385**	22,814,295
TOTAL ASSETS		**341,229,664**	287,479,559	**119,712,520**	86,533,242

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

(CONTINUED)

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	24	**106,022,013**	76,644,738	**106,022,013**	76,644,738
Retained earnings/(Accumulated losses)		**34,432,144**	25,446,071	**(6,948,854)**	(14,735,086)
		140,454,157	102,090,809	**99,073,159**	61,909,652
Non-controlling interests		**3,165,068**	6,971,058	**-**	-
TOTAL EQUITY		**143,619,225**	**109,061,867**	**99,073,159**	**61,909,652**
Non-current liabilities					
Borrowings	25	**21,593,770**	21,618,445	**635,865**	124,546
Amounts due to subsidiaries	20	**-**	-	**5,582,756**	8,706,413
Deferred tax liabilities	14	**1,199,044**	1,446,834	**-**	-
Total non-current liabilities		**22,792,814**	23,065,279	**6,218,621**	8,830,959
Current liabilities					
Borrowings	25	**123,961,603**	103,072,925	**9,039,604**	6,817,194
Trade payables	26	**24,676,499**	19,777,776	**-**	-
Other payables and accruals	27	**6,550,681**	3,483,057	**1,481,136**	575,437
Amounts due to directors	28	**4,350,000**	8,850,000	**3,900,000**	8,400,000
Contract liabilities	18	**14,972,301**	19,939,421	**-**	-
Current tax liabilities		**306,541**	229,234	**-**	-
Total current liabilities		**174,817,625**	155,352,413	**14,420,740**	15,792,631
TOTAL LIABILITIES		**197,610,439**	**178,417,692**	**20,639,361**	**24,623,590**
TOTAL EQUITY AND LIABILITIES		**341,229,664**	**287,479,559**	**119,712,520**	**86,533,242**

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year ended 31 December 2024

	Note	Attributable to owners of the Company → Share capital RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group						
At 1 January 2023		58,771,889	38,842,777	97,614,666	2,936,656	100,551,322
(Loss)/Profit after tax, representing total comprehensive (loss)/ income for the financial year		-	(13,396,706)	(13,396,706)	157,518	(13,239,188)
Transaction with owners						
Issue of ordinary shares	24	17,872,849	-	17,872,849	-	17,872,849
Non-controlling interests arising from acquisition of a subsidiary		-	-	-	3,876,884	3,876,884
At 31 December 2023/ 1 January 2024		76,644,738	25,446,071	102,090,809	6,971,058	109,061,867
Profit after tax, representing total comprehensive income for the financial year		-	7,719,474	7,719,474	260,609	7,980,083
Transactions with owners						
Issue of ordinary shares	24	29,377,275	-	29,377,275	-	29,377,275
Changes in ownership interests in a subsidiary	12(a)	-	1,266,599	1,266,599	(4,066,599)	(2,800,000)
At 31 December 2024		**106,022,013**	**34,432,144**	**140,454,157**	**3,165,068**	**143,619,225**

	Note	Attributable to owners of the Company → Share capital RM	Accumulated losses RM	Total equity RM
Company				
At 1 January 2023		58,771,889	(4,136,109)	54,635,780
Loss after tax, representing total comprehensive loss for the financial year		-	(10,598,977)	(10,598,977)
Transaction with owners				
Issue of ordinary shares	24	17,872,849	-	17,872,849
At 31 December 2023/1 January 2024		76,644,738	(14,735,086)	61,909,652
Profit after tax, representing total comprehensive income for the financial year		-	7,786,232	7,786,232
Transaction with owners				
Issue of ordinary shares	24	29,377,275	-	29,377,275
At 31 December 2024		**106,022,013**	**(6,948,854)**	**99,073,159**

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

STATEMENTS OF CASH FLOWS

For the Financial Year ended 31 December 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Cash flows from operating activities					
Profit/(Loss) before tax		**10,242,907**	(12,145,457)	**7,786,232**	(10,698,015)
Adjustments for:					
Amortisation of intangible asset	11	**1,181,771**	435,181	**-**	-
Amount due from a subsidiary written off		**-**	-	**-**	1,558,056
Bad debts written off		**-**	4,397	**-**	-
Bad debts recovered		**(52,380)**	(10,728)	**-**	-
Bargain purchase on business combination		**-**	(48,450)	**-**	-
Contract assets written off	18(c)	**652,369**	-	**-**	-
Deposit written off		**-**	31,120	**-**	-
Dividend income from an associate		**-**	(600,000)	**-**	(600,000)
Dividend income from other investments		**(491,552)**	(40,000)	**(490,845)**	(40,000)
Depreciation of property, plant and equipment	10	**3,617,631**	3,255,794	**543,696**	737,656
Excess cost over the fair value of net assets acquired		**-**	164,804	**-**	-
Fair value loss on remeasurement of previously held equity interests in an associate		**-**	779,575	**-**	-
Finance cost		**7,394,709**	4,842,162	**1,025,831**	330,767
Finance income		**(139,861)**	(126,793)	**(113,965)**	(595,340)
(Gain)/Loss on disposal of property, plant and equipment		**(241,720)**	326,315	**-**	632,344
Gain on termination of lease		**(12,957)**	(23,284)	**-**	-
Investments in quoted equity securities					
- Fair value (gain)/loss		**(9,775,630)**	2,463,990	**(9,775,630)**	2,463,990
- Loss/(Gain) on disposal		**159,200**	(2,082,260)	**159,200**	(2,082,260)
Impairment loss on investment in subsidiaries		**-**	-	**-**	500,000
Impairment loss on amount due from a subsidiary		**-**	-	**-**	5,678,281
Impairment loss on trade receivables	16(c)	**343,735**	760,441	**-**	-
Impairment loss on contract costs		**-**	6,528,330	**-**	-
Impairment loss on contract assets	18(c)	**1,934,835**	-	**-**	-
Inventories written down	15(b)	**2,161,028**	327,648	**-**	-
Property, plant and equipment written off		**42,704**	207	**-**	-
Reversal of impairment loss on trade receivables	16(c)	**(467,242)**	(195,429)	**-**	-
Reversal of inventories written down	15(c)	**(61,422)**	(21,099)	**-**	-
Share of results of an associate	13(b)	**(514,590)**	(269,219)	**-**	-
Operating profit/(loss) before changes in working capital, carried forward		**15,973,535**	4,357,245	**(865,481)**	(2,114,521)

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Cash flows from operating activities (Continued)					
Operating profit/(loss) before changes in working capital, carried forward		**15,973,535**	4,357,245	**(865,481)**	(2,114,521)
Unrealised loss/(gain) on foreign exchange		**526**	(1,173)	**-**	-
Waiver of debts					
- Trade payable		**-**	(59,290)	**-**	-
- Other payable		**-**	(255,589)	**-**	-
Operating profit/(loss) before changes in working capital		**15,974,061**	4,041,193	**(865,481)**	(2,114,521)
<u>Changes in working capital:</u>					
Inventories		**(20,056,723)**	18,284,281	**-**	-
Trade and other receivables		**(11,724,235)**	(35,019,002)	**2,170,463**	(2,682,630)
Contract assets		**(7,809,726)**	(6,781,571)	**-**	-
Contract costs		**5,616,747**	4,214,600	**-**	-
Trade and other payables		**7,965,748**	(2,485,290)	**905,699**	(800,440)
Contract liabilities		**(4,967,120)**	(89,272)	**-**	-
Net cash (used in)/generated from operations		**(15,001,248)**	(17,835,061)	**2,210,681**	(5,597,591)
Tax paid		**(2,202,302)**	(2,252,806)	**(43,344)**	(85,500)
Tax refunded		**21,425**	750,285	**-**	258,573
Net cash (used in)/from operating activities		**(17,182,125)**	(19,337,582)	**2,167,337**	(5,424,518)
Cash flows from investing activities					
Acquisition of assets	12(b)(c)	**-**	(12,926,418)	**-**	-
Acquisition of additional interests in subsidiaries	12(a)	**(2,800,000)**	-	**(2,800,000)**	(20,999,999)
Acquisition of subsidiaries, net of cash acquired	12(c)	**-**	755,584		(961,146)
Acquisition of interest in an associate	13(a)	**(14,000,000)**	-	**(14,000,000)**	-
Dividend received		**491,552**	640,000	**490,845**	640,000
Interest received		**139,861**	126,793	**113,965**	595,340
Purchase of other investments		**(5,449,910)**	(17,842,642)	**(5,448,735)**	(17,829,275)
Purchase of property, plant and equipment	10	**(3,341,514)**	(17,492,119)	**(1,656,906)**	(58,506)
Proceeds from disposal of property, plant and equipment		**306,353**	1,717,788	**26,328**	194,841
Repayment from subsidiaries		**-**	-	**-**	2,345,855
Advance to an associate		**(17,921)**	-	**-**	-
Withdrawal/(Placement) of deposits with licensed banks		**178,184**	(2,629,550)	**(13,529)**	(14,619)
Net cash used in investing activities		**(24,493,395)**	(47,650,564)	**(23,288,032)**	(36,087,509)

STATEMENTS OF CASH FLOWS

For the Financial Year ended 31 December 2024

(CONTINUED)

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Cash flows from financing activities					
Interest paid		**(7,394,709)**	(4,842,162)	**(1,025,831)**	(330,767)
Drawdown of term loans		**571,283**	16,035,000	**571,283**	-
Net proceeds from bankers' acceptances	23(c)	**21,415,823**	35,566,502	**-**	-
Net drawdown of margin trading facilities	23(c)	**2,360,953**	6,616,109	**2,360,953**	6,616,109
Net drawdown of revolving credits	23(c)	**550**	650,364	**-**	-
Proceeds from issuance of ordinary shares	24	**29,377,275**	17,872,849	**29,377,275**	17,872,849
Payment of lease liabilities	23(c)	**(848,030)**	(752,046)	**(187,349)**	(157,608)
Repayment of term loans		**(890,163)**	(3,298,889)	**-**	-
Repayment of hire purchase payables	23(c)	**(914,382)**	(1,682,701)	**(37,464)**	(35,835)
(Repayment to)/Advances from subsidiaries		**-**	-	**(5,112,163)**	8,706,413
(Repayment to)/Advances from directors		**(4,500,000)**	8,850,000	**(4,500,000)**	8,400,000
Net cash from financing activities		**39,178,600**	75,015,026	**21,446,704**	41,071,161
Net (decrease)/increase in cash and cash equivalents		**(2,496,920)**	8,026,880	**326,009**	(440,866)
Cash and cash equivalents at the beginning of the financial year		**14,370,448**	6,342,395	**335,315**	776,181
Effect of exchange rate changes on cash and cash equivalents		**73**	1,173	**-**	-
Cash and cash equivalents at the end of the financial year	23	**11,873,601**	14,370,448	**661,324**	335,315

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

K. Seng Seng Corporation Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Unit 8, Level 7, Kompleks Komersil Akasa, Jalan Akasa, Akasa Cheras Selatan, 43300 Seri Kembangan, Selangor. The principal place of business of the Company is located at Lot 3707, Jalan 7/5, Taman Industri Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries and associate are disclosed in Notes 12 and 13 respectively. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 16 April 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments to MFRSs

The Group and the Company have adopted the following applicable amendments to MFRSs for the current financial year:

MFRS 7	Financial Instruments: Disclosures
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statement of Cash Flows

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

(a) The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/Deferred
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (Continued)

(b) The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including "operating profit", which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity's financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described in as faithfully representative and precise a way as possible.

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the requirements, including:

- clarify the classification of financial assets, particularly those with environmental, social and corporate governance and similar features. The Amendments clarify how the contractual cash flows on such financial assets should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to:

- investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

(c) The initial application of the above applicable amendments to MFRSs is not expected to have material financial impact to the current and prior years financial statements of the Group and of the Company.

2. BASIS OF PREPARATION (CONTINUED)

2.4 Functional and presentation currency

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

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

(a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group. The Group shall determine whether a transaction or other event is a business combination, which requires that the assets acquired and liabilities assumed constitute a business. If the assets acquired are not a business, the Group shall account for the transaction or other event as an asset acquisition.

(b) Associate

Investment in associate is accounted for in the consolidated financial statements of the Group using the equity method.

(c) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associate are measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Revenue and other income

Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components as the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 Revenue and other income (Continued)

(a) Sale of goods and services rendered

The Group manufactures and trades a range of stainless steel products and all kind of industrial hardware. Revenue from sale of goods is recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Revenue from cutting services is recognised as and when services are rendered.

Sales are made with a credit term range from 7 to 150 days, which is consistent with market practice, therefore, no element of financing is deemed present.

(b) Engineering works contracts

The Group constructs rubber glove dipping lines under long-term contracts with customers. Engineering works contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the works performed is transferred over time as the Group create or enhance an asset that the customer controls as the asset is created or enhanced. The progress towards complete satisfaction of a performance obligation is determined by the proportion of engineering costs incurred for work performed to date bear to the estimated total engineering costs (an input method).

Billings are made with a credit term of 30 to 150 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group become entitled to invoice customers for engineering works based on achieving a series of performance-related milestones.

The Group recognise a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognise a contract liability for the difference.

Revenue from sales of rubber glove dipping line is recognised at a point in time when the control of goods is transferred to customers, generally on the hand over of goods.

(c) Project works contracts

The Group supplies and installs aluminium, glass and steel related products under long-term contracts with customers. Project works contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the works performed is transferred over time as the Group create or enhance an asset that the customer controls as the asset is created or enhanced. The progress towards complete satisfaction of a performance obligation is determined by the proportion of project costs incurred for work performed to date bear to the estimated total project costs (an input method).

Billings are made with a credit term of 30 to 60 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group become entitled to invoice customers for project works based on achieving a series of performance-related milestones.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 Revenue and other income (Continued)

(c) Project works contracts (Continued)

The Group recognise a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognise a contract liability for the difference.

Defect liability period is usually 12 to 36 months from the date of Certificate of Practical Completion as provided in the contracts with customers.

Revenue from sale of aluminium, glass and steel related products is recognised at a point in time when the control of goods is transferred to customers, generally on the delivery of goods.

(d) Rental income

Rental income from properties and motor vehicles is recognised on a straight-line basis over the term of the lease.

(e) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(f) Management fee

Management fees are recognised over time as services are rendered based on time elapsed. Credit term of the management fee billed is 30 days.

3.4 Financial instruments

Financial assets - subsequent measurement and gains and losses

<u>Financial assets at fair value through profit or loss</u>

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

<u>Debt instruments at amortised cost</u>

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Property, plant and equipment

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

Freehold land has an unlimited useful life and therefore is not depreciated. Long term leasehold land is depreciated over the lease term of 92 years. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment (other than right-of-use assets as disclosed in Note 3.6) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Buildings	50 years
Electrical installation	2 years
Plant and machinery and factory equipment	5-10 years
Electrical equipment, furniture and fittings and office equipment	5-10 years
Motor vehicles	5-10 years
Computers	2 years
Renovation	2 years

3.6 Leases

(a) Lessee accounting

The Group and the Company present right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 10 and lease liabilities as loans and borrowings in Note 25.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right- of-use assets are depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.7 Intangible asset

Intangible asset, other than goodwill and licenses, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The amortisation methods used and the estimated useful lives are as follows:

	Method	Useful lives (years)
Fair value of contracts	Percentage of completion	3 years

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value as follows:

- Raw materials, consumables, packing materials, stock in transit and trading goods: purchase costs including costs incurred in bringing the inventories to their present location and condition on a weighted average cost basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4.1 Write-down of obsolete or slow-moving inventories

Inventories are stated at the lower of cost and net realisable value. Reviews are made periodically by the Group on damaged and slow-moving inventories. These reviews require judgement and estimates. In determining the net realisable value of the inventories, an estimation of the recoverable amount of inventories on hand is performed by the Group based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration the latest selling price or replacement cost, nature of the inventories and other relevant factors such as supply and demand of the identified inventories. Possible changes in these estimates could result in revisions to the valuation of inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.2 Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history and forward-looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's and the Company's financial assets and contract assets are disclosed in Note 30(b)(i).

4.3 Project works revenue

The Group recognised project works revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that project costs incurred for work performed to date bear to the estimated total project costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the project costs incurred, the estimated total project revenue and costs, as well as the recoverability of the projects. In making the judgement, the Group evaluate based on past experience.

The revenue recognised for project works during the year is disclosed in Note 5.

5. REVENUE

	Group		Company	
	2024 RM	**2023 RM (Restated)**	**2024 RM**	**2023 RM**
Revenue from contract customers:				
Sale of goods and services rendered	**197,146,988**	141,696,746	**-**	-
Engineering works	**3,910,943**	7,992,800	**-**	-
Project works	**97,102,704**	32,883,207	**-**	-
Management fee	**-**	-	**2,940,000**	1,852,500
	298,160,635	182,572,753	**2,940,000**	1,852,500
Revenue from other sources:				
Dividend income from subsidiaries	**-**	-	**750,000**	-
Dividend income from an associate	**-**	600,000	**-**	600,000
Rental income	**30,000**	30,000	**1,409,280**	1,409,280
	298,190,635	183,202,753	**5,099,280**	3,861,780

(a) Disaggregation of revenue

The Group report the following major segments: stainless steel and metal related, marine hardware and consumable, other industrial hardware, investment holding and engineering works in accordance with MFRS 8 Operating Segments. For the purpose of disclosure for disaggregation of revenue, it disaggregates revenue into primary geographical markets and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

	Stainless steel and metal related products RM	Marine hardware and consumable RM	Other industrial hardware RM	Engineering and project works RM	Total RM
Group					
2024					
Primary geographical markets:					
Local	**141,117,541**	**22,311,841**	**27,770,660**	**98,099,389**	**289,299,431**
Overseas	**5,129,505**	**-**	**-**	**3,731,699**	**8,861,204**
	146,247,046	**22,311,841**	**27,770,660**	**101,831,088**	**298,160,635**
Timing of revenue recognition:					
At a point in time	**146,247,046**	**22,311,841**	**27,770,660**	**4,728,384**	**201,057,931**
Over time	**-**	**-**	**-**	**97,102,704**	**97,102,704**
	146,247,046	**22,311,841**	**27,770,660**	**101,831,088**	**298,160,635**

5. REVENUE (CONTINUED)

(a) Disaggregation of revenue (Continued)

	Stainless steel and metal related products RM	Marine hardware and consumable RM	Other industrial hardware RM (Restated)	Engineering and project works RM	Total RM (Restated)
Group					
2023					
Primary geographical markets:					
Local	101,093,005	22,965,723	11,939,455	40,876,007	176,874,190
Overseas	5,698,563	-	-	-	5,698,563
	106,791,568	22,965,723	11,939,455	40,876,007	182,572,753
Timing of revenue recognition:					
At a point in time	106,791,568	22,965,723	11,939,455	9,284,948	150,981,694
Over time	-	-	-	31,591,059	31,591,059
	106,791,568	22,965,723	11,939,455	40,876,007	182,572,753

	2024 RM	2023 RM
Company		
Timing of revenue recognition:		
Over time	**2,940,000**	1,852,500

(b) Transaction price allocated to the remaining performance obligations

As of 31 December 2024, the aggregate amount of the transaction price allocated to the remaining performance obligations is RM125,365,571 (2023: RM162,190,722) and the Group will recognise this revenue as the engineering works or project works are completed, which is expected to occur over the next one to three years (2023: one to three years).

The Group and the Company apply the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

6. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration				
- Statutory audit:				
- Baker Tilly Monteiro Heng PLT	**314,250**	295,000	**90,000**	110,000
- Other services:				
- Baker Tilly Monteiro Heng PLT	**5,000**	5,000	**5,000**	5,000
- Member firms of Baker Tilly International	**-**	4,000	**-**	2,000
Amortisation of intangible asset	**1,181,771**	435,181	**-**	-
Amount due from a subsidiary written off	**-**	-	**-**	1,558,056
Bad debts written off	**-**	4,397	**-**	-
Bad debts recovered	**(52,380)**	(10,728)	**-**	-
Bargain purchase on business combination	**-**	(48,450)	**-**	-
Contract assets written off	**652,369**	-	**-**	-
Deposit written off	**-**	31,120	**-**	-
Depreciation of property, plant and equipment	**3,617,631**	3,255,794	**543,696**	737,656
Dividend income from an associate	**-**	(600,000)	**-**	(600,000)
Dividend income from other investments	**(491,552)**	(40,000)	**(490,845)**	(40,000)
Employee benefits expense (including key management personnel):				
- Salaries, allowances and bonuses	**21,969,131**	14,526,743	**3,163,659**	2,586,388
- Defined contribution plans	**2,082,934**	1,475,606	**352,582**	284,634
- Other employee benefits	**1,530,575**	1,055,823	**93,774**	614,452
Expense relating to short-term leases:				
- Buildings and hostels	**892,314**	486,504	**-**	-
- Plant and machinery	**5,050**	9,870	**-**	-
- Motor vehicles	**-**	7,462	**122,750**	63,600
Excess cost over the fair value of net assets acquired	**-**	164,804	**-**	-
Fair value loss on remeasurement of previously held equity interests in an associate	**-**	779,575	**-**	-
Gain on termination of lease	**(12,957)**	(23,284)	**-**	-
(Gain)/Loss on disposal of property, plant and equipment	**(241,720)**	326,315	**-**	632,344
Investment in quoted equity securities:				
- Loss/(Gain) on disposal	**159,200**	(2,082,260)	**159,200**	(2,082,260)
- Fair value (gain)/loss	**(9,775,630)**	2,463,990	**(9,775,630)**	2,463,990

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

6. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Impairment loss on trade receivables	**343,735**	760,441	**-**	-
Impairment loss on investment in subsidiaries	**-**	-	**-**	500,000
Impairment loss on amount due from a subsidiary	**-**	-	**-**	5,678,281
Impairment loss on contract costs	**-**	6,528,330	**-**	-
Impairment loss on contract assets	**1,934,835**	-	**-**	-
Inventories written down	**2,161,028**	327,648	**-**	-
Interest income on:				
- Deposits with licensed banks	**(139,861)**	(110,518)	**(14,047)**	(18,494)
- Subsidiaries	**-**	-	**(99,918)**	(576,846)
- Others	**-**	(16,275)	**-**	-
Interest expense in respect of:				
- Bankers' acceptances	**5,166,801**	3,515,573	**-**	-
- Bank overdraft	**345,855**	196,377	**-**	-
- Hire purchase payables	**114,300**	117,589	**5,075**	6,705
- Lease liabilities	**54,602**	41,336	**4,863**	9,355
- Term loans	**947,973**	740,296	**1,478**	-
- Revolving credits	**229,066**	19,401	**-**	-
- Margin interests	**434,193**	188,988	**434,193**	188,988
- Subsidiaries	**-**	-	**517,335**	125,719
- Others	**101,919**	22,602	**62,887**	-
(Gain)/Loss on foreign exchange:				
- Realised	**(11,311)**	(124,449)	**-**	-
- Unrealised	**526**	(1,173)	**-**	-
Property, plant and equipment written off	**42,704**	207	**-**	-
Reversal of impairment loss on trade receivables	**(467,242)**	(195,429)	**-**	-
Reversal of inventories written down	**(61,422)**	(21,099)	**-**	-
Rental income on hostels	**-**	(6,000)	**-**	-
Waiver of debts				
- Trade payable	**-**	(59,290)	**-**	-
- Other payable	**-**	(255,589)	**-**	-

7. DIRECTORS' REMUNERATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors of the Company				
Executive directors				
- Fees	**-**	3,360	**-**	3,360
- Other emoluments	**812,435**	727,743	**812,435**	727,743
- Defined contribution plan	**97,200**	87,056	**97,200**	87,056
- Benefits-in-kind	**31,150**	24,802	**31,150**	24,802
	940,785	842,961	**940,785**	842,961
Non-executive directors				
- Fees	**220,000**	212,276	**220,000**	212,276
- Other emoluments	**20,000**	19,000	**20,000**	19,000
	240,000	231,276	**240,000**	231,276
Directors of subsidiaries				
Executive directors				
- Fees	**68,000**	-	**-**	-
- Other emoluments	**1,504,804**	1,290,259	**-**	-
- Defined contribution plan	**185,774**	151,227	**-**	-
- Benefits-in-kind	**49,648**	54,817	**-**	-
	1,808,226	1,496,303	**-**	-
Total directors' remuneration	**2,989,011**	2,570,540	**1,180,785**	1,074,237

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

8. TAX EXPENSE/(CREDIT)

The major components of tax expense/(credit) for the financial years ended 31 December 2024 and 31 December 2023 are as follows:

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Current tax:				
- Current tax charge	**2,545,302**	873,810	**-**	-
- Adjustment in respect of prior years	**(85,625)**	185,649	**-**	-
	2,459,677	1,059,459	**-**	-
Deferred tax (Note 14):				
- Origination of temporary differences	**267,895**	(179,870)	**-**	-
- Adjustment in respect of prior years	**(464,748)**	214,142	**-**	(99,038)
	(196,853)	34,272	**-**	(99,038)
Tax expense/(credit) recognised in profit or loss	**2,262,824**	1,093,731	**-**	(99,038)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2023: 24%) of the estimated assessable profit/(loss) for the financial year.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Profit/(Loss) before tax	**10,242,907**	(12,145,457)	**7,786,232**	(10,698,015)
Tax at Malaysian statutory income tax rate of 24%	**2,458,298**	(2,914,910)	**1,868,696**	(2,567,524)
Share of results of an associate	**(123,502)**	(64,613)	**-**	-
Adjustments:				
Non-taxable income	**(2,390,233)**	(588,612)	**(2,529,943)**	(509,342)
Non-deductible expenses	**953,515**	1,772,996	**375,482**	1,358,065
Deferred tax assets not recognised	**1,915,119**	2,489,079	**285,765**	1,718,801
Adjustment in respect of prior years:				
- current tax	**(85,625)**	185,649	**-**	-
- deferred tax	**(464,748)**	214,142	**-**	(99,038)
Tax expense/(credit) recognised in profit or loss	**2,262,824**	1,093,731	**-**	(99,038)

9. EARNING/(LOSS) PER SHARE

Basic earning/(loss) per ordinary share

Basic earning/(loss) per share are based on the profit/(loss) for the financial year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2024 RM	2023 RM
Profit/(Loss) attributable to owners of the Company	**7,719,474**	(13,396,706)

	2024 Unit	2023 Unit
Weighted average number of ordinary shares for basic earning/(loss) per share	**164,174,050**	136,443,383

	2024 RM	2023 RM
Basic earning/(loss) per ordinary share (sen)	**4.70**	(9.82)

Diluted earning/(loss) per ordinary share

Diluted earning/(loss) per share are based on the profit/(loss) for the financial year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	2024 RM	2023 RM
Profit/(Loss) attributable to owners of the Company	**7,719,474**	(13,396,706)

	2024 Unit	2023 Unit
Weighted average number of ordinary share in issue	**164,174,050**	136,443,383
Effect of dilution from:		
- dilution of warrants	**13,388,507**	-
Weighted average number of ordinary shares for diluted earning/(loss) per share	**177,562,557**	136,443,383

	2024 RM	2023 RM
Diluted earning/(loss) per ordinary share (sen)	**4.35**	(9.82)

The diluted loss per ordinary shares of the Group for the financial year ended 31 December 2023 are equivalent to the basic loss per share of the Group as the effect is anti-dilutive.

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Electrical installation RM	Plant and machinery and factory equipment RM	Building work in progress RM	Electrical equipment, furniture and fittings and office equipment RM	Motor vehicles RM	Computers RM	Renovation RM	Right-of-use assets RM	Total RM
Group											
Cost											
At 1 January 2023	3,339,908	9,049,494	134,382	19,845,304	-	770,299	6,658,229	607,176	588,318	2,551,220	43,544,330
Acquisition of subsidiaries (Note 12)	-	996,667	119,085	1,396,320	-	12,531	176,339	1,085	5	2,721,915	5,423,947
Acquisition of assets (Note 12)	-	-	75,888	-	-	139,339	283,210	32,049	133,075	-	663,561
Additions	5,097,477	10,733,543	108,005	610,183	-	106,150	451,932	50,945	333,884	158,843	17,650,962
Disposals	-	-	-	(4,965,003)	-	(86,008)	(2,152,853)	(58,120)	-	-	(7,261,984)
Written off	-	-	(34,662)	(1,184)	-	(7,747)	(167,843)	(3,471)	(6,905)	-	(221,812)
Derecognition of lease upon expiry	-	-	-	-	-	-	-	-	-	(348,426)	(348,426)
Termination of lease	-	-	-	-	-	-	-	-	-	(1,306,873)	(1,306,873)
Remeasurement of lease	-	-	-	-	-	-	-	-	-	157,997	157,997
At 1 January 2024	**8,437,385**	**20,779,704**	**402,698**	**16,885,620**	**-**	**934,564**	**5,249,014**	**629,664**	**1,048,377**	**3,934,676**	**58,301,702**
Additions	**-**	**-**	**137,026**	**1,528,608**	**1,623,505**	**71,743**	**356,589**	**74,779**	**635,864**	**1,397,949**	**5,826,063**
Disposals	**-**	**-**	**-**	**(644,992)**	**-**	**-**	**(424,148)**	**-**	**-**	**-**	**(1,069,140)**
Written off	**-**	**-**	**(17,000)**	**(9,504)**	**-**	**(12,995)**	**-**	**(1,084)**	**(169,527)**	**-**	**(210,110)**
Derecognition of lease upon expiry	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(333,478)**	**(333,478)**
Termination of lease	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,081,138)**	**(1,081,138)**
Remeasurement of lease	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**56,565**	**56,565**
At 31 December 2024	**8,437,385**	**20,779,704**	**522,724**	**17,759,732**	**1,623,505**	**993,312**	**5,181,455**	**703,359**	**1,514,714**	**3,974,574**	**61,490,464**

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Buildings RM	Electrical installation RM	Plant and machinery and factory equipment RM	Building work in progress RM	Electrical equipment, furniture and fittings and office equipment RM	Motor vehicles RM	Computers RM	Renovation RM	Right-of-use assets RM	Total RM
Group (Continued)											
Accumulated depreciation											
At 1 January 2023	-	2,540,012	43,204	15,125,420	-	325,842	3,908,306	444,915	293,883	1,257,897	23,939,479
Charge for the financial year	-	361,132	20,903	927,517	-	119,672	626,994	145,237	292,646	761,693	3,255,794
Disposals	-	-	-	(3,949,802)	-	(80,758)	(1,129,781)	(57,540)	-	-	(5,217,881)
Written off	-	-	(34,650)	(1,178)	-	(7,643)	(167,842)	(3,394)	(6,898)	-	(221,605)
Derecognition of lease upon expiry	-	-	-	-	-	-	-	-	-	(348,426)	(348,426)
Termination of lease	-	-	-	-	-	-	-	-	-	(823,265)	(823,265)
At 1 January 2024	**-**	**2,901,144**	**29,457**	**12,101,957**	**-**	**357,113**	**3,237,677**	**529,218**	**579,631**	**847,899**	**20,584,096**
Charge for the financial year	**-**	**415,661**	**49,307**	**1,043,252**	**-**	**140,109**	**636,700**	**87,652**	**387,847**	**857,103**	**3,617,631**
Disposals	**-**	**-**	**-**	**(644,991)**	**-**	**-**	**(359,516)**	**-**	**-**	**-**	**(1,004,507)**
Written off	**-**	**-**	**(4,573)**	**(9,502)**	**-**	**(5,866)**	**-**	**(1,080)**	**(146,385)**	**-**	**(167,406)**
Derecognition of lease upon expiry	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(333,478)**	**(333,478)**
Termination of lease	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(742,210)**	**(742,210)**
At 31 December 2024	**-**	**3,316,805**	**74,191**	**12,490,716**	**-**	**491,356**	**3,514,861**	**615,790**	**821,093**	**629,314**	**21,954,126**
Carrying amount											
At 31 December 2023	8,437,385	17,878,560	373,241	4,783,663	-	577,451	2,011,337	100,446	468,746	3,086,777	37,717,606
At 31 December 2024	8,437,385	17,462,899	448,533	5,269,016	1,623,505	501,956	1,666,594	87,569	693,621	3,345,260	39,536,338

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Buildings RM	Plant and machinery and factory equipment RM	Building work in progress RM	Electrical equipment, furniture and fittings and office equipment RM	Motor vehicle RM	Computers RM	Renovation RM	Right-of-use assets RM	Total RM
Company										
Cost										
At 1 January 2023	1,981,721	6,333,121	1,222,104	-	519,296	233,900	285,309	427,150	474,522	11,477,123
Additions	-	-	-	-	22,596	3,800	22,400	9,710	-	58,506
Disposals	-	-	(932,165)	-	-	(4,680)	-	-	-	(936,845)
At 1 January 2024	**1,981,721**	**6,333,121**	**289,939**	**-**	**541,892**	**233,020**	**307,709**	**436,860**	**474,522**	**10,598,784**
Additions	**-**	**-**	**-**	**1,623,505**	**1,950**	**2**	**31,449**	**-**	**-**	**1,656,906**
Disposals	**-**	**-**	**(289,525)**	**-**	**-**	**-**	**-**	**-**	**-**	**(289,525)**
Remeasurement of lease	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**26,306**	**26,306**
At 31 December 2024	**1,981,721**	**6,333,121**	**414**	**1,623,505**	**543,842**	**233,022**	**339,158**	**436,860**	**500,828**	**11,992,471**
Accumulated depreciation										
At 1 January 2023	-	2,503,794	321,242	-	107,154	63,715	190,389	151,702	144,993	3,482,989
Charge for the financial year	-	126,663	45,399	-	80,314	46,161	85,984	194,961	158,174	737,656
Disposals	-	-	(104,981)	-	-	(4,679)	-	-	-	(109,660)
At 1 January 2024	**-**	**2,630,457**	**261,660**	**-**	**187,468**	**105,197**	**276,373**	**346,663**	**303,167**	**4,110,985**
Charge for the financial year	**-**	**126,662**	**1,950**	**-**	**78,793**	**46,604**	**33,062**	**87,345**	**169,280**	**543,696**
Disposals	**-**	**-**	**(263,197)**	**-**	**-**	**-**	**-**	**-**	**-**	**(263,197)**
At 31 December 2024	**-**	**2,757,119**	**413**	**-**	**266,261**	**151,801**	**309,435**	**434,008**	**472,447**	**4,391,484**
Carrying amount										
At 31 December 2023	1,981,721	3,702,664	28,279	-	354,424	127,823	31,336	90,197	171,355	6,487,799
At 31 December 2024	**1,981,721**	**3,576,002**	**1**	**1,623,505**	**277,581**	**81,221**	**29,723**	**2,852**	**28,381**	**7,600,987**

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the financial year, the Group and the Company acquired property, plant and equipment with aggregate cost of RM5,826,063 (2023: RM17,650,962) and RM1,656,906 (2023: RM58,506) which are satisfied as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash payments	**3,341,514**	17,492,119	**1,656,906**	58,506
Hire purchase arrangement	**1,086,600**	-	**-**	-
Lease arrangement	**1,397,949**	158,843	**-**	-
	5,826,063	17,650,962	**1,656,906**	58,506

(a) Assets pledged as security

The carrying amount of property, plant and equipment which have been pledged as security to secure borrowings of the Group and of the Company as disclosed in Note 25 are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Freehold land	**8,437,385**	8,437,385	**1,981,721**	1,981,721
Leasehold land	**2,261,913**	2,287,305	**-**	-
Buildings	**17,462,899**	17,878,560	**3,576,002**	3,702,664
	28,162,197	28,603,250	**5,557,723**	5,684,385

The carrying amount of property, plant and equipment which have been pledged as security for hire purchase arrangement as disclosed in Note 25(c) are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Plant and machinery	**742,500**	76,082	**-**	-
Motor vehicles	**1,363,272**	1,696,495	**78,495**	124,339
	2,105,772	1,772,577	**78,495**	124,339

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets

The Group and the Company lease several assets including leasehold land and buildings. Information about leases for which the Group and the Company are lessees is presented below:

	Leasehold land RM	Buildings RM	Total RM
Group			
Cost			
At 1 January 2023	-	2,551,220	2,551,220
Acquisition of subsidiaries (Note 12)	2,295,768	426,147	2,721,915
Additions	-	158,843	158,843
Derecognition of lease upon expiry	-	(348,426)	(348,426)
Termination of lease	-	(1,306,873)	(1,306,873)
Remeasurement of lease	-	157,997	157,997
At 1 January 2024	**2,295,768**	**1,638,908**	**3,934,676**
Additions	**-**	**1,397,949**	**1,397,949**
Derecognition of lease upon expiry	**-**	**(333,478)**	**(333,478)**
Termination of lease	**-**	**(1,081,138)**	**(1,081,138)**
Remeasurement of lease	**-**	**56,565**	**56,565**
At 31 December 2024	**2,295,768**	**1,678,806**	**3,974,574**
Accumulated depreciation			
At 1 January 2023	-	1,257,897	1,257,897
Charge for the financial year	8,463	753,230	761,693
Derecognition of lease upon expiry	-	(348,426)	(348,426)
Termination of lease	-	(823,265)	(823,265)
At 1 January 2024	**8,463**	**839,436**	**847,899**
Charge for the financial year	**25,392**	**831,711**	**857,103**
Derecognition of lease upon expiry	**-**	**(333,478)**	**(333,478)**
Termination of lease	**-**	**(742,210)**	**(742,210)**
At 31 December 2024	**33,855**	**595,459**	**629,314**
Carrying amount			
At 31 December 2023	2,287,305	799,472	3,086,777
At 31 December 2024	**2,261,913**	**1,083,347**	**3,345,260**

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets (Continued)

	Buildings RM	Total RM
Company		
Cost		
At 1 January 2023/1 January 2024	474,522	474,522
Remeasurement of lease	26,306	26,306
At 31 December 2024	**500,828**	**500,828**
Accumulated depreciation		
At 1 January 2023	144,993	144,993
Charge for the financial year	158,174	158,174
At 1 January 2024	**303,167**	**303,167**
Charge for the financial year	**169,280**	**169,280**
At 31 December 2024	**472,447**	**472,447**
Carrying amount		
At 31 December 2023	171,355	171,355
At 31 December 2024	**28,381**	**28,381**

The Group and the Company leases land and buildings as its office, factory, warehouse and staff hostels. The leasehold buildings generally have lease terms between 2 to 3 years (2023: 2 to 3 years). The leases include renewal option for additional terms of 2 years (2023: 1 to 3 years) upon expiry of the initial term. The leasehold land has a lease term of 91 years (2023: 92 years).

11. INTANGIBLE ASSET

	Note	Fair value of contracts RM
Group		
Cost		
At 1 January 2023		-
Acquisition of assets	12	2,305,596
At 1 January 2024/31 December 2024		**2,305,596**
Accumulated amortisation		
At 1 January 2023		-
Amortisation charge for the financial year	6	435,181
At 1 January 2024		**435,181**
Amortisation charge for the financial year	6	**1,181,771**
At 31 December 2024		**1,616,952**
Carrying amount		
At 31 December 2024		**688,644**
At 31 December 2023		1,870,415

(a) Fair value of contracts

Contracts relate to fair value of balance contracts in relation to project works acquired by the Group in an assets acquisition (Note 12).

(b) Amortisation

The amortisation of fair value of balance contracts in relation to project works of the Group amounting to RM1,181,771 (2023: RM435,181) is included in other costs.

12 INVESTMENTS IN SUBSIDIARIES

	Note	Company	
		2024 RM	2023 RM
Unquoted shares, at cost:			
At 1 January		**58,591,148**	35,810,002
Addition		**2,800,000**	22,781,146
Less: Impairment loss	(g)	**(6,660,000)**	(6,660,000)
At 31 December		**54,731,148**	51,931,148
Quasi loan	(f)	**5,300,000**	5,300,000
		60,031,148	57,231,148

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of company	Principal place of business/Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %	Principal activities
K. Seng Seng Industries Sdn. Bhd.	Malaysia	**100**	100	Trading of all kinds of industrial hardware.
Three & Three Hardware Sdn. Bhd.	Malaysia	**100**	100	Trading of stainless steel long and flat products, and other metal related products.
PTM Stainless Steel Industry Sdn. Bhd.	Malaysia	**100**	100	Manufacturing of stainless steel tubes and pipes, and processing of stainless steel flat products.
K. Seng Seng Parts Sdn. Bhd.	Malaysia	**100**	100	Hiring of motor vehicles.
KSG Engineering Sdn. Bhd.	Malaysia	**100**	100	Engineering works, fabrication and installation of rubber glove dipping line and trading of all kinds of consumables and engineering services.
Koseng Sdn. Bhd.	Malaysia	**75**	75	Trading of all kinds of marine hardware and consumables.
K. Seng Seng Manufacturing Sdn. Bhd.	Malaysia	**100**	100	Dormant.
EIE Asian Holding Sdn. Bhd.	Malaysia	**100**	60	Investment holding.
SA Aluminium & Glass Sdn. Bhd.	Malaysia	**100**	100	Supplying and installing aluminium, glass and aluminium related products for the retail and project business.
Subsidiary of PTM Stainless Steel Industry Sdn. Bhd.				
PTM Water System Sdn. Bhd.	Malaysia	**75**	75	Trading of water pipes and fittings system, and construction materials.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (Continued):

Name of company	Principal place of business/Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %	Principal activities
Subsidiary of EIE Asian Holding Sdn. Bhd.				
EIE Industrial Products Sdn. Bhd.	Malaysia	**100**	100	Dealers in industrial products, cables, belts and hardware.
EIE Pulp & Speciality Sdn. Bhd.	Malaysia	**100**	100	Under member's voluntary winding up.
Subsidiary of SA Aluminium & Glass Sdn. Bhd.				
SA Metalworks Sdn. Bhd.	Malaysia	**100**	100	Supplying and installing stainless steel related products or structural products for the retail and project business.
SA Design & Technology Sdn. Bhd.	Malaysia	**100**	100	Supplying, fabricating and assemblying aluminium, glass and aluminium related products for the retail and project business.

(a) Acquisition of additional interests in subsidiaries

(i) EIE Asian Holding Sdn. Bhd. and its subsidiaries

On 2 May 2024, the Company acquired an additional 40% equity interest (representing 656,000 ordinary shares) in EIE Asian Holding Sdn. Bhd. and its subsidiaries for a total cash consideration of RM2,800,000. Consequently, EIE Asian Holding Sdn. Bhd. and its subsidiaries became wholly-owned subsidiaries of the Company.

Effect of the increase in the Company's ownership interest is as follows:

	2024 RM
Fair value of consideration transferred	**2,800,000**
Non-controlling interest acquired	**(4,066,599)**
Excess charged directly to equity	**(1,266,599)**

(ii) PTM Stainless Steel Industry Sdn. Bhd.

In the previous financial year, PTM Stainless Steel Industry Sdn. Bhd. allotted 6,000,000 new ordinary shares at an issue price of RM1 per ordinary share for working capital purposes. The Company subscribed for the entire additional new ordinary shares for a total cash consideration of RM6,000,000.

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of additional interests in subsidiaries (Continued)

(iii) SA Aluminium & Glass Sdn. Bhd.

In the previous financial year, SA Aluminium & Glass Sdn. Bhd. issued 13,999,999 new ordinary shares at a price of RM1 per ordinary share for working capital purposes. The Company subscribed for the entire additional new ordinary shares for a total cash consideration of RM13,999,999. As a result, the Company held a total of 14,000,000 ordinary shares in SA Aluminium & Glass Sdn. Bhd.

(iv) SA Metalworks Sdn. Bhd.

In the previous financial year, SA Metalworks Sdn. Bhd. issued 779,999 new ordinary shares at a price of RM1 per ordinary share for working capital purposes. SA Aluminium & Glass Sdn. Bhd. subscribed for the entire additional new ordinary shares for a total cash consideration of RM779,999. As a result, SA Aluminium & Glass Sdn. Bhd. held a total of 780,000 ordinary shares in SA Metalworks Sdn. Bhd.

(v) Three & Three Hardware Sdn. Bhd.

In the previous financial year, Three & Three Hardware Sdn. Bhd. issued 1,000,000 new ordinary shares at an issue price of RM1 per ordinary share for working capital purposes. The Company subscribed for the entire additional new ordinary shares for a total cash consideration of RM1,000,000.

(b) Acquisition of SA Aluminium & Glass Sdn. Bhd.

In the previous financial year, the Company acquired 100% equity interest (representing 1 ordinary share) in SA Aluminium & Glass Sdn. Bhd. for a cash consideration of RM1. As a result, SA Aluminium & Glass Sdn. Bhd. became a wholly-owned subsidiary of the Company.

<u>Acquisition of assets</u>

In the previous financial year, SA Aluminium & Glass Sdn. Bhd., a wholly-owned subsidiary of the Company had acquired certain assets and liabilities of Signature Aluminium Sdn. Bhd. for a cash consideration of RM12,148,125. This acquisition is accounted for as an asset acquisition. Accordingly, no goodwill on business combination is recognised.

(i) Fair value of consideration transferred:

	2023 RM
Cash consideration	12,148,125

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Acquisition of SA Aluminium & Glass Sdn. Bhd. (Continued)

Acquisition of assets (Continued)

(ii) Fair value of the identifiable asset acquired recognised:

	2023 RM
Assets	
Property, plant and equipment	590,130
Intangible asset	2,305,596
Trade receivables	3,624,260
Contract assets	15,371,309
Total assets	21,891,295
Liabilities	
Trade payables	(9,354,631)
Deferred tax liabilities	(553,343)
Total liabilities	(9,907,974)
Total identifiable net assets acquired	11,983,321
Excess cost over the fair value of net assets acquired	164,804
Fair value of consideration transferred	12,148,125

(iii) Effects of acquisition on cash flows:

	2023 RM
Cash outflow on acquisition	12,148,125

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Incorporation of SA Metalworks Sdn. Bhd.

In the previous financial year, SA Aluminium & Glass Sdn. Bhd., a wholly owned subsidiary of the Company incorporated a new subsidiary namely SA Metalworks Sdn. Bhd. with the subscription of 1 ordinary share representing the entire share capital of SA Metalworks Sdn. Bhd. for a cash consideration of RM1.

Acquisition of assets

In the previous financial year, SA Metalworks Sdn. Bhd., a wholly-owned subsidiary of SA Aluminium & Glass Sdn. Bhd. had acquired certain assets and liabilities of Signature Metal Treatment Sdn. Bhd. for a cash consideration of RM778,293. This acquisition is accounted for as an asset acquisition. Accordingly, no goodwill on business combination is recognised.

(i) Fair value of consideration transferred:

	2023 RM
Cash consideration	778,293

(ii) Fair value of the identifiable asset acquired recognised:

	2023 RM
Assets	
Property, plant and equipment	73,431
Trade receivables	2,627,286
Other receivables, deposits and prepayments	653,781
Contract assets	534,430
Total assets	3,888,928
Liabilities	
Trade payables	(3,110,635)
Total identifiable net assets acquired	778,293

(iii) Effects of acquisition on cash flows:

	2023 RM
Cash outflow on acquisition	778,293

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(d) Acquisition of SA Design & Technology Sdn. Bhd.

In the previous financial year, SA Aluminium & Glass Sdn. Bhd., a wholly owned subsidiary of the Company has acquired 100% controlling interest in the equity shares (representing 1,000,100 ordinary shares) of SA Design & Technology Sdn. Bhd.

(i) Fair value of consideration transferred:

	2023 RM
Cash consideration	1,073,582

(ii) Fair value of the identifiable asset acquired recognised:

	2023 RM
Assets	
Property, plant and equipment	1,416,266
Trade receivables	828,267
Other receivables, deposits and prepayments	182,499
Current tax assets	51,905
Other investments	58,490
Cash and short-term deposits	100,237
Total assets	2,637,664
Liabilities	
Trade payables	(1,412,163)
Other payables and accruals	(69,319)
Borrowings	(24,462)
Deferred tax liabilities	(58,138)
Total liabilities	(1,564,082)
Total identifiable net assets acquired	1,073,582

(iii) Effects of acquisition on cash flows:

	2023 RM
Fair value of consideration transferred	1,073,582
Less: Cash and cash equivalents of a subsidiary acquired	(100,237)
Net cash outflows on acquisition	973,345

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(d) Acquisition of SA Design & Technology Sdn. Bhd. (Continued)

(iv) Effects of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and profit net of tax are as follows:

	2023 RM
Revenue	3,016,747
Loss for the financial year	(88,850)

If the acquisition had occurred on 1 January 2023, the consolidated results for the financial year ended 31 December 2023 would have been as follows:

	2023 RM
Revenue	6,072,457
Loss for the financial year	(18,533)

(e) Acquisition of EIE Asian Holding Sdn. Bhd. and its subsidiaries

In the previous financial year, the Company acquired an additional 10% equity interest (representing 164,000 ordinary shares) in EIE Asian Holding Sdn. Bhd. and its subsidiaries, an associate of the Group for a total cash consideration of RM961,146. Consequently, the Group's effective equity interest in EIE Asian Holding Sdn. Bhd. and its subsidiaries increased from 50% to 60%.

(i) Fair value of consideration transferred:

	2023 RM
Cash consideration	961,146
Fair value of shares held in associate	4,805,730
	5,766,876

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(e) Acquisition of EIE Asian Holding Sdn. Bhd. and its subsidiaries (Continued)

(ii) Fair value of the identifiable asset acquired recognised:

	2023 RM
Assets	
Property, plant and equipment	4,007,681
Deferred tax assets	81,661
Inventories	9,012,182
Trade receivables	6,951,914
Other receivables, deposits and prepayments	109,195
Cash and short-term deposits	4,822,330
Total assets	24,984,963
Liabilities	
Borrowings	(13,675,076)
Trade payables	(185,386)
Other payables and accruals	(172,763)
Current tax liabilities	(59,528)
Dividend payable	(1,200,000)
Total liabilities	(15,292,753)
Total identifiable net assets acquired	9,692,210
Fair value of non-controlling interests at acquisition date	(3,876,884)
Bargain purchase on business combination	(48,450)
Fair value of consideration transferred	5,766,876

(iii) Effects of acquisition on cash flows:

	2023 RM
Consideration paid in cash	961,146
Less: Cash and cash equivalents of a subsidiary acquired	(2,690,075)
Net cash inflows on acquisition	(1,728,929)

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(e) Acquisition of EIE Asian Holding Sdn. Bhd. and its subsidiaries (Continued)

(iv) Effects of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and profit net of tax are as follows:

	2023 RM
Revenue	8,017,411
Profit for the financial year	141,823

If the acquisition had occurred on 1 January 2023, the consolidated results for the financial year ended 31 December 2023 would have been as follows:

	2023 RM
Revenue	22,418,394
Profit for the financial year	607,503

(f) Quasi loan

Quasi loans represent advances and payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts were, in substance, a part of the Company's net investment in the subsidiaries. The quasi loans were stated at cost less accumulated impairment losses, if any.

(g) Impairment loss

Impairment loss was recognised on investment in certain subsidiaries due to continuous losses incurred in the past years.

(h) Non-controlling interest in subsidiaries

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

	PTM Water System Sdn. Bhd. RM	Koseng Sdn. Bhd. RM	EIE Asian Holding Sdn. Bhd. and its subsidiaries RM	Total RM
2024				
NCI proportion of ownership interest and voting interest	**25%**	**25%**	**-**	
Carrying amount of NCI ("RM")	**134,636**	**3,030,432**	**-**	**3,165,068**
Profit allocated to NCI ("RM")	**54,322**	**73,301**	**132,986**	**260,609**

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(h) Non-controlling interest in subsidiaries (Continued)

The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows (Continued):

	PTM Water System Sdn. Bhd. RM	Koseng Sdn. Bhd. RM	EIE Asian Holding Sdn. Bhd. and its subsidiaries RM	Total RM
2023				
NCI proportion of ownership interest and voting interest	25%	25%	40%	
Carrying amount of NCI ("RM")	80,314	2,957,131	3,933,613	6,971,058
Profit allocated to NCI ("RM")	51,104	49,685	56,729	157,518

(i) Summarised financial information of material non-controlling interest

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material NCI are as follows:

	PTM Water System Sdn. Bhd. RM	Koseng Sdn. Bhd. RM	Total RM
Summarised statement of financial position			
As at 31 December 2024			
Non-current assets	**97,442**	**15,619,568**	**15,717,010**
Current assets	**1,479,151**	**20,663,712**	**22,142,863**
Non-current liabilties	**(72,527)**	**(12,429,884)**	**(12,502,411)**
Current liabilities	**(965,524)**	**(11,731,667)**	**(12,697,191)**
Net assets	**538,542**	**12,121,729**	**12,660,271**
Summarised statement of comprehensive income			
Financial year ended 31 December 2024			
Revenue	**4,692,746**	**22,315,941**	**27,008,687**
Profit for the financial year	**217,289**	**293,204**	**510,493**
Total comprehensive income	**217,289**	**293,204**	**510,493**
Summarised cash flow information			
Financial year ended 31 December 2024			
Cash flows (used in)/from operating activities	**(164,314)**	**2,614,656**	**2,450,342**
Cash flows used in investing activities	**(116,930)**	**(442,472)**	**(559,402)**
Cash flows from/(used in) financing activities	**86,485**	**(1,968,314)**	**(1,881,829)**
Net (decrease)/increase in cash and cash equivalents	**(194,759)**	**203,870**	**9,111**

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(i) Summarised financial information of material non-controlling interest (Continued)

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material NCI are as follows (Continued):

	PTM Water System Sdn. Bhd. RM	Koseng Sdn. Bhd. RM	EIE Asian Holding Sdn. Bhd. and its subsidiaries RM	Total RM
Summarised statement of financial position				
As at 31 December 2023				
Non-current assets	2,642	15,675,782	3,731,978	19,410,402
Current assets	1,771,041	20,629,937	20,781,344	43,182,322
Non-current liabilties	-	(12,973,489)	(2,844,170)	(15,817,659)
Current liabilities	(1,452,430)	(11,503,705)	(11,835,119)	(24,791,254)
Net assets	321,253	11,828,525	9,834,033	21,983,811
Summarised statement of comprehensive income				
Financial year ended 31 December 2023				
Revenue	4,467,615	22,971,371	8,017,411	35,456,397
Profit for the financial year	204,416	198,741	141,823	544,980
Total comprehensive income	204,416	198,741	141,823	544,980
Summarised cash flow information				
Financial year ended 31 December 2023				
Cash flows (used in)/from operating activities	(713,226)	3,304,982	(104,311)	2,487,445
Cash flows from/(used in) investing activities	4,332	(14,380,778)	255,539	(14,120,907)
Cash flows from/(used in) financing activities	808,430	9,516,246	(1,401,102)	8,923,574
Net increase/(decrease) in cash and cash equivalents	99,536	(1,559,550)	(1,249,874)	(2,709,888)

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

13. INVESTMENT IN AN ASSOCIATE

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Unquoted shares, at cost:					
At 1 January		**-**	820,000	**-**	820,000
Addition	(a)	**14,000,000**	-	**14,000,000**	-
Share of post-acquisition reserves		**514,590**	4,765,305	**-**	-
Derecognised	12(e)	**-**	(5,585,305)	**-**	(820,000)
At 31 December		**14,514,590**	-	**14,000,000**	-

Details of the associate is as follows:

Name of company	Principal place of business/Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %	Principal activities
Metalmach Micro Technology Sdn. Bhd.	Malaysia	**40**	-	Manufacturing of high precision tools and dies, moulds and mould parts, precision jigs, fixtures and mechanical parts.
Held by Metalmach Micro Technology Sdn. Bhd.				
Tong Soon Micron Sdn. Bhd.	Malaysia	**100**	100	Civil and engineering works.
Senshin Seimitsu Sdn. Bhd.	Malaysia	**100**	100	Manufacturing and trading of precision tools and other related component parts.
BLU Resources Sdn. Bhd.	Malaysia	**100**	100	Consultation and trading on engineering products and services.

(a) Acquisition of ordinary shares in Metalmach Micro Technology Sdn. Bhd. and its subsidiaries

On 31 July 2024, the Company acquired 40% equity interest in Metalmach Micro Technology Sdn. Bhd. and its subsidiaries for a total cash consideration of RM14,000,000. As a result, Metalmach Micro Technology Sdn. Bhd. and its subsidiaries became an associate of the Group.

13. INVESTMENT IN AN ASSOCIATE (CONTINUED)

(b) Summarised financial information of associate

The following table illustrates the summarised financial information of the Group's associate and reconciles the information to the carrying amount of the Group's interest in the associate:

	Metalmach Micro Technology Sdn. Bhd. and its subsidiaries RM
2024	
Assets and liabilities	
Non-current assets	**12,161,460**
Current assets	**17,489,376**
Non-current liabilities	**(3,611,824)**
Current liabilities	**(4,259,991)**
Net assets	**21,779,021**
Results	
Profit for the financial year/Total comprehensive income	**1,286,476**
Included in total comprehensive income is:	
Revenue	**10,359,106**
Reconciliation of net assets to carrying amount:	
Share of net asset at the acquisition date, at book value	**8,197,019**
Fair value adjustments	**4,049,611**
Goodwill	**1,753,370**
Cost of investment	**14,000,000**
Share of post-acquisition profits	**514,590**
Carrying amount in the statements of financial position	**14,514,590**
Group's share of results	
Group's share of profit/total comprehensive income	**514,590**

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

13. INVESTMENT IN AN ASSOCIATE (CONTINUED)

(b) Summarised financial information of associate (Continued)

The following table illustrates the summarised financial information of the Group's associate and reconciles the information to the carrying amount of the Group's interest in the associate (Continued):

	EIE Asian Holding Sdn. Bhd. and its subsidiaries RM
2023	
Reconciliation of net assets to carrying amount:	
Share of net asset at the acquisition date	638,026
Cost of investment	820,000
Share of post-acquisition profits	4,127,279
Derecognised	(5,585,305)
Carrying amount in the statements of financial position	-
Group's share of results	
Group's share of profit/total comprehensive income	269,219
Dividend received during the year	600,000

As disclosed in Note 12(e), in the previous financial year, EIE Asian Holding Sdn. Bhd. and its subsidiaries became a subsidiary of the Group.

14. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	**(592,521)**	(28,429)	**-**	(99,038)
Acquisition of assets	**-**	(553,343)	**-**	-
Acquisition of subsidiaries	**-**	23,523	**-**	-
Recognised in profit or loss (Note 8)	**196,853**	(34,272)	**-**	99,038
At 31 December	**(395,668)**	(592,521)	**-**	-

Presented after appropriate offsetting as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax assets	**803,376**	854,313	**226,441**	227,688
Deferred tax liabilities	**(1,199,044)**	(1,446,834)	**(226,441)**	(227,688)
	(395,668)	(592,521)	**-**	-

14. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Deferred tax relates to the following:

	At 1 January 2024 RM	Recognised in profit or loss (Note 8) RM	At 31 December 2024 RM
Group			
Deferred tax assets:			
Unabsorbed capital allowances	**428,321**	**96,140**	**524,461**
Unabsorbed reinvestment allowances	**-**	**139,676**	**139,676**
Deductible temporary differences in respect of expenses	**309,467**	**(170,228)**	**139,239**
Unused tax losses	**112,296**	**(112,296)**	**-**
Difference between the carrying amounts of property, plant and equipment and their tax base	**4,229**	**(4,229)**	**-**
	854,313	**(50,937)**	**803,376**
Deferred tax liabilities:			
Difference between the carrying amounts of property, plant and equipment and their tax base	**(997,934)**	**(34,651)**	**(1,032,585)**
Fair value of balance contracts	**(448,900)**	**283,625**	**(165,275)**
Deductible temporary differences in respect of expenses	**-**	**(1,184)**	**(1,184)**
	(1,446,834)	**247,790**	**(1,199,044)**
	(592,521)	**196,853**	**(395,668)**

	At 1 January 2023 RM	Acquisition of subsidiaries (Note 12) RM	Acquisition of assets (Note 12) RM	Recognised in profit or loss (Note 8) RM	At 31 December 2023 RM
Group					
Deferred tax assets:					
Unabsorbed capital allowances	156,900	125,748	-	145,673	428,321
Deductible temporary differences in respect of expenses	295,270	470	-	13,727	309,467
Unused tax losses	29,970	-	-	82,326	112,296
Difference between the carrying amounts of property, plant and equipment and their tax base	98,247	81,671	-	(175,689)	4,229
	580,387	207,889	-	66,037	854,313
Deferred tax liabilities:					
Difference between the carrying amounts of property, plant and equipment and their tax base	(577,034)	(184,366)	-	(236,534)	(997,934)
Fair value of balance contracts	-	-	(553,343)	104,443	(448,900)
Deductible temporary differences in respect of expenses	(31,782)	-	-	31,782	-
	(608,816)	(184,366)	(553,343)	(100,309)	(1,446,834)
	(28,429)	23,523	(553,343)	(34,272)	(592,521)

14. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Deferred tax relates to the following (Continued):

	At 1 January 2024 RM	Recognised in profit or loss (Note 8) RM	At 31 December 2024 RM
Company			
Deferred tax assets:			
Unabsorbed capital allowances	**227,688**	**(1,247)**	**226,441**
Deferred tax liabilities:			
Difference between the carrying amounts of property, plant and equipment and their tax base	**(227,688)**	**2,431**	**(225,257)**
Deductible temporary differences in respect of expenses	**-**	**(1,184)**	**(1,184)**
	(227,688)	**1,247**	**(226,441)**
	-	**-**	**-**

	At 1 January 2023 RM	Recognised in profit or loss (Note 8) RM	At 31 December 2023 RM
Company			
Deferred tax assets:			
Unabsorbed capital allowances	139,693	87,995	227,688
Unused tax losses	29,970	(29,970)	-
	169,663	58,025	227,688
Deferred tax liabilities:			
Difference between the carrying amounts of property, plant and equipment and their tax base	(236,919)	9,231	(227,688)
Deductible temporary differences in respect of expenses	(31,782)	31,782	-
	(268,701)	41,013	(227,688)
	(99,038)	99,038	-

14. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Unrecognised deferred tax assets

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

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Unused tax losses	**18,008,438**	15,126,139	**2,529,469**	1,347,410
Deductible temporary differences in respect of expenses	**12,844,828**	8,559,386	**-**	-
Unabsorbed capital allowances	**1,636,938**	1,613,033	**8,630**	-
Unabsorbed reinvestment allowances	**788,017**	-	**-**	-
	33,278,221	25,298,558	**2,538,099**	1,347,410

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unused tax losses are available for offset against future taxable profits of the up to the following financial years:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Year of assessments				
2028	**2,119**	2,119	**-**	-
2029	**2,709**	2,709	**-**	-
2030	**969**	969	**-**	-
2031	**1,405**	1,405	**-**	-
2032	**4,267**	4,186	**81**	-
2033	**4,389**	3,738	**1,420**	1,347
2034	**2,150**	-	**1,028**	-
	18,008	15,126	**2,529**	1,347

15. INVENTORIES

	Group	
	2024 RM	2023 RM
Raw materials	**3,813,104**	4,909,003
Work-in-progress	**1,763,824**	1,381,692
Finished goods	**81,604,715**	63,278,264
Consumables	**1,107,486**	1,224,403
Packing materials	**115,886**	61,572
Stock-in-transit	**944,413**	537,377
	89,349,428	71,392,311

(a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year is RM253,807,753 (2023: RM157,565,407).

(b) The cost of inventories of the Group recognised as other expenses during the year in respect of write-down of inventories to net realisable value was RM2,161,028 (2023: RM327,648).

(c) During the financial year, the Group reversed the previous inventories written down value of RM61,422 (2023: RM21,099). The amount of reversal was included in other income.

16. TRADE RECEIVABLES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Current:					
External parties	(a)	**95,611,077**	90,122,371	**4,500**	1,500
Retention sum	(b)	**6,013,170**	1,703,059	**-**	-
		101,624,247	91,825,430	**4,500**	1,500
Less: Impairment losses for trade receivables	(c)	**(1,018,158)**	(1,433,690)	**-**	-
Total trade receivables		**100,606,089**	90,391,740	**4,500**	1,500

(a) The Group's and the Company's normal credit term ranges from 7 to 150 days (2023: 14 to 150 days) and 30 days (2023: 30 days) respectively. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) The retention sums which is receivable upon the expiry of defect liability period as provided in the contracts with customers is expected to be collected as follows:

	2024 RM	2023 RM
Later than one year	**6,013,170**	1,703,059

16. TRADE RECEIVABLES (CONTINUED)

(c) Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Note	Group	
		2024 RM	**2023 RM**
At 1 January		**1,433,690**	1,682,396
Charge for the financial year			
- individually assessed	6	**343,735**	760,441
Acquisition of subsidiaries		**-**	168,263
Reversal of impairment losses	6	**(467,242)**	(195,429)
Written off		**(292,025)**	(981,981)
At 31 December		**1,018,158**	1,433,690

Trade receivables that are individually determined to be credit impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

The information about the credit exposures is disclosed in Note 30(b)(i).

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Other receivables	**3,415,673**	3,121,390	**-**	-
Deposits	**2,662,139**	2,441,435	**98,186**	2,028,248
Advances to suppliers	**4,405,855**	2,217,678	**-**	-
Prepayments	**2,401,741**	3,419,132	**772,485**	1,015,886
	12,885,408	11,199,635	**870,671**	3,044,134

18. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2024 RM	**2023 RM**
Contract assets relating to engineering works	**-**	1,934,835
Contract assets relating to project works	**29,844,667**	22,687,310
Total contract assets	**29,844,667**	24,622,145
Contract liabilities relating to engineering works	**-**	(4,047,700)
Contract liabilities relating to project works	**(14,940,817)**	(15,717,351)
Contract liabilities relating to sales contract	**(31,484)**	(174,370)
Total contract liabilities	**(14,972,301)**	(19,939,421)
Net contract assets	**14,872,366**	4,682,724

(a) Contract assets

The contract assets represent the Group's rights to consideration for the work performed for the engineering and project works but yet to be billed. Contract assets are transferred to receivables when the Group issue progress billings to the customers. Typically, the amount will be billed within 30 to 90 days (2023: 30 to 90 days) and payments is expected within 30 to 120 days (2023: 30 to 90 days).

(b) Contract liabilities

The contract liabilities represent progress billings and deposits received for engineering works, project works and sale contracts for which performance obligations have not been satisfied. The contract liabilities are expected to be recognised as revenue over a period of 30 to 90 days (2023: 30 to 90 days).

(c) Significant changes in contract balances

	2024		2023	
Group	**Contract assets Increase/ (Decrease) RM**	**Contract liabilities (Increase)/ Decrease RM**	**Contract assets Increase/ (Decrease) RM**	**Contract liabilities (Increase)/ Decrease RM**
Revenue recognised that was included in contract liabilities at the beginning of the financial year	**-**	**19,757,801**	-	3,616,888
Increase due to progress billings and cash received, but revenue not recognised	**-**	**(14,790,681)**	-	(15,891,721)
Acquisition of assets	**-**	**-**	15,905,739	-
Increase due to revenue recognised during the year, but subject to conditional right to consideration	**26,685,664**	**-**	6,781,571	-
Transfer from contract assets recognised at the beginning of the year to receivables	**(18,875,938)**	**-**	-	-
Reversal of progress billing	**-**	**-**	-	12,364,105
Impairment loss on contract assets	**(1,934,835)**	**-**	-	-
Contract assets written off	**(652,369)**	**-**	-	-

19. CONTRACT COSTS

	Group 2024 RM	Group 2023 RM
Contract costs relating to rubber glove dipping line	**12,145,077**	12,145,077
Less: Impairment loss	**(6,528,330)**	(6,528,330)
Less: Cost recognised during the year	**(3,116,747)**	-
Less: Transferred to inventories	**(2,500,000)**	-
	-	5,616,747

In the previous financial year, included in contract costs are the costs incurred to date which will be recognised in cost of sales when the performance obligation is satisfied only at the date when the rubber glove dipping line is delivered, installed and commissioned.

During the financial year, the Group has received offers to acquire the contract cost in relation to the rubber glove dipping lines. Thus, the carrying amount of the contract costs is transferred to inventories.

20. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Note	Company 2024 RM	Company 2023 RM
Current:			
Amounts due from subsidiaries			
Non-trade	(a)	**8,934,449**	6,945,943
Less: Impairment loss		**(5,678,281)**	(5,678,281)
		3,256,168	1,267,662
Non-current:			
Amounts due to subsidiaries			
Non-trade	(b)	**(5,582,756)**	(8,706,413)

(a) These amounts are unsecured, interest free and repayable on demand in cash except for an amount of RM2,364,612 (2023: RM1,230,000) which bear interest at rates ranging from 7.90% to 8.65% (2023: 7.65% to 8.65%) per annum.

(b) These amounts are unsecured, interest free and repayable on demand in cash except for an amount of RM2,298,346 (2023: RM7,140,000) which bear interest at rates 8.65% (2023: 8.40% to 8.65%) per annum.

21. AMOUNT DUE FROM AN ASSOCIATE

This amount is trade in nature. The normal trade credit term is 60 days.

22. OTHER INVESTMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial assets at fair value through profit and loss				
At fair value:				
- Quoted equity securities	**32,512,710**	17,447,545	**32,512,710**	17,447,545
- Money market funds	**73,032**	71,857	**-**	-
	32,585,742	17,519,402	**32,512,710**	17,447,545

Included in quoted equity securities of the Group and of the Company is an amount of RM32,512,710 (2023: RM17,447,545) pledged as security for margin trading facilities granted to the Company as disclosed in Note 25(f).

23. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deposits placed with licensed banks (Islamic)	**2,316,294**	3,663,144	**510,134**	496,605
Deposits placed with licensed banks	**1,694,087**	1,654,902	**-**	-
Cash and bank balances (Islamic)	**10,377,801**	16,553,912	**661,324**	333,875
Cash and bank balances	**3,670,208**	1,882,726	**-**	1,440
	18,058,390	23,754,684	**1,171,458**	831,920

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deposits placed with licensed banks	**4,010,381**	5,318,046	**510,134**	496,605
Less: Non-short term deposits placed with licensed banks	**(4,010,381)**	(4,188,565)	**(510,134)**	(496,605)
	-	1,129,481	**-**	-
Cash and bank balances	**14,048,009**	18,436,638	**661,324**	335,315
Bank overdraft	**(2,174,408)**	(5,195,671)	**-**	-
	11,873,601	14,370,448	**661,324**	335,315

(a) Deposits placed with licensed banks of the Group and of the Company bear effective interest at rates ranging from 2.35% to 2.94% and 2.56% to 2.94% (2023: 2.08% to 3.03% and 2.95%) per annum as at the financial year end with maturity period ranging from 365 days to 395 days and 365 days (2023: 30 days to 395 days and 365 days) respectively.

23. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

(b) Included in the deposits placed with licensed banks of the Group is an amount of RM3,500,247 (2023: RM4,821,441) pledged as security for banking facilities granted to subsidiaries as disclosed in Note 25.

(c) Reconciliation of changes in liabilities arising from financing activities are as follows:

	1 January 2024 RM	Cash flows RM	Non-cash RM	31 December 2024 RM
Group				
Bankers' acceptances	**84,153,542**	**21,415,823**	**-**	**105,569,365**
Term loan	**20,686,792**	**(318,880)**	**-**	**20,367,912**
Margin trading facilities	**6,616,109**	**2,360,953**	**-**	**8,977,062**
Revolving credits	**5,150,364**	**550**	**-**	**5,150,914**
Hire purchase payables	**2,049,691**	**(914,382)**	**1,086,600**	**2,221,909**
Lease liabilities	**839,201**	**(848,030)**	**1,102,632**	**1,093,803**
	119,495,699	**21,696,034**	**2,189,232**	**143,380,965**

	1 January 2023 RM	Cash flows RM	Non-cash: Acquisition of subsidiaries (Note 12) RM	Non-cash: Others RM	31 December 2023 RM
Group					
Bankers' acceptances	40,668,134	35,566,502	7,918,906	-	84,153,542
Term loan	5,176,433	12,736,111	2,774,248	-	20,686,792
Margin trading facilities	-	6,616,109	-	-	6,616,109
Revolving credits	4,500,000	650,364	-	-	5,150,364
Hire purchase payables	3,306,661	(1,682,701)	425,731	-	2,049,691
Lease liabilities	1,332,901	(752,046)	448,398	(190,052)	839,201
	54,984,129	53,134,339	11,567,283	(190,052)	119,495,699

	1 January 2024 RM	Cash flows RM	Non-cash RM	31 December 2024 RM
Company				
Margin trading facilities	**6,616,109**	**2,360,953**	**-**	**8,977,062**
Term loan	**-**	**571,283**	**-**	**571,283**
Hire purchase payables	**141,140**	**(37,464)**	**-**	**103,676**
Lease liabilities	**184,491**	**(187,349)**	**26,306**	**23,448**
	6,941,740	**2,707,423**	**26,306**	**9,675,469**

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

23. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

(c) Reconciliation of changes in liabilities arising from financing activities are as follows (Continued):

	1 January 2023 RM	Cash flows RM	Non-cash RM	31 December 2023 RM
Company				
Margin trading facilities	-	6,616,109	-	6,616,109
Hire purchase payables	176,975	(35,835)	-	141,140
Lease liabilities	342,099	(157,608)	-	184,491
	519,074	6,422,666	-	6,941,740

(d) Total cash outflows for leases

During the financial year, the Group and the Company had total cash outflows for leases of RM1,799,996 (2023: RM1,413,114) and RM314,962 (2023: RM230,563) respectively.

24. SHARE CAPITAL

	Note	Group and Company			
		Number of ordinary shares		Amount	
		2024 Unit	2023 Unit	2024 RM	2023 RM
Issued and fully paid up:					
At 1 January		**150,179,255**	129,599,905	**76,644,738**	58,771,889
Issued during the financial year:					
- conversion of warrants	(a)	**100,000**	7,579,350	**54,000**	4,092,849
- private placement	(a)	**35,000,000**	13,000,000	**29,450,000**	13,780,000
- shares issued expenses		**-**	-	**(126,725)**	-
At 31 December		**185,279,255**	150,179,255	**106,022,013**	76,644,738

(a) Share capital

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. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company:

(i) issued 100,000 new ordinary shares at a price of RM0.54 per ordinary share from conversion of warrants for working capital purposes;

(ii) issued 25,000,000 new ordinary shares at a price of RM0.85 per ordinary share from private placement for working capital purposes; and

(iii) issued 10,000,000 new ordinary shares at a price of RM0.82 per ordinary share from private placement for working capital purposes.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

24. SHARE CAPITAL (CONTINUED)

(b) Warrants

Warrants 2022/2029

On 11 October 2022, the Company has issued 43,199,879 warrants pursuant to bonus issue of warrants to all the entitled shareholders of the Company on the basis on one (1) warrant for every three (3) existing ordinary shares held in the Company.

The warrants are constituted under a Deed Poll executed on 19 September 2022 and each warrant entitles the registered holder the right at any time during the exercise period from 11 October 2022 to 10 October 2029 to subscribe in cash for one (1) new ordinary shares of the Company at an exercise price of RM0.54 each.

The salient features of the Warrants 2022/2029 are as follows:

(i) entitled its registered holder for one (1) free Warrant for every three (3) ordinary shares held;

(ii) each Warrant entitles the holder to subscribe for one (1) new ordinary share at the exercise price at any time during the exercise period;

(iii) the Warrants may be exercised at any period commencing on and including the date of issuance of the Warrants and ending at the close of business at 5pm on the date preceding the seventh (7th) anniversary of the date of issuance, or if such is not market day, then it shall be the market day immediately preceding the said non-market day. At the expiry of the exercise period, any Warrant which has not been exercised will cease to be valid for any purpose and will deemed to have lapsed; and

(iv) the new ordinary shares to be issued arising from the exercise of exercise rights represented by the Warrants, shall upon allotment and issuance rank pari passu in all respects with the existing ordinary shares, save and except the new ordinary shares will not be entitled to any dividend, right, allotment and/or other forms of distribution where the entitlement date of such dividend, right, allotment and/or other forms of distribution precedes the relevant date of allotment and issuance of the new ordinary shares.

The movement of Warrants 2022/2029 during the financial year are as follows:

	Warrants 2022/2029	
	2024 Unit	**2023 Unit**
At 1 January	**35,620,529**	43,199,879
Exercise of warrants	**(100,000)**	(7,579,350)
At 31 December	**35,520,529**	35,620,529

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

24. SHARE CAPITAL (CONTINUED)

(c) ESOS

The ESOS is governed by the ESOS By-Laws approved by the shareholders of the Company at an Extraordinary General Meeting held on 25 May 2022, the main features of the ESOS are as follows:

(i) the ESOS options granted to eligible directors (including non-executive) and eligible employees of the Company and its subsidiaries to subscribe for new ordinary shares in the Company;

(ii) the ESOS is for a period of five (5) years commencing from 8 September 2022;

(iii) the maximum number of new shares which may be made available under the scheme and/or to be allotted and/or issued pursuant to the exercise of the ESOS options that may be granted under the scheme shall not exceed in aggregate fifteen percent (15%) of the prevailing total number of issued shares of the Company (excluding treasury shares, if any) at any point in time when an offer is made throughout the duration of the scheme;

(iv) an ESOS option cannot be assigned, encumbered, transferred or otherwise disposed of in any manner whatsoever;

(v) the option price shall be determined based on the five (5)-day volume weighted average market price of the shares immediately preceding the date of offer, with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the scheme;

(vi) the actual number of shares under the ESOS options which may be offered to an eligible person shall be at the sole and absolute discretion of the ESOS Committee and shall not be less than one hundred (100) shares and shall be in the multiples of one hundred (100) shares (or in any other denomination as may be prescribed by Bursa Securities as a board lot); and

(vii) The new shares to be allotted and issued upon any exercise of the ESOS options will upon such allotment and issuance, rank pari passu in all respects with the then existing issued shares except that the new shares so issued and allotted will not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date of which is prior to the date of which the new shares are credited into the CDS accounts of the grantees.

25. BORROWINGS

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Non-current:					
Hire purchase payables	(c)	**1,646,925**	1,541,105	**64,582**	103,676
Lease liabilities	(d)	**501,906**	288,004	**-**	20,870
Term loans	(g)	**19,444,939**	19,789,336	**571,283**	-
		21,593,770	21,618,445	**635,865**	124,546
Current:					
Bankers' acceptances (Islamic)	(a)	**64,272,668**	64,592,166	**-**	-
Bankers' acceptances	(a)	**41,296,697**	19,561,376	**-**	-
Revolving credits	(b)	**5,150,914**	5,150,364		
Hire purchase payables	(c)	**574,984**	508,586	**39,094**	37,464
Lease liabilities	(d)	**591,897**	551,197	**23,448**	163,621
Bank overdrafts	(e)	**2,174,408**	5,195,671	**-**	-
Margin trading facilities	(f)	**8,977,062**	6,616,109	**8,977,062**	6,616,109
Term loans	(g)	**922,973**	897,456	**-**	-
		123,961,603	103,072,925	**9,039,604**	6,817,194
Total borrowings:					
Bankers' acceptances (Islamic)	(a)	**64,272,668**	64,592,166	**-**	-
Bankers' acceptances	(a)	**41,296,697**	19,561,376	**-**	-
Revolving credits	(b)	**5,150,914**	5,150,364	**-**	-
Hire purchase payables	(c)	**2,221,909**	2,049,691	**103,676**	141,140
Lease liabilities	(d)	**1,093,803**	839,201	**23,448**	184,491
Bank overdrafts	(e)	**2,174,408**	5,195,671	**-**	-
Margin trading facilities	(f)	**8,977,062**	6,616,109	**8,977,062**	6,616,109
Term loans	(g)	**20,367,912**	20,686,792	**571,283**	-
		145,555,373	124,691,370	**9,675,469**	6,941,740

(a) Bankers' acceptances

The bankers' acceptances of the Group bear interest ranging from 3.61% to 5.33% (2023: 2.80% to 6.22%) per annum and are secured by way of corporate guarantee of the Company. The bankers' acceptances of certain subsidiaries are supported by personal guarantee of a director and a pledge of deposits of the respective subsidiaries. The bankers' acceptances of RM60,846,821 (2023: RM52,597,850) are supported by legal charge over the land and buildings of the respective subsidiaries.

(b) Revolving credits

The revolving credits of the Group bear interest at 6.16% (2023: 6.11% to 6.22%) per annum and are secured by way of corporate guarantee of the Company.

25. BORROWINGS (CONTINUED)

(c) Hire purchase payables

Future minimum hire purchase payments together with the present value of net minimum hire purchase payments are as follows:

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Minimum hire purchase payments:				
Not later than one year	**677,064**	593,740	**42,540**	42,540
Later than one year and not later than 5 years	**1,726,971**	1,558,480	**68,026**	109,110
Later than 5 years	**58,760**	115,672	**-**	1,456
	2,462,795	2,267,892	**110,566**	153,106
Less: Future finance charges	**(240,886)**	(218,201)	**(6,890)**	(11,966)
Present value of minimum hire purchase payments	**2,221,909**	2,049,691	**103,676**	141,140
Present value of minimum hire purchase payments:				
Not later than one year	**574,984**	508,586	**39,094**	37,464
Later than one year and not later than 5 years	**1,589,859**	1,428,060	**64,582**	102,225
Later than 5 years	**57,066**	113,045	**-**	1,451
	2,221,909	2,049,691	**103,676**	141,140
Less: Amount due within 12 months	**(574,984)**	(508,586)	**(39,094)**	(37,464)
Amount due after 12 months	**1,646,925**	1,541,105	**64,582**	103,676

The hire purchase payables of the Group and the Company bear interest at rates ranging from 2.04% to 3.91% (2023: 2.03% to 5.25%) and 2.18% to 2.20% (2023: 2.18% to 2.20%) per annum respectively and are secured by the Group's and the Company's plant and machinery and motor vehicles under hire purchase arrangements as disclosed in Note 10(a).

25. BORROWINGS (CONTINUED)

(d) Lease liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Minimum lease payments:				
Not later than one year	**628,029**	574,483	**23,479**	166,963
Later than one year and not later than 5 years	**517,400**	301,020	**-**	20,870
	1,145,429	875,503	**23,479**	187,833
Less: Future finance charges	**(51,626)**	(36,302)	**(31)**	(3,342)
Present value of minimum lease payments	**1,093,803**	839,201	**23,448**	184,491
Present value of minimum lease payments:				
Not later than one year	**591,897**	551,197	**23,448**	163,621
Later than one year and not later than 5 years	**501,906**	288,004	**-**	20,870
	1,093,803	839,201	**23,448**	184,491
Less: Amount due within 12 months	**(591,897)**	(551,197)	**(23,448)**	(163,621)
Amount due after 12 months	**501,906**	288,004	**-**	20,870

The lease liabilities of the Group and the Company bear interest at rates ranging from 3.75% to 4.75% (2023: 3.75% to 6.90%) and 4.75% (2023: 3.75%) per annum respectively.

(e) Bank overdrafts

The bank overdrafts of the Group bears interest at rates ranging from 7.95% to 8.15% (2023: 7.95% to 8.15%) per annum and are secured by way of corporate guarantee of the Company. The bank overdrafts of certain subsidiaries are supported by legal charge over the land and building, personal guarantee of a director and a pledge of deposits of the respective subsidiaries.

(f) Margin trading facilities

The margin trading facilities of the Group and the Company bears interest at rates ranging from 6.00% to 7.50% (2023: 6.00% to 7.25%) per annum and are secured by the quoted securities.

25. BORROWINGS (CONTINUED)

(g) Term loans

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Within next twelve months	**922,973**	897,456	**-**	-
After next twelve months				
- not later than two years	**1,135,649**	923,230	**179,718**	-
- later than two years but not more than five years	**2,919,865**	2,640,513	**391,565**	-
- more than five years	**15,389,425**	16,225,593	**-**	-
	19,444,939	19,789,336	**571,283**	-
	20,367,912	20,686,792	**571,283**	-

Term loan 1 of a subsidiary of RM4,300,000 bears interest at 4.54% (2023: 4.54%) per annum and is repayable over twenty (20) years commencing from the day of full drawdown and is secured and supported as follows:

(i) facility agreement;
(ii) legal charge over freehold land and building of a subsidiary; and
(iii) corporate guarantee by the Company.

Term loan 2 of a subsidiary of RM1,100,000 bears interest at 5.45% (2023: 5.45%) per annum and is repayable over five (5) years commencing from the day of full drawdown and is secured and supported as follows:

(i) facility agreement;
(ii) corporate guarantee by the Company; and
(iii) legal charge over the solar panel of a subsidiary.

Term loan 3 of a subsidiary of RM13,230,000 bears interest at 4.70% (2023: 4.70%) per annum and is repayable over twenty (20) years commencing from the day of full drawdown and is secured and supported as follows:

(i) facility agreement;
(ii) proportionate guarantee by personal guarantee of a director of up to 25% of the indebtedness;
(iii) corporate guarantee of the Company of up to 75%; and
(iv) legal charge over a freehold land and building of a subsidiary.

Term loan 4 of a subsidiary of RM2,805,000 bears interest at 4.30% (2023: 4.30%) per annum and is repayable over fifteen (15) years commencing from the day of full drawdown and is secured and supported as follows:

(i) facility agreement;
(ii) corporate guarantee by the Company;
(iii) fixed deposits of a subsidiary; and
(iv) legal charge over a leasehold land and building of a subsidiary.

Term loan 5 of the Company of RM571,283 bears interest at 4.55% (2023: Nil) per annum and is repayable over ten (10) years commencing from the day of full drawdown and is secured and supported as follows:

(i) facility agreement; and
(ii) legal charge over a freehold land and building of the Company.

26. TRADE PAYABLES

	Group	
	2024 RM	2023 RM
Trade payables	**21,773,336**	19,346,551
Retention sums	**1,032,685**	367,551
Trade accruals	**1,870,478**	63,674
	24,676,499	19,777,776

(a) The normal trade credit term granted to the Group ranges from 14 to 120 days (2023: 30 to 120 days).

(b) The retention sums which are payable upon the expiry of defect liability are expected to be settled as follows:

	2024 RM	2023 RM
Later than one year	**1,032,685**	367,551

For explanations on the Group's liquidity risk management process, refer to Note 30(b)(ii).

27. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	**1,794,702**	1,036,610	**707,987**	220,246
Accruals	**4,703,879**	2,394,347	**721,049**	303,091
Deposits received	**52,100**	52,100	**52,100**	52,100
	6,550,681	3,483,057	**1,481,136**	575,437

28. AMOUNTS DUE TO DIRECTORS

These amounts are unsecured, interest free and are repayable on demand in cash except for an amount of RM450,000 (2023: RM450,000) which bear interest at rates 8.65% (2023: 8.65%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

29. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Subsidiaries;
(ii) Associates;
(iii) Entities in which directors have substantial financial interests; and
(iv) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions and balances

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group	
	2024 RM	2023 RM
Associates		
Sales of goods	**(19,133)**	-
Purchase of goods	**-**	2,826
Dividend received/receivable	**-**	(600,000)
Director		
Interest paid/payable	**39,032**	1,066

	Company	
	2024 RM	2023 RM
Subsidiaries		
Dividend received/receivable	**(750,000)**	-
Interest received/receivable	**(99,919)**	(576,846)
Interest paid/payable	**517,335**	125,719
Management fee	**(2,940,000)**	(1,852,500)
Rental of premises	**(1,379,280)**	(1,379,280)
Hiring charges of motor vehicles	**122,750**	63,600

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Notes 20, 21 and 28.

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to the subsidiaries as disclosed in Note 30(b)(ii).

29. RELATED PARTIES (CONTINUED)

(c) Compensation of key management personnel

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors of the Company and subsidiaries:				
Executive directors				
- Fees	**68,000**	3,360	**-**	3,360
- Other emoluments	**2,317,239**	2,018,002	**812,435**	727,743
- Defined contribution plan	**282,974**	238,283	**97,200**	87,056
- Benefits-in-kind	**80,798**	79,619	**31,150**	24,802
	2,749,011	2,339,264	**940,785**	842,961
Non-executive directors				
- Fees	**220,000**	212,276	**220,000**	212,276
- Other emoluments	**20,000**	19,000	**20,000**	19,000
	240,000	231,276	**240,000**	231,276
Other key management personnel:				
- Short term employee benefits	**698,374**	703,500	**698,374**	703,500
- Defined contribution plan	**76,953**	84,704	**76,953**	84,704
- Benefits-in-kind	**13,000**	1,545	**13,000**	1,545
	788,327	789,749	**788,327**	789,749
	3,777,338	3,360,289	**1,969,112**	1,863,986

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

30. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM	Amortised cost RM	Fair value through profit or loss RM
Group			
2024			
Financial assets			
Trade receivables	**100,606,089**	**100,606,089**	**-**
Other receivables and deposits *	**6,077,812**	**6,077,812**	**-**
Amount due from an associate	**17,921**	**-**	**-**
Other investments	**32,585,742**	**-**	**32,585,742**
Cash and short-term deposits	**18,058,390**	**18,058,390**	**-**
	157,345,954	**124,742,291**	**32,585,742**
Financial liabilities			
Trade payables	**24,676,499**	**24,676,499**	**-**
Other payables and accruals	**6,550,681**	**6,550,681**	**-**
Amount due to directors	**4,350,000**	**4,350,000**	**-**
Borrowings ^	**144,461,570**	**144,461,570**	**-**
	180,038,750	**180,038,750**	**-**
2023			
Financial assets			
Trade receivables	90,391,740	90,391,740	-
Other receivables and deposits *	5,562,825	5,562,825	-
Other investments	17,519,402	-	17,519,402
Cash and short-term deposits	23,754,684	23,754,684	-
	137,228,651	119,709,249	17,519,402
Financial liabilities			
Trade payables	19,777,776	19,777,776	-
Other payables and accruals	3,483,057	3,483,057	-
Amount due to directors	8,850,000	8,850,000	-
Borrowings ^	123,852,169	123,852,169	-
	155,963,002	155,963,002	-

30. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (Continued):

	Carrying amount RM	Amortised cost RM	Fair value through profit or loss RM
Company			
2024			
Financial assets			
Trade receivables	**4,500**	**4,500**	**-**
Other receivables and deposits *	**98,186**	**98,186**	**-**
Amounts due from subsidiaries	**3,256,168**	**3,256,168**	**-**
Other investments	**32,512,710**	**-**	**32,512,710**
Cash and short-term deposits	**1,171,458**	**1,171,458**	**-**
	37,043,022	**4,530,312**	**32,512,710**
Financial liabilities			
Other payables and accruals	**1,481,136**	**1,481,136**	**-**
Amounts due to subsidiaries	**5,582,756**	**5,582,756**	**-**
Amounts owing to directors	**3,900,000**	**3,900,000**	**-**
Borrowings ^	**9,652,021**	**9,652,021**	**-**
	20,615,913	**20,615,913**	**-**
2023			
Financial assets			
Trade receivables	1,500	1,500	-
Other receivables and deposits *	2,028,248	2,028,248	-
Amounts due from subsidiaries	1,267,662	1,267,662	-
Other investments	17,447,545	-	17,447,545
Cash and short-term deposits	831,920	831,920	-
	21,576,875	4,129,330	17,447,545
Financial liabilities			
Other payables and accruals	575,437	575,437	-
Amounts due to subsidiaries	8,706,413	8,706,413	-
Amounts owing to directors	8,400,000	8,400,000	-
Borrowings ^	6,757,249	6,757,249	-
	24,439,099	24,439,099	-

* *Excluding advance to suppliers and prepayments*
^ *Excluding lease liabilities*

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk, interest rate risk and market price risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit and risk management committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Trade receivables and contract assets (Continued)

Credit risk concentration profile

The Group and the Company determine the credit risk concentration by monitoring the country of its trade receivables and contract assets on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables and contract assets at the reporting date are as follows:

Trade receivables:

	Group				Company			
	2024 RM	%	2023 RM	%	2024 RM	%	2023 RM	%
By country:								
Malaysia	**99,421,662**	**98**	**90,220,628**	98	**4,500**	**100**	**1,500**	100
Republic of Singapore	**1,489,080**	**1**	**1,146,394**	1	**-**	**-**	**-**	-
Republic of Indonesia	**386,432**	**1**	**458,408**	1				
Other countries	**327,073**	**^**	**-**	-	**-**	**-**	**-**	-
	101,624,247	**100**	**91,825,430**	100	**4,500**	**100**	**1,500**	100

Contract assets:

	Group			
	2024 RM	%	2023 RM	%
By country:				
Malaysia	**29,438,935**	**100**	**24,622,145**	100
Australia	**405,732**	**^**	**-**	-
	29,844,667	**100**	**24,622,145**	100

^ *Representing less than 1%.*

At the reporting date, the Group has significant concentration of credit risk in the form of outstanding balance owing by one (2023: one) customer representing 25% (2023: 32%) of the total receivables.

The Group and the Company apply the simplified approach to provide expected credit losses ("ECL"), which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. The Group and the Company individually assessed ECL of individual customer based on indicators such as changes in financial capability of the receivables and contract customers, past payment trends of the receivables and contract customers and default or significant delay in payments. The determination of ECL also incorporate economic conditions during the period of historical data, current conditions and forward-looking information on the economic conditions over the expected settlement period of the receivable. The Group and the Company believes that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Trade receivables and contract assets (Continued)

Credit risk concentration profile (Continued)

The information about the credit risk exposure on the Group's and the Company's trade receivables and contract assets are as follows:

	Gross carrying amount RM	ECL allowance RM	Net balance RM
Group			
At 31 December 2024			
Trade receivables			
Current (not past due)	52,899,185	-	52,899,185
1 to 30 days past due	13,283,899	-	13,283,899
31 to 60 days past due	7,095,504	-	7,095,504
61 to 90 days past due	6,871,183	-	6,871,183
91 to 120 days past due	12,012,911	-	12,012,911
More than 120 days past due	8,443,407	-	8,443,407
Credit impaired:			
- Individually assessed	1,018,158	(1,018,158)	-
	101,624,247	(1,018,158)	100,606,089
Contract assets			
Current (not past due)	29,844,667	-	29,844,667
	131,468,914	(1,018,158)	130,450,756

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Trade receivables and contract assets (Continued)

Credit risk concentration profile (Continued)

The information about the credit risk exposure on the Group's and the Company's trade receivables and contract assets are as follows (Continued):

	Gross carrying amount RM	ECL allowance RM	Net balance RM
Group			
At 31 December 2023			
Trade receivables			
Current (not past due)	69,362,972	-	69,362,972
1 to 30 days past due	13,219,267	-	13,219,267
31 to 60 days past due	3,581,920	-	3,581,920
61 to 90 days past due	2,963,494	-	2,963,494
91 to 120 days past due	427,763	-	427,763
More than 120 days past due	836,324	-	836,324
Credit impaired:			
- Individually assessed	1,433,690	(1,433,690)	-
	91,825,430	(1,433,690)	90,391,740
Contract assets			
Current (not past due)	24,622,145	-	24,622,145
	116,447,575	(1,433,690)	115,013,885
Company			
At 31 December 2024			
Trade receivables			
Current (not past due)	**4,500**	**-**	**4,500**
At 31 December 2023			
Trade receivables			
Current (not past due)	1,500	-	1,500

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Trade receivables and contract assets (Continued)

Credit risk concentration profile (Continued)

For project works, as there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial capability, past trend of payments and other external information relating to the debtors that are publicly available.

The significant changes in gross carrying amount of trade receivables and contract assets do not contribute to changes in the impairment loss allowance during the financial year.

Other receivables and other financial assets

For other receivables and other financial assets (including investment securities, cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, where possible are incorporated.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany balances between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the counterparty does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Other than the credit impaired other receivables, the Group and the Company consider these financial assets to have low credit risk and any expected credit loss is negligible. As such, other than as disclosed in Note 20, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets.

Financial guarantees contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM128,307,431 (2023: RM100,879,349) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 30(b)(ii). As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group's and the Company's liquidity risk management policy is to manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient level of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirements.

The Group manages its cash flow requirements of purchases in its operating activities mainly through bankers' acceptances which are drawdown to finance the import of goods.

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows				
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM	Total RM
2024						
Group						
Financial liabilities						
Trade payables	**24,676,499**	**23,643,814**	**-**	**1,032,685**	**-**	**24,676,499**
Other payables and accruals	**6,550,681**	**6,550,681**	**-**	**-**	**-**	**6,550,681**
Amount due to directors	**4,350,000**	**4,350,000**	**-**	**-**	**-**	**4,350,000**
Bankers' acceptances (Islamic)	**64,272,668**	**64,272,668**	**-**	**-**	**-**	**64,272,668**
Bankers' acceptances	**41,296,697**	**41,296,697**	**-**	**-**	**-**	**41,296,697**
Revolving credits	**5,150,914**	**5,150,914**	**-**	**-**	**-**	**5,150,914**
Hire purchase payables	**2,221,909**	**677,064**	**653,929**	**1,073,042**	**58,760**	**2,462,795**
Lease liabilities	**1,093,803**	**628,029**	**516,500**	**900**	**-**	**1,145,429**
Bank overdraft	**2,174,408**	**2,174,408**	**-**	**-**	**-**	**2,174,408**
Margin trading facilities	**8,977,062**	**8,977,062**	**-**	**-**	**-**	**8,977,062**
Term loans	**20,367,912**	**1,848,601**	**2,015,364**	**5,238,441**	**20,883,542**	**29,985,948**
	181,132,553	**159,569,938**	**3,185,793**	**7,345,068**	**20,942,302**	**191,043,101**

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis (Continued)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows (Continued):

		Contractual cash flows				
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM	Total RM
2024						
Company						
Financial liabilities						
Other payables and accruals	**1,481,136**	**1,481,136**	**-**	**-**	**-**	**1,481,136**
Amounts due to subsidiaries	**5,582,756**	**5,582,756**	**-**	**-**	**-**	**5,582,756**
Amounts due to directors	**3,900,000**	**3,900,000**	**-**	**-**	**-**	**3,900,000**
Hire purchase payables	**103,676**	**42,540**	**30,330**	**37,696**	**-**	**110,566**
Lease liabilities	**23,448**	**23,479**	**-**	**-**	**-**	**23,479**
Margin trading facilities	**8,977,062**	**8,977,062**	**-**	**-**	**-**	**8,977,062**
Term loan	**571,283**	**25,993**	**205,103**	**397,171**	**-**	**628,267**
Financial guarantee *	**-**	**128,307,431**	**-**	**-**	**-**	**128,307,431**
	20,639,361	**148,340,397**	**235,433**	**434,867**	**-**	**149,010,697**
2023						
Group						
Financial liabilities						
Trade payables	19,777,776	19,410,225	-	367,551	-	19,777,776
Other payables and accruals	3,483,057	3,483,057	-	-	-	3,483,057
Amount due to directors	8,850,000	8,850,000	-	-	-	8,850,000
Bankers' acceptances (Islamic)	64,592,166	64,592,166	-	-	-	64,592,166
Bankers' acceptances	19,561,376	19,561,376	-	-	-	19,561,376
Revolving credits	5,150,364	5,150,364	-	-	-	5,150,364
Hire purchase payables	2,049,691	593,740	614,815	943,665	115,672	2,267,892
Lease liabilities	839,201	574,483	301,020	-	-	875,503
Bank overdraft	5,195,671	5,195,671	-	-	-	5,195,671
Margin trading facilities	6,616,109	6,616,109	-	-	-	6,616,109
Term loans	20,686,792	1,834,911	1,822,307	5,074,735	22,159,224	30,891,177
	156,802,203	135,862,102	2,738,142	6,385,951	22,274,896	167,261,091

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis (Continued)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows (Continued):

		Contractual cash flows				
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM	Total RM
2023						
Company						
Financial liabilities						
Other payables and accruals	575,437	575,437	-	-	-	575,437
Amounts due to subsidiaries	8,706,413	8,706,413	-	-	-	8,706,413
Amounts due to directors	8,400,000	8,400,000	-	-	-	8,400,000
Hire purchase payables	141,140	42,540	42,540	66,570	1,456	153,106
Lease liabilities	184,491	166,963	20,870	-	-	187,833
Margin trading facilities	6,616,109	6,616,109	-	-	-	6,616,109
Financial guarantee *	-	100,879,349	-	-	-	100,879,349
	24,623,590	125,386,811	63,410	66,570	1,456	125,518,247

* *The Company has given corporate guarantee to banks on behalf of certain subsidiaries for banking facilities. The potential exposure of the financial guarantee is equivalent to the amount of the banking facilities being utilised by the said subsidiaries. As at 31 December 2024, approximately RM128,307,431 (2023: RM100,879,349) of the banking facilities were utilised by the said subsidiaries.*

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their borrowings with floating interest rates.

Borrowings at floating rate amounting to RM137,459,237 (2023: RM116,674,284) expose the Group to cash flow interest rate risk whilst borrowings at fixed rate amounting to RM8,096,136 (2023: RM8,017,086) expose the Group to fair value interest rate risk. The Group manages its interest rate risk exposure by maintaining a mix of fixed and floating rate borrowings.

Sensitivity analysis for interest rate risk

If the interest rate had been 50 (2023: 50) basis points higher/lower and all other variables were held constant, the Group's profit/(loss) net of tax ended 31 December 2024 would increase/decrease by RM522,345 (2023: RM443,362) as a result of exposure to floating rate borrowings.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iv) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales and purchases that are denominated in a foreign currency).

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"), Singapore Dollar ("SGD"), Chinese Renminbi ("RMB") and Australian Dollar ("AUD").

Financial assets/(liabilities) denominated in USD, SGD, RMB and AUD are as follows:

	Group	
	2024 RM	**2023 RM**
USD		
Trade receivables	**202,557**	71,977
Other receivables, deposits and prepayments	**3,193,136**	219,941
Cash and bank balances	**29,786**	30,548
Trade payables	**(267,124)**	(21,279)
	3,158,355	301,187
SGD		
Trade receivables	**814,475**	1,146,394
Cash and bank balances	**121,012**	128,212
	935,487	1,274,606
RMB		
Other receivables, deposits and prepayments	**109,328**	-
Trade payables	**(361,566)**	-
	(252,238)	-
AUD		
Trade receivables	**124,516**	-
Trade payables	**(335,446)**	-
	(210,930)	-

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iv) Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss/profit net of tax to a reasonably possible change in the USD, SGD, RMB and AUD exchange rate against the functional currency of the Group, with all other variables held constant.

	Effect on profit/(loss) for the financial year		Effect on equity	
	Group		Group	
	2024 RM	2023 RM	2024 RM	2023 RM
USD/RM - strengthened 5% (2023: 5%)	**120,017**	11,445	**120,017**	11,445
- weakened 5% (2023: 5%)	**(120,017)**	(11,445)	**(120,017)**	(11,445)
SGD/RM - strengthened 5% (2023: 5%)	**35,549**	48,435	**35,549**	48,435
- weakened 5% (2023: 5%)	**(35,549)**	(48,435)	**(35,549)**	(48,435)
RMB/RM - strengthened 5% (2023: 5%)	**(9,585)**	-	**(9,585)**	-
- weakened 5% (2023: 5%)	**9,585**	-	**9,585**	-
AUD/RM - strengthened 5% (2023: 5%)	**(8,015)**	-	**(8,015)**	-
- weakened 5% (2023: 5%)	**8,015**	-	**8,015**	-

(v) Market price risk

The Group's and the Company's investment in quoted equity instruments are subject to market price risk. Such exposures are not hedged as the investments are mostly stable companies where the risks accepted are commensurate with the expected returns.

Sensitivity analysis for equity risk

The following table demonstrates the sensitivity Group's and the Company's loss/profit net of tax to a reasonably possible change in the equity prices, with all other variables held constant.

	Effect on profit/(loss) for the financial year		Effect on equity	
	Group and Company		Group and Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Change in equity price				
- strengthened 10%	**3,251,271**	1,744,755	**3,251,271**	1,744,755
- weakened 10%	**(3,251,271)**	(1,744,755)	**(3,251,271)**	(1,744,755)

30. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short- term nature of these financial instruments.

There have been no transfers between Level 1 and Level 2 during the financial year (2023: no transfer in either direction).

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments that are carried at fair value:

Group and Company	Carrying amount RM	Fair value of financial instruments carried at fair value		
		Level 1 RM	Level 2 RM	Level 3 RM
2024				
Current asset				
Other investments	**32,585,742**	**32,585,742**	**-**	**-**
2023				
Current asset				
Other investments	17,519,402	17,519,402	-	-

31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares. No change were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using gearing ratio, which is calculated as total interest-bearing borrowings divided by total equity. Total interest-bearing borrowings include bankers' acceptances, revolving credits, hire purchase payables, lease liabilities, bank overdrafts, margin trading facilities and term loans. The Group and certain subsidiaries are required to comply with certain leverage ratio, gearing ratio and tangible net worth in respect of the banking facilities.

	Group	
	2024 RM	2023 RM
Total interest-bearing borrowings	**145,555,373**	124,691,370
Total equity	**143,619,225**	109,061,867
Gearing ratio %	**101%**	**114%**

31. CAPITAL MANAGEMENT (CONTINUED)

The Group monitors and maintains a prudent level of gearing ratio to optimise shareholders' value and to ensure compliance with covenants under debt agreements, if any.

As at reporting date, a subsidiary did not comply with the required gearing ratio which are based on the subsidiary's total interest-bearing borrowings against total equity of 1.5 times for its bankers' acceptance facility. The financial institution has granted one-off indulgence on the non-compliance of the said covenant for the financial year ended 31 December 2024.

32. CAPITAL COMMITMENT

The Group and the Company has made commitments for the following capital expenditures:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Approved and contracted for:				
Building work in progress	**4,076,579**	-	**4,076,579**	-
Plant and machineries	**4,538,448**	-	**-**	-
	8,615,027	-	**4,076,579**	-

33. SEGMENT INFORMATION

For management purposes, the Group is organised into operating units reportable operating segments as follows:

(i) Stainless steel and metal related products
(ii) Marine hardware and consumable
(iii) Other industrial hardware
(iv) Investment holding
(v) Engineering and project works

Management monitors the operating revenue of its operating units separately for the purpose of making decisions about resource allocation and performance assessment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment results, assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment results, assets and liabilities. All results, assets and liabilities are managed on a group basis.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

33. SEGMENT INFORMATION (CONTINUED)

	Stainless steel and metal related products RM	Marine hardware and consumable RM	Other industrial hardware RM (Restated)	Investment holding RM	Engineering and project works RM	Elimination RM	Total RM (Restated)
2024							
Revenue							
External revenue	**146,247,046**	**22,311,841**	**27,770,660**	**30,000**	**101,831,088**	**-**	**298,190,635**
Inter-segment revenue	**57,907,568**	**4,100**	**690,740**	**5,148,586**	**1,118,763**	**(64,869,757)**	**-**
Total segment revenue	**204,154,614**	**22,315,941**	**28,461,400**	**5,178,586**	**102,949,851**	**(64,869,757)**	**298,190,635**
Gross profit	**19,062,829**	**5,040,085**	**6,578,176**	**5,178,586**	**13,003,080**	**(4,479,874)**	**44,382,882**
2023							
Revenue							
External revenue	106,791,568	22,965,723	11,939,455	630,000	40,876,007	-	183,202,753
Inter-segment revenue	27,154,970	5,648	2,346,386	3,375,761	178,742	(33,061,507)	-
Total segment revenue	133,946,538	22,971,371	14,285,841	4,005,761	41,054,749	(33,061,507)	183,202,753
Gross profit	12,973,294	5,111,210	3,313,122	3,861,780	3,002,149	(2,624,209)	25,637,346

Information about geographical areas

Revenue information based on the geographical location of customers is as follows:

	Group	
	2024 RM	2023 RM (Restated)
Malaysia	**289,329,431**	177,504,190
Republic of Singapore	**4,947,590**	3,566,089
Australia	**3,731,699**	-
Republic of Indonesia	**171,080**	-
Brunei	**10,835**	42,287
Thailand	**-**	2,090,187
	298,190,635	183,202,753

All non-current assets (other than financial instruments and deferred tax assets) of the Group are located in Malaysia.

Information about major customer

For stainless steel and metal related products segment, revenue from one (2023: Nil) customer represented approximately 11% (2023: Nil) for the Group's total revenue.

34. COMPARATIVE FIGURES

During the financial year, the Group made reclassification adjustments upon reassessment with reference to the requirements of MFRS 15 *Revenue from Contracts with Customers*.

The effect of these reclassification adjustments on the comparative financial statements of the Group are as follows:

	Note	As previously reported RM	Adjustments RM	As reclassified RM
Statement of Comprehensive Income for the financial year ended 31 December 2023				
Revenue	5	246,509,828	(63,307,075)	183,202,753
Cost of sales		(220,872,482)	63,307,075	(157,565,407)

The above reclassification adjustments do not have any effect on the consolidated statement of financial position and the consolidated statement of cash flows as at 31 December 2023 and 1 January 2023.

The above reclassification adjustments have had no effect on the loss or earning per share of the Group for the previous financial years.

STATEMENT BY DIRECTORS

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

We, **LEE HAI PENG** and **ER KIAN HONG**, being two of the directors of K. SENG SENG CORPORATION BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 84 to 161 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

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

....

LEE HAI PENG
Director

....

ER KIAN HONG
Director

Date: 16 April 2025

STATUTORY DECLARATION

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

I, **YEOH SOO CHIN**, being the officer primarily responsible for the financial management of K. SENG SENG CORPORATION BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 84 to 161 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

....

YEOH SOO CHIN
(MIA Membership No.: 25615)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 16 April 2025.

Before me,

....

AZRIN BIN DARUS
No. W670
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF K. SENG SENG CORPORATION BERHAD (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of K. Seng Seng Corporation Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 84 to 161.

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

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Inventories (Note 15 to the financial statements)

As at 31 December 2024, the Group's inventories amounted to RM89,349,428. We focused on this area because certain inventories of the Group are slow moving inventories. The review of saleability and valuation of these inventories at lower of cost and net realisable value by the Group involves significant judgements and estimates in which the outcome may be uncertain.

Our response:

Our audit procedures included, among others:
- understanding the design and implementation of controls associated with monitoring and detection and write down of slow-moving inventories;
- attending year end physical inventory count to observe physical existence and condition of the finished goods and understanding the design and implementation of controls during the count;
- checking subsequent sales and evaluating directors' assessment on estimated net realisable value on selected inventory items; and
- reviewing directors' assumptions and method used in calculating the write-down.

Key Audit Matters (Continued)

Group (Continued)

Trade receivables and contract assets (Note 16 and Note 18 to the financial statements)

As at 31 December 2024, the Group's trade receivables and contract assets amounted to RM100,606,089 and RM29,844,667 respectively. We focused on this area because the Group made judgements over assumptions about risk of default and expected loss rate. In making the assumptions, the Group selected inputs to the impairment calculation, based on the Group's past history and forward-looking estimates at the end of the reporting period.

Our response:

Our audit procedures included, among others:
- understanding the design and implementation of controls associated with monitoring of outstanding receivables and contract assets and expected credit losses calculation;
- understanding the significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports prepared by the Group;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and the directors' explanation on recoverability with significantly past due balances; and
- testing the mathematical computation of expected credit losses as at the end of the reporting period.

Revenue recognition of project works (Note 5 to the financial statements)

As at 31 December 2024, the revenue of the Group's project works amounted to RM97,102,704. The revenue of the Group's project works are recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of project costs incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant directors' judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the project costs incurred and the estimated total project revenue and costs.

Our response:

Our audit procedures included, among others:
- reading the terms and conditions of agreements with selected customers;
- understanding the Group's process in preparing project budget and the calculation of the progress towards anticipated satisfaction of a performance obligation;
- comparing the directors' key assumptions to contractual terms and discussing with project manager;
- checking the mathematical computation of recognised revenue for the projects during the financial year.

Company

We have determined that there are no key audit matters in audit of the separate financial statements of the Company to be communicated in our auditors' report.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF K. SENG SENG CORPORATION BERHAD (Incorporated in Malaysia)
(CONTINUED)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF K. SENG SENG CORPORATION BERHAD (Incorporated in Malaysia)

(CONTINUED)

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Andrew Choong Tuck Kuan
No. 03264/04/2027 J
Chartered Accountant

Kuala Lumpur

Date: 16 April 2025

Other Information

05.

ANALYSIS OF SHAREHOLDINGS

As at 28 March 2025

Number of Shares Issued : 185,279,255
Class of Shares : Ordinary Shares
Voting Rights : One Vote Per Ordinary Share
No. of shareholders : 1,234

DISTRIBUTION OF SHAREHOLDINGS AS AT 28 MARCH 2025

Category	No. of Shareholders	No. of Shares	Percentage (%)
Less than 100	198	8,658	0.01%
100 - 1,000	153	48,557	0.03%
1,001 - 10,000	408	1,973,419	1.06%
10,001 - 100,000	354	11,779,722	6.36%
100,001 - less than 5% of issued shares	118	86,286,487	46.57%
5% and above of issued shares	3	85,182,412	45.97%
Total	**1,234**	**185,279,255**	**100.00%**

LIST OF SUBSTANTIAL SHAREHOLDINGS AS AT 28 MARCH 2025

No.	Names	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	Cheong Lai Sin	40,651,400	21.94	-	-
2.	Frazel Group Sdn. Bhd.	34,531,012	18.64	-	-
3.	Datuk Keh Chuan Seng	-	-	34,531,012*	18.64*
4.	Datin Cheong Kai Meng	-	-	34,531,012*	18.64*
5.	Enrich Signature Sdn. Bhd.	10,900,000	5.88	-	-
6.	Chiau Haw Loon	-	-	10,900,000**	5.88**
7.	Chiau Haw Yew	-	-	10,900,000**	5.88**

Note:
* Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Frazel Group Sdn. Bhd.
** Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Enrich Signature Sdn. Bhd.

DIRECTORS' INTERESTS IN SHARES AS AT 28 MARCH 2025

No.	Names	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	Lee Hai Peng	3,526,400	1.903	-	-
2.	Er Kian Hong	-	-	-	-
3.	Datuk Low Chin Koon	-	-	-	-
4.	Teh Boon Beng	-	-	-	-
5.	Dr Lim Pang Kiam	-	-	-	-

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS AS AT 28 MARCH 2025

No.	Names	No. of Shares held	Percentage (%)
1.	CHEONG LAI SIN	40,651,400	21.94
2.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR FRAZEL GROUP SDN. BHD.	34,531,012	18.64
3.	PHILLIP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ENRICH SIGNATURE SDN. BHD.	10,000,000	5.40
4.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SIM SHIAU TYNG	4,610,000	2.49
5.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHOO KOK LIANG (SMART)	4,000,000	2.16
6.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOH PHAIK LIM	3,410,000	1.84
7.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN HWA SING (M04)	3,383,800	1.83
8.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE HAI PENG	3,000,000	1.62
9.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIEW JOR HO (7001726)	2,809,800	1.52
10.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE WEI KOK	2,795,000	1.51
11.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG HANG PING	2,527,200	1.36
12.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM HOCK CHOON	2,310,000	1.25
13.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHENG LAI HOCK	2,264,800	1.22
14.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEOH HAI HIN (MY4291)	2,000,000	1.08
15.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHU KERD YEE	1,970,000	1.06
16.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHOW KIAN HUNG	1,920,400	1.04
17.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JOAN TOAN SIAW WEI	1,900,000	1.03
18.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHOW KIAN HUNG (MY4666)	1,555,450	0.84
19.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OON BOON KHONG	1,500,000	0.81
20.	PHILLIP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OOI CHEN SENG	1,490,000	0.80
21.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOR KAI FU	1,455,000	0.79
22.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG HOONG WAI	1,440,000	0.78

ANALYSIS OF SHAREHOLDINGS

As at 28 March 2025

(CONTINUED)

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS AS AT 28 MARCH 2025

No.	Names	No. of Shares held	Percentage (%)
23.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN HWA SING	1,364,400	0.73
24.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OW KEE TEIK	1,350,000	0.72
25.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OOI YOUK LAN (3011023)	1,205,000	0.65
26.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHU KERD YEE (7010755)	1,200,000	0.64
27.	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG SAU BING (MARGIN)	1,094,400	0.59
28.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ROGER LIM SWEE KIAT (MY4576)	1,080,700	0.58
29.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOH KIM HOAY	1,020,000	0.55
30.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOR KAI FU (MY4565)	1,015,000	0.55
	TOTAL	**140,853,362**	**76.02**

ANALYSIS OF WARRANT HOLDINGS

As at 28 March 2025

Number of outstanding Warrants : 35,520,529
Exercise price of the Warrants : RM0.54 each
Expiry date of the Warrants : 10 October 2029

DISTRIBUTION OF WARRANT HOLDINGS AS AT 28 MARCH 2025

Category	No. of Warrant Holders	No. of Warrants	Percentage (%)
Less than 100	293	12,759	0.04%
100 - 1,000	137	61,691	0.17%
1,001 - 10,000	234	898,678	2.53%
10,001 - 100,000	79	2,531,652	7.13%
100,001 - less than 5% of outstanding Warrants	19	5,178,112	14.58%
5% and above of outstanding Warrants	4	26,837,637	75.55%
Total	**766**	**35,520,529**	**100.00%**

LIST OF SUBSTANTIAL WARRANT HOLDINGS AS AT 28 MARCH 2025

No.	Names	Direct		Indirect	
		No. of Warrants	%	No. of Warrants	%
1.	Koh Shing Yee	13,860,000	39.02	-	-
2.	Frazel Group Sdn. Bhd.	11,177,637	31.47	-	-
3.	Datuk Keh Chuan Seng	-	-	11,177,637*	31.47*
4.	Datin Cheong Kai Meng	-	-	11,177,637*	31.47*
5.	Phum Ang Kia	1,944,100	5.47	-	-

DIRECTORS' INTERESTS IN WARRANTS AS AT 28 MARCH 2025

No.	Names	Direct		Indirect	
		No. of Warrants	%	No. of Warrants	%
1.	Lee Hai Peng	1,000,000	2.82	-	-
2.	Er Kian Hong	-	-	-	-
3.	Datuk Low Chin Koon	-	-	-	-
4.	Teh Boon Beng	-	-	-	-
5.	Dr Lim Pang Kiam	-	-	-	-

Note:

* Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Frazel Group Sdn. Bhd.

ANALYSIS OF WARRANT HOLDINGS

As at 28 March 2025

(CONTINUED)

LIST OF TOP 30 WARRANT HOLDERS/DEPOSITORS AS AT 28 MARCH 2025

No.	Names	No. of Warrants held	Percentage (%)
1.	KOH SHING YEE	13,860,000	39.02
2.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR FRAZEL GROUP SDN. BHD.	9,177,637	25.84
3.	PHILLIP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR FRAZEL GROUP SDN. BHD.	2,000,000	5.63
4.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PHUM ANG KIA	1,800,000	5.07
5.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE HAI PENG	1,000,000	2.82
6.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOK BOON CHENG	479,900	1.35
7.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW KUM MOON (MY4159)	436,500	1.22
8.	TAN HWA SENG	405,000	1.14
9.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SARAH LAM WENG YEE	360,037	1.01
10.	HOW BEE LAY	248,075	0.70
11.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHU KERD YEE (M01)	248,000	0.70
12.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM GAIK ENG (LIM4779C)	238,000	0.67
13.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEW HEW WEARN	200,200	0.56
14.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG SOO	200,200	0.56
15.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOK AI TEE	192,100	0.54
16.	TAN ENG BEE	162,800	0.46
17.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH YI HAO	161,900	0.45
18.	LOW KUM MOON	150,000	0.42
19.	CHENG LAI HOCK	144,800	0.41
20.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHA WEAY CHIA	144,100	0.41
21.	TAN POH CHEOK	136,700	0.38
22.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHANG BAT CHAU	136,000	0.38
23.	HOW LIAN YEONG	103,800	0.29
24.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR LIEW JOR HO	99,900	0.28
25.	JITU IMPIANA SDN. BHD.	96,000	0.27

LIST OF TOP 30 WARRANT HOLDERS/DEPOSITORS AS AT 28 MARCH 2025

No.	Names	No. of Warrants held	Percentage (%)
26.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHNG TEONG SENG (MF00614)	91,400	0.26
27.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEW MAY LIN (E-BPT)	88,000	0.25
28.	TAN SOON CHONG	84,600	0.24
29.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR CHAI YAN MIN	80,000	0.23
30.	LEE KEAN ENG	80,000	0.23
	TOTAL	**32,605,649**	**91.79**

LIST OF PROPERTIES

Held by the Group as at 31 December 2024

Registered Owner(s)	Location	Description/ Existing Use	Tenure of Land	Land Area/ Built-up Area	Issuance date of Certificate of Fitness	Net book value as at 31 December 2024 (RM'000)
KSSC	Lot 3707, Jalan 7/5, Taman Industri Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan.	Double storey office cum factory/ Administration and Trading Office and Manufacturing and Processing Plant	Freehold	14,796 square metre/ 7,580.90 square metres	10 September 2003	5,517
KSSC	102 and 102A, Jalan Keris Taman Sri Tebrau, 80050 Johor Bahru, Johor Darul Takzim.	Double storey shophouses/For rental income purposes	Freehold	163.509 square metre/ 237.832 square metres	9 January 1977	40
TTH	No. 3, Jalan Perniagaan Setia 1/8, Taman Perniagaan Setia, 81100 Johor Bahru, Johor Darul Takzim.	One and a half-storey cluster factory/For light industrial purposes	Freehold	1,945 square metres/ 1,217.46 square metres	18 February 2013	4,454
KS	PT 73964, Jalan Bestari 2A/KU7, Taman Perindustrian Kapar Bestari, 42200 Kapar, Selangor Darul Ehsan.	Single-storey detached factory annexed with three-storey office building/For light industrial purposes	Freehold	5,037 square metres/ 2,799 square metres	8 November 2018	14,919
EIEIP	No. 16, Jalan TS 6/9, Taman Perindustrian Subang, 47500 Subang Jaya, Selangor.	One and a half-storey semi-detached factory/For light industrial purposes	Leasehold (99 years) (Expiring on 25 January 2114)	724 square metres/ 578.77 square metres	26 January 2015	3,232

NOTICE OF FORTIETH ("40TH") ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 40th Annual General Meeting ("AGM") of K. Seng Seng Corporation Berhad ("KSSC" or the "Company") will be conducted at Unit 8-5, Kompleks Komersil Akasa, Jalan Akasa, Akasa Cheras Selatan, 43300 Seri Kembangan, Selangor Darul Ehsan on Wednesday, 28 May 2025 at 10:00 a.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note (a)**

2. To approve the payment of Directors' Fees up to RM225,000 for the financial year ending 31 December 2025 and until the next AGM in 2026. **Ordinary Resolution 1**

3. To approve the payment of Directors' Benefits up to RM28,000 for the period commencing from 29 May 2025 until the next AGM in 2026. **Ordinary Resolution 2**

4. To re-elect the following Directors of the Company who retire in accordance with Clause 92 of the Company's Constitution and being eligible, have offered themselves for re-election:-

   (i) Teh Boon Beng **Ordinary Resolution 3**
   (ii) Er Kian Hong **Ordinary Resolution 4**

5. To appoint Messrs HLB Ler Lum Chew PLT as Auditors of the Company in place of the retiring Auditors, Messrs Baker Tilly Monteiro Heng PLT and to hold office until the conclusion of the next AGM at a remuneration to be determined by the Directors. **Ordinary Resolution 5**

SPECIAL BUSINESS:

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

6. **Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016** **Ordinary Resolution 6**

   THAT, subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer at any time and from time to time at such price and upon such terms and conditions and for such purposes and to such person or persons as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued and allotted pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being.

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

NOTICE OF FORTIETH ("40TH") ANNUAL GENERAL MEETING

6. AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier. **Ordinary Resolution 6 (continued)**

7. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

BY ORDER OF THE BOARD,

KHOO MING SIANG (MAICSA 7034037) (SSM PC No. 202208000150)
CHAN MIN WAI (MIA 26548) (SSM PC No. 202108000131)
YIP WEI LUN (MIA 47569) (SSM PC No. 202208000373)
Company Secretaries

Selangor Darul Ehsan
28 April 2025

NOTES:-

1. A member of the Company entitled to attend and vote at the meeting may appoint up to two (2) proxies (or being a corporate member, a corporate representative) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.

2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

3. The instrument appointing a proxy in the case of an individual, shall be signed by the appointer or his/her attorney or in the case of a corporation, executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or executed must be deposited at the Registered Office of the Company at Unit 8, Level 7, Kompleks Komersil Akasa, Jalan Akasa, Akasa Cheras Selatan, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

6. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 21 May 2025 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

EXPLANATORY NOTES:-

(a) Audited Financial Statements for financial year ended 31 December 2024

The audited financial statements under Agenda 1 are meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require shareholders' approval. Hence, this Agenda will not be put forward for voting.

(b) Ordinary Resolutions 1 and 2: Payment of Directors' Fees and Benefits

Pursuant to Section 230(1) of Companies Act 2016, the shareholders' approval is sought for the proposed payment of Directors' Fees for financial year ending 31 December 2025 and until the next AGM in 2026, as well as Benefits to the Non-Executive Directors ("NEDs"). The calculation of the benefits which include meeting allowance is based on the estimated number of scheduled and/or special Board and Board Committees' meetings and on the assumption that the number of NEDs in office until the next AGM remains the same.

(c) Ordinary Resolutions 3 and 4: Re-election of Directors

Clause 92 of the Company's Constitution provides that an election of Directors shall take place each year at the annual general meeting of the Company where one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election. PROVIDED ALWAYS THAT all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

The Board through its Nomination Committee had assessed the Directors and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their roles as Directors.

The profiles of the Directors standing for re-election are set out in the Annual Report 2024.

(d) Ordinary Resolution 5: Appointment of Auditors in place of Retiring Auditors

The retiring Auditors, Messrs Baker Tilly Monteiro Heng PLT had indicated that they will not be seeking re-appointment as Auditors of the Company at 40th AGM and therefore the Board wishes to seek shareholders' approval for the appointment of Messrs HLB Ler Lum Chew PLT as Auditors of the Company in place of the retiring Auditors, Messrs Baker Tilly Monteiro Heng PLT, and to hold office until the conclusion of the next AGM in 2026.

In evaluating the suitability of Messrs HLB Ler Lum Chew PLT, the Audit and Risk Management Committee ("ARMC") considered the adequacy of the audit firm's expertise and resources, the credentials, experience and reputation, the audit engagement partner to be assigned, independence, commitment and the indicative audit fees. The ARMC was satisfied that Messrs HLB Ler Lum Chew PLT have met the criteria prescribed under the Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Upon evaluation, the Board concurred with the recommendation of ARMC, was satisfied that Messrs HLB Ler Lum Chew PLT will be able to meet the audit requirements of the Company and the Group.

The Company is not aware of any circumstances regarding the proposed change of Auditors that should be brought to the attention of shareholders.

NOTICE OF FORTIETH ("40TH") ANNUAL GENERAL MEETING

(e) Ordinary Resolution 6: Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Company had during its 39th AGM held on 29 May 2024 obtained from its shareholders, a general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company.

The proposed Ordinary Resolution 6 is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016, if passed, will give authority to the Directors of the Company to issue and allot shares in the Company, grant rights to subscribe for shares, convert any security into shares or allot shares under an agreement or option or offer from time to time and for such purposes as the Directors consider would be in the best interest of the Company ("Renewed Mandate") provided that the aggregate number of shares issued pursuant to this resolution shall not exceed 10% of the total number of issued shares of the Company for the time being. This Renewed Mandate will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier.

The Renewed Mandate will provide flexibility to the Company to issue and allot shares for funds raising, including but not limited to placing of shares, for purpose of funding future investment projects and/or working capital and/or acquisitions, without further delay and cost in convening general meetings to approve such issuance of shares.

As at the date of this notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the 39th AGM which will lapse at the conclusion of the 40th AGM.

STATEMENT ACCOMPANYING THE NOTICE OF 40TH ANNUAL GENERAL MEETING

(pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1) Details of individual who are standing for election as Directors (excluding Directors standing for re-election)

No individual is standing for election as a Director at the 40th AGM of the Company.

2) General mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the Proposed Ordinary Resolution 6 as stated in the Notice of the 40th AGM of the Company for details.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

FORM OF PROXY

誠成集團
K. SENG SENG CORPORATION BERHAD
Company No.: 198501000983 (133427-W)

No. of Ordinary Shares Held	
CDS Account No.	

I/We ____________________ *NRIC/Passport/Company No. ____________________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

with email address ____________________ contact no. ____________________

being a member of **K. SENG SENG CORPORATION BERHAD** hereby appoint:-

FIRST PROXY

Full Name (in Block Letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:			
Contact Number:			

and/or* (*delete as appropriate)

SECOND PROXY

Full Name (in Block Letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:			
Contact Number:			

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 40th Annual General Meeting of the Company to be conducted at Unit 8-5, Kompleks Komersil Akasa, Jalan Akasa, Akasa Cheras Selatan, 43300 Seri Kembangan, Selangor Darul Ehsan on Wednesday, 28 May 2025 at 10:00 a.m. My/our proxy/proxies is/are to vote as indicated below:-

(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 may vote or abstain from voting at his/her discretion).

		FIRST PROXY		SECOND PROXY	
		For	**Against**	**For**	**Against**
ORDINARY RESOLUTIONS					
1.	To approve the payment of Directors' Fees up to RM225,000 for the financial year ending 31 December 2025 and until the next AGM in 2026.				
2.	To approve the payment of Directors' Benefits up to RM28,000 for the period commencing from 29 May 2025 until the next AGM in 2026.				
3.	To re-elect Teh Boon Beng, who retires in accordance with Clause 92 of the Company's Constitution.				
4.	To re-elect Er Kian Hong, who retires in accordance with Clause 92 of the Company's Constitution.				
5.	To appoint Messrs HLB Ler Lum Chew PLT as Auditors of the Company in place of the retiring auditors, Messrs Baker Tilly Monteiro Heng PLT and to hold office until the conclusion of the next AGM at a remuneration to be determined by the Directors.				
6.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.				

Dated this ________ day of ________________ 2025

____
Signature of Shareholder(s)/Common Seal

Notes :

1. A member of the Company entitled to attend and vote at the meeting may appoint up to two (2) proxies (or being a corporate member, a corporate representative) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. The instrument appointing a proxy in the case of an individual, shall be signed by the appointer or his/her attorney or in the case of a corporation, executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or executed must be deposited at the Registered Office of the Company at Unit 8, Level 7, Kompleks Komersil Akasa, Jalan Akasa, Akasa Cheras Selatan, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
6. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 21 May 2025 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

AFFIX STAMP

THE COMPANY SECRETARY
K. SENG SENG CORPORATION BERHAD
(Registration No. 198501000983 (133427-W))
Unit 8, Level 7, Kompleks Komersil Akasa,
Jalan Akasa, Akasa Cheras Selatan,
43300 Seri Kembangan, Selangor Darul Ehsan,
Malaysia

REQUEST FORM FOR PRINTED COPY OF K. SENG SENG CORPORATION BERHAD ANNUAL REPORT 2024

To: K. Seng Seng Corporation Berhad
Unit 8, Level 7, Kompleks Komersil Akasa,
Jalan Akasa, Akasa Cheras Selatan,
43300 Seri Kembangan, Selangor Darul Ehsan,
Malaysia

Please find below my complete particulars for the delivery of a printed copy of KSSC Annual Report 2024:

Particulars of Shareholder

Name:

Identity Card No./Passport No./Company No.:

CDS Account No.:

Mailing Address:

Contact No.:

Date:

Signature of Shareholder:

____

Name:

誠成集團

K. SENG SENG CORPORATION BERHAD

Company No.: 198501000983 (133427-W)

Lot 3707, Jalan 7/5,
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