

NationGate

NATIONGATE HOLDINGS BERHAD
Registration No. 202101004230 (1404529-K)

ACCELERATING FORWARD SOARING HIGHER

ANNUAL REPORT 2024

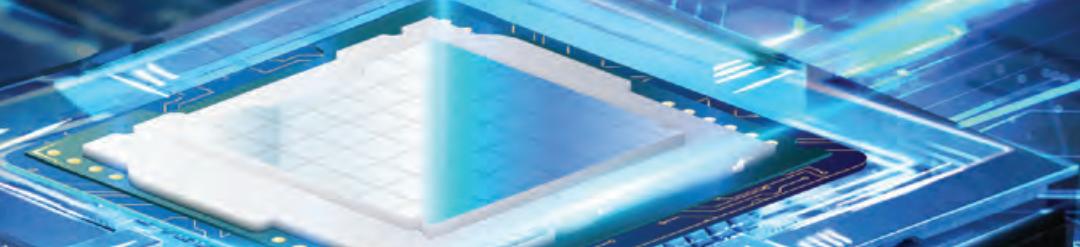


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COVER RATIONALE



ACCELERATING FORWARD SOARING HIGHER

Symbolising the high-performance server and network equipment incorporated into the operations and services at NationGate Holdings Berhad, this cover features an integrated circuit board, to signify the realm of cutting-edge technology bearing infinite possibilities that NationGate empowers its customers with.

Radiating an upward-facing brilliance in a luminous blue hue, this powerful device embodies the smart advancements and Industry 4.0 solutions, which are at the core of NationGate's success and evolution.

Meticulously aligned at the bottom left are icons that represent the polished expertise and tools of NationGate, to value add and shape the future of electronics manufacturing. This design highlights the company's commitment to accelerate and soar in delivering solutions driven by innovation and excellence, positioning NationGate at the leading edge of a new era in high-performance AI computing.

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<https://nationgate.com.my/investors/reports/>

Corporate Information



DATO' SERI WONG SIEW HAI
Independent Non-Executive Chairman

DATO' OOI ENG LEONG
Managing Director

LEE KIM SAN
Executive Director cum
Chief Operating Officer

DATO' SERI LEE KAH CHOON
Independent Non-Executive Director

DATO' FAIZA BINTI ZULKIFLI
Independent Non-Executive Director

JU SIEW LEE
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

JU SIEW LEE
Chairman

DATO' FAIZA BINTI ZULKIFLI
Member

DATO' SERI LEE KAH CHOON
Member

REMUNERATION COMMITTEE

DATO' SERI LEE KAH CHOON
Chairman

DATO' FAIZA BINTI ZULKIFLI
Member

JU SIEW LEE
Member

NOMINATION COMMITTEE

DATO' FAIZA BINTI ZULKIFLI
Chairman

JU SIEW LEE
Member

DATO' SERI LEE KAH CHOON
Member

HEAD OFFICE

2005, Tingkat Perusahaan Satu
Kawasan Perusahaan Perai
13600 Perai
Pulau Pinang

Telephone No.:
04-398 9001, 04-398 9002

Fax No.:
04-398 9005

EMAIL ADDRESS AND WEBSITE

Email address:
corporate@nationgateholdings.com

Website:
<http://www.nationgate.com.my>

REGISTERED OFFICE

51-8-A Menara BHL
Jalan Sultan Ahmad Shah
10050 Georgetown
Pulau Pinang, Malaysia

Telephone No.:
04-373 6616

Email address:
enquiry@braxton.com.my

COMPANY SECRETARIES

HING POE PYNG
(SSM PC No. 202008001322)
(MAICSA 7053526)
(Appointed on 15 January 2025)

CHEW SIEW CHENG
(SSM PC No. 202008001179)
(MAICSA 7019191)
(Resigned on 29 November 2024)

LIM CHOO TAN
(SSM PC No. 202008000713)
(LS 0008888)
(Resigned on 15 January 2025)

TAN GIN LING
(SSM PC No. 201908002292)
(MAICSA 7023190)
(Appointed on 29 November 2024)
(Resigned on 15 January 2025)

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
(197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone No.: 03-2783 9299
Fax No.: 03-2783 9222
Email Address: is.enquiry@vistra.com

AUDITORS

Grant Thornton Malaysia PLT
Registration number: 201906003682
LLP number: LLP0022494-LCA
Firm number: AF 0737
Level 5, Menara BHL
51 Jalan Sultan Ahmad Shah
10050 Pulau Pinang

Telephone No.: 04-228 7828
Fax No.: 04-227 9828

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
Stock Code: 0270
Stock Name: NATGATE

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
AmBank (M) Berhad
Ambank Islamic Berhad
Citibank Malaysia Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
HSBC Bank Malaysia Berhad
Maybank Islamic Berhad
United Overseas Bank (Malaysia) Bhd.

Corporate Structure



NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

100%

CLOUDGATE TECHNOLOGY SDN BHD
202301022976 (1516899-M)

100%

NATIONGATE SOLUTION (M) SDN BHD
201001011441 (896101-U)

100%

NATIONGATE SYSTEM SDN BHD
202001001264 (1357583-K)

40%

NATIONGATE INTEGRATION (M) SDN BHD
202001028254 (1384574-U)

51%

NATIONGATE COMPUTING SDN BHD
202301021279 (1515202-A)

100%

CLOUDGATE SYSTEM PTE LTD
202410149E

100%

NATIONGATE LAND SDN BHD
(Formerly known as Hesechan Industries Sdn Bhd)
199201019543 (251047-A)

Financial Highlights

Financial Highlights	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue (RM'000)	566,246	760,870	945,748	638,296	5,270,753
Profit Before Taxation (RM'000)	32,903	62,662	104,622	70,538	230,705
Profit After Taxation (RM'000)	30,670	59,547	85,608	60,925	179,207
Profit attributable to Owners of the Company (RM'000)	30,612	57,328	85,264	60,811	160,190
EBITDA (RM'000)	57,811	96,078	151,748	120,057	286,897
Basic Earnings per Share (Sen)	1.87	3.50	5.20	2.95	7.44
Equity attributable to Owners of the Company (RM'000)	112,041	155,875	229,046	422,057	971,854
Return on Equity	27.3%	36.8%	37.2%	14.4%	16.5%



Board of Directors' Profile



DATO' SERI WONG SIEW HAI

DSPN, DMPN, DGPN, DPPN

Independent Non-Executive Chairman

Malaysian | Male | Aged 73

Dato' Seri Wong Siew Hai ("Dato' Seri Wong") is our Independent Non-Executive Chairman and was appointed to our Board on 18 May 2021.

He graduated in 1974 with a Bachelor of Science in Mechanical Engineering from University of Leeds, UK. He obtained a Master of Science in Management Science in 1975 from Imperial College of Science and Technology, University of London, UK. In 2015, he was awarded the ASEAN Outstanding Engineering Achievement Award by the ASEAN Federation of Engineering Organisations.

He started his career in 1976 with Intel Technology Sdn Bhd ("Intel") as Quality Assurance Engineer and left with his last position as General Manager in 1996. During his time with Intel, he was responsible for, amongst others, the quality assurance for assembly operations of semiconductors and Intel's 8-bit micro-controller business unit. Thereafter, he joined Dell Incorporated's Asia Pacific Customer Centre as Managing Director and Vice President where he was mainly involved in the management of their operations. In 1998, he re-joined Intel as Managing Director of Assembly Test Manufacturing in Malaysia and was later promoted to Vice President of Technology and Manufacturing Group and General Manager of Assembly Test Manufacturing, where he was responsible for all of Intel's assembly test factories worldwide. He retired from Intel in 2004.

He was a Director of Invest-In-Penang Berhad, an agency incorporated by the Penang State Government to promote investment in the state of Penang from 2004 to 2008. From 2005 to 2017, he was a board member of Malaysia External Trade Development Corporation ("MATRADE"), a division under MITI and was the Chairman of the Audit Committee of MATRADE's board from 2011 to 2017. He was the Chairman of the Malaysian American Electronics Industry, an industry committee under the American Malaysian Chamber of Commerce from 2005 until 2021. He was the Chairman of TT Vision Holdings Berhad, from 1 June 2022 till 30 November 2023 and a board member of Penang Science Cluster from 4 April 2013 till 8 November 2023 and Malaysia Venture Capital Management Berhad from October 2019 till July 2024.

Currently, he is the President of the Malaysia Semiconductor Industry Association since January 2021 and the Chairman of Electrical and Electronics Productivity Nexus since 2017. He has over 30 years of experience in the Electrical and Electronics ("E&E") industry within Malaysia as well as Asia Pacific region.

Dato' Seri Wong sits on the Board of Penang Tech Centre, Greatech Technology Berhad and MTT Shipping and Logistics Berhad. He also sits on the Board of several private limited companies.

Dato' Seri Wong was appointed as Adjunct Professor by UNIMAP (Universiti Malaysia Perlis) on 5th February 2024.

Board of Directors' Profile (Cont'd)



**DATO'
OOI ENG LEONG**

Managing Director

Malaysian | Male | Aged 56

Dato' Ooi Eng Leong ("Dato' Ooi") is our Managing Director and was appointed to our Board on 1 June 2021. He completed his secondary school education at Han Chiang Independent High School, Pulau Pinang in 1986. In June 1988, he was awarded with the Certificate of Electrical Engineering Technician from City and Guilds of London Institute.

He is responsible for charting our Group's overall strategy and business direction. In respect of our Group's operations, he is involved in all major strategic and investment decisions as well as overseeing our Group's performance. He has more than 34 years of combined working experience in the E&E industry and Electronics Manufacturing Services ("EMS") market in Malaysia.

He started his career in the E&E industry as a Technician with Granek Electronic Sdn Bhd (a company involved in providing EMS activities) from 1986 to 1988, where he was skilled in repairing and analysing defects in electronic products. He then spent approximately four years from 1988 until 1992 with Shinca Electronic Sdn Bhd (a company involved in providing EMS activities) as its Manufacturing Engineer, where he was in-charge of setting up the company's production lines, overseeing manufacturing processes and various other aspects in the engineering of producing electronic products.

In 1992, he joined the auto-insert division of Kenmec Technology (M) Sdn Bhd (a company involved in providing EMS activities) as an Assistant Manager, where he was in-charge of developing and improving its manufacturing processes. He was then promoted to its Section Manager in 1997, where he was responsible for the overall performance of the department. He then joined Natsteel Electronics (M) Sdn Bhd (later known as Solelectron Technology (M) Sdn Bhd) (a company involved in the design, development and manufacture of PCB assemblies and sub-assemblies for microprocessor applications, computers, computer peripherals and semiconductor equipment) in the same year as a Manufacturing Manager, where he was responsible for its manufacturing processes under high volume production environment, as well as ensuring delivery and quality commitments to various multinational companies.

In 1999, he co-founded our Group's EMS business and has been instrumental in the development, growth and success of our Group.

Dato' Ooi sits on the Board of D Premier Residence Bayan Mutiara Berhad. He also sits on the Board of several private limited companies.

Board of Directors' Profile

**LEE KIM SAN**

Executive Director cum Chief Operating Officer

Malaysian | Male | Aged 59

Lee Kim San ("Mr Lee") is our Executive Director cum Chief Operating Officer and was appointed to our Board on 1 June 2021. He has more than 35 years of combined working experience and expertise in the E&E industry and EMS market in Malaysia. He is primarily responsible for the overall operations and resource management.

He started his career in Robert Bosch (M) Sdn Bhd (a company involved in the manufacturing of auto parts and related accessories) as a Test Technician for car stereos. In 1990, he joined Advantec Electronic Sdn Bhd (a company involved in the manufacturing and dealing of electrical products and related equipment) as a Production Supervisor and in a span of 2 years, he rose to the position of Production Manager overseeing the audio product final assembly lines. He then joined Kenmec Technology (M) Sdn Bhd (a company involved in providing EMS activities) in 1994 as an Assistant Production Manager, where he was responsible for the company's production activities and product delivery to its customers. In 1996, he left Kenmec Technology (M) Sdn Bhd and joined Solelectron

Technology (M) Sdn Bhd (a company involved in the design, development and manufacture of PCB assemblies and sub-assemblies for microprocessor applications, computers, computer peripherals and semiconductor equipment) as a Production Manager, where he was responsible for its overall production and product delivery to customers. In 2001, he left the company to join Flairis Sdn Bhd (a company involved in providing EMS activities) as an Operations Manager, where he was responsible for its production quality assurance and engineering operations for its electronic products.

In 2013, he was appointed Senior General Manager and subsequently appointed as our Group's Chief Operating Officer in 2015.

Mr Lee does not hold any other directorship in public companies or public listed companies. He sits on the Board of several private limited companies.

Board of Directors' Profile (Cont'd)



**DATO' SERI
LEE KAH CHOON**

DGPN

Independent Non-Executive Director

Malaysian | Male | Aged 65

Dato' Seri Lee Kah Choon ("Dato' Seri Lee") is our Independent Non-Executive Director and was appointed to our Board on 7 February 2022. He is Chairman of our Remuneration Committee as well as member of Audit and Risk Management Committee and Nomination Committee. He graduated with a Bachelor of Law from the Southampton University, United Kingdom in 1985.

He was called to the Bar of England and Wales at the honourable Society of Middle Temple in 1986. In 1987, he obtained a Master of Arts from the City University, United Kingdom and was called to the Malaysian Bar in the same year. He is also a Certified Financial Planner since 2019.

In 1987, he started his legal career at Messrs Wong-Chooi & Mohd Nor, a law firm, as a Legal Assistant responsible for providing legal services related to conveyancing, trust and estate, banking and corporate matters. In 1991, he was made a Partner of the firm before leaving in 1996. In 1997, he founded his own legal practice, Messrs KC Lee & Partners to provide legal advisory services. As the Managing Partner, he focused on conveyancing, trust and estate, banking and corporate services.

In 2004, he relinquished his position in his law firm to undertake the role of Parliamentary Secretary to the Ministry of Health, Malaysia. He was responsible for assisting the Minister on health matters in Malaysia, answering health related questions and tabling legislations on behalf of the Ministry in the house of Parliament. He held the position until 2008.

From 2008, he had served as board member of several state and federal government-linked corporations and companies.

Dato' Seri Lee also serves as Chairman of Federal Oats Mills and sits on the Board of several Bursa listed companies including Aemulus Holdings Berhad, L&P Global Berhad and Northeast Group Berhad.

Additionally, Dato' Seri Lee is a member of the Investment Committee of Areca Capital, a licensed fund manager for individuals, corporations, and institutions.

Board of Directors' Profile



**DATO' FAIZA
BINTI ZULKIFLI**

DSPN

Independent Non-Executive Director

Malaysian | Female | Aged 64

Dato' Faiza Binti Zulkifli ("Dato' Faiza") is our Independent Non-Executive Director. She was appointed to our Board on 18 May 2021. She is the Chairman of the Nomination Committee and a member of the Audit and Risk Management Committee as well as Remuneration Committee.

She holds a Bachelor of Law (Honours) degree from University of Malaya (1984) and Master of Law in Intellectual Property and Information Technology Laws from University of East Anglia, United Kingdom in 2006. She was called to the Malaysian Bar in 2020. She is an experienced Senior Legal Officer with more than 35 years of working experience in various government agencies.

She started her career in the Judicial and Legal Service in 1984 as a Magistrate in Klang, Selangor. She held various positions in the Judicial and Legal Service. She served as a Legal Advisor to the Ministry of Domestic Trade and Consumer Affairs and as a Senior Assistant Parliamentary Draftsman at Attorney General's Chambers of Malaysia from 2002 to 2007.

She has been appointed as Penang State Legal Advisor, an ex-officio member of the State Executive Council of Penang and a member of the State Planning Committee and State Land Council since 2007. From 2014 to August 2017, she was appointed as Chairman of the Advisory Board at the Prime Ministers Department. Thereafter from September 2017 to 2018, she served as the Chairman of the Customs Appeal Tribunal under the Ministry of Finance, and her last position with the government before her retirement in July 2020 was being the Chairman of the Special Commissioners of Income Tax under the Ministry of Finance. She was appointed as a member of the Suruhanjaya Perkhidmatan Air Negara from March 2022 to 2023.

Dato' Faiza also sits on the Board of Mestron Holdings Berhad, ARK Resources Holdings Berhad and Northeast Group Berhad.

Board of Directors' Profile (Cont'd)



JU SIEW LEE

Independent Non-Executive Director

Malaysian | Female | Aged 55

Ju Siew Lee ("Ms Ju") was appointed as Independent Non-Executive Director of our Board on 7 February 2022. Ms. Ju is the Chairman of the Audit and Risk Management Committee and a member to the Remuneration Committee and Nomination Committee.

Ms Ju is a qualified Management Accountant of The Chartered Institute of Management Accountants, United Kingdom and a Chartered Accountant of the Malaysian Institute of Accountants.

Ms Ju is a highly accomplished professional with over 30 years of extensive experience in accounting, auditing, taxation and corporate finance. Throughout her career, Ms Ju has been attached with reputable firms, where she developed deep expertise across a wide range of financial

disciplines. Ms Ju's past experience as a senior management professional in several public-listed companies in Malaysia, has further strengthened her leadership and strategic financial capabilities.

Ms Ju does not have any conflict of interest with our Company and she has no family relationship with any Director and/or major shareholder of our Company.

Currently, she also serves as an Independent Non-Executive Director of Aemulus Holdings Berhad and RT Pastry Holdings Berhad.

Apart from these roles, she does not hold directorship in any other public companies and public listed companies.

Notes:

(1) **Family Relationships with any Director and/or Major Shareholder**

None of the Directors has any family relationship with any Director and/or Major Shareholder of the Company except Dato' Ooi Eng Leong is the spouse of Datin Tan Ah Geok who is a 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) **No Conflict of Interest**

None of the Directors has any conflict of interest with the Company except:

Dato' Ooi Eng Leong has interest in a company incorporated locally which carries on a similar or related trade or is a customer and/or supplier of the Group.

(4) **Non-Conviction of Offences**

All the Directors have not been convicted with any offences other than traffic offences (if any) in the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulator during the financial year.

(5) **Board Meetings held during the financial year ended 31 December 2024 and details of Directors' attendance**

Name	Meetings attended
Dato' Seri Wong Siew Hui	5/5
Dato' Ooi Eng Leong	5/5
Lee Kim San	4/5
Dato' Seri Lee Kah Choon	5/5
Dato' Faiza Binti Zulkifli	5/5
Ju Siew Lee	5/5

Key Senior Management's Profile

CHANG TSUI SHI

Malaysian | Female | Aged 47

Chang Tsui Shi is the Finance Director of our Group. She has more than 19 years of working experience in the field of accounting and finance in Malaysia. In 2002, she obtained her Bachelor of Accounting (Honours) from Universiti Utara Malaysia and has been a member of the Malaysian Institute of Accountants since 2005. She joined our Group as an Accountant in 2015. She was promoted to Senior Finance Manager in 2018 and subsequently assumed her current role as Finance Director in 2021. She is responsible for overseeing our Group's accounts and finance related functions.

LIM KEE BENG

Malaysian | Male | Aged 63

Lim Kee Beng is the Business Development Director of our Group. He has more than 38 years of combined working experience in the E&E industry and EMS market in Malaysia. He graduated with a Bachelor of Applied Science in Electrical Engineering from the University of Ottawa, Canada in 1984. In 1999, he obtained his Master of Business Administration from Heriot Watt University, United Kingdom. He joined our Group as Human Resource Manager in 2010 and undertook various job responsibilities in our Group until his current position as Business Development Director in 2020. He is responsible for developing, planning and implementing strategies to drive our Group's revenue and customer base.

DAVINDRA SINGH GENDEH

Malaysian | Male | Aged 51

Davindra Singh Gendeh is the Vice President of Operations of our Group. He joined our Group and assumed his current position in 2020. He has more than 28 years of combined working experience in the local and international E&E industry and EMS market in Malaysia, China, Singapore, Taiwan, Thailand and USA. He is responsible for overseeing the overall operations of NationGate System Sdn Bhd.

TAY SENG CHEW

Malaysian | Male | Aged 59

Tay Seng Chew is the Corporate Services Director of our Group. He joined our Group and assumed his current position in 2020. He has more than 25 years of combined working experience in the field of banking and finance in Malaysia. He graduated with a Bachelor of Management (Honours) in Finance and Accounting from Universiti Sains Malaysia in 1989. He is responsible for the corporate finance related matters such as fundraising activities as well as liaising with financial institutions and treasury functions.

On August 22, 2023, Tay Seng Chew was appointed as Executive Chairman in Skygate Solutions Berhad (formerly known as Ewein Berhad), a company listed on the Main Market of Bursa Malaysia Securities Berhad that operates in multiple business segments including manufacturing, property development and property management.

Key Senior Management's Profile (Cont'd)

OOI YEUAN XIONG

Malaysian | Male | Aged 29

Ooi Yeuan Xiong is the General Manager of our Group. He joined our Group and assumed his current position in 2021. He holds Master's degree in Nanotechnology from University of Southampton. He worked across high-mix EMS environments supporting product transfers, process optimization & strong technical background in Surface Mount Technology manufacturing. He is involved in overall Group's operations and delivering engineering solutions that scale with company's growth.

CHAN CHEE KHANG

Malaysian | Male | Aged 48

Chan Chee Khang is the General Manager of our Group. He joined our Group and assumed his current position in 2024. He has more than 25 years of combined working experience in the E&E Industry and EMS market in Malaysia. His past experience in leading cross-functional teams, optimizing manufacturing processes, and driving organizational growth has contributed to his deep understanding of the industry. He is responsible for overseeing overall operations of Nationgate System Sdn Bhd and cultivate a collaborative environment to achieve operational excellence.

Notes:

(1) **Directorship in public companies and public listed companies**

None of the Key Senior Management holds any directorship in public companies and public listed companies except for Mr Tay Seng Chew sits on the Board of Skygate Solutions Berhad ("Skygate Solutions") (formerly known as Ewein Berhad) as Executive Chairman.

(2) **Family Relationships with any Director and/or Major Shareholder**

None of the Key Senior Management has any family relationship with any Director and/or Major Shareholder of the Company except for Mr. Ooi Yeuan Xiong who is the son to Dato' Ooi Eng Leong, both Director and major shareholder of the Company and Datin Tan Ah Geok, major shareholder of the Company.

(3) **Conflict of Interest**

None of the Key Senior Management has any conflict of interest with the Company except for the following:-

Mr Tay Seng Chew is the Executive Chairman of Skygate Solutions, a company listed on the Main Market of Bursa Malaysia Securities Berhad that operates in multiple business segments including manufacturing, property development and property management. He is also the key senior management in the Company.

Despite his involvement in the Company potentially leading to a conflict of interest, such conflict is minimal by the fact they are not competitors to each other due to different nature of business.

(4) **Non-Conviction of Offences**

All the Key Senior Management have not been convicted with any offences other than traffic offences (if any) in the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulator during the financial year.

Management Discussion and Analysis

OVERVIEW OF BUSINESS AND OPERATIONS

NationGate Holdings Berhad ("NGH" or the "Company") and its subsidiaries ("Group") are an electronic manufacturing services ("EMS") provider focusing on the assembly and testing of:

- (a) electronic components and products to produce completed printed circuit boards ("PCBs"), semi-finished sub-assemblies and fully-assembled electronic products;
- (b) semiconductor devices; and
- (c) manufacturing of server, switch etc.



Our Group operate our business from our various manufacturing facilities located in Seberang Perai, Pulau Pinang and Taiping, Perak. We are equipped with the flexibility to handle both high-mix, low-volume and low-mix, high-volume production, tailored to meet the specific needs of our customers.

Management Discussion and Analysis (Cont'd)

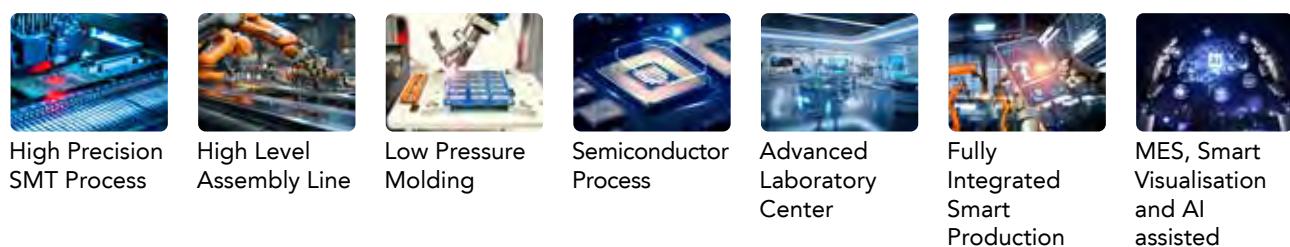
OVERVIEW OF BUSINESS AND OPERATIONS (CONT'D)

At the heart of our business is the ability to offer flexible and modular assembly lines that are both highly complex and customizable, available on both a consignment basis and turnkey basis. With robust technical capabilities, we are well-positioned to meet the diverse requirements of our customers across various industry segments. Since 2010, we have been providing top-tier EMS to industries segments as shown below.



Industries involved

Our expertise spans high-precision SMT processes, advanced assembly lines, and sophisticated semiconductor manufacturing, all supported by integrated smart production. These capabilities ensure that we deliver exceptional quality and efficiency. Our state-of-the-art facilities and Industry 4.0 solutions are at the forefront of driving innovation and excellence, empowering our customers to stay ahead in an increasingly competitive market landscape.



Our capabilities

We remain committed to our growth strategy, focusing on expanding production capacity and fostering technological innovation. This strategy involves the continuous enhancement of our capabilities, optimization of our processes and the development of a strong talent pool. We are proud to have an in-house technical team composed of highly skilled engineers and technicians, dedicated to providing technical advice on prototyping for manufacturability, conduct various tests and make recommendations on improving the manufacturability of products in terms of cost, quality and delivery time. This makes us an ideal partner for customers with diverse and specialised requirements. Our flexibility in accommodating different order volumes and specifications allows us to serve a broad range of clients effectively.

Management Discussion and Analysis (Cont'd)

OVERVIEW OF BUSINESS AND OPERATIONS (CONT'D)

Our EMS assembly and test lines are equipped with various machineries and equipment which include, but are not limited to chip component placement machines, inspection machines and equipment, laser marking machines, high speed dispenser machines, test equipment and semiconductor assembly equipment. To further enhance our operations, we have implemented a comprehensive Enterprise Resource Planning system. This centralized system enables us to manage and control our master production schedule efficiently, track customer orders, oversee raw material and component procurement, monitor production progress, and document quality assurance tests throughout both pre-production and production stages. This approach not only ensures timely delivery but also improves the overall efficiency of our EMS operations.

Over the years, we have earned the trust of our customers by consistently delivering timely, high-quality services that meet their manufacturing requirements and quality standards. We place a strong emphasis on maintaining the highest quality of service, which we believe is essential to reinforcing our commitment to exceeding customer expectations. To this end, our quality management system meets the international standards such as ISO 9001:2015, ISO 14001:2015, AS9100D, ISO 13485:2016 and IATF 16949:2016.

In addition, our technical expertise and flexibility to respond to change had allowed us to undertake the assembly and testing of a diverse product mix with different applications for our customers' products. The understanding of the entire product development process and customer needs, coupled with a strong and flexible engineering platform, have enabled us to provide wide range of EMS to our customers. With our years of proven track record of delivering exceptional results and our unwavering commitment to customer satisfaction, we are confident that we can continue to capitalise on this trend and drive long-term growth for our EMS business activities.

Key Milestones in 2024

It has been an exciting journey since we became a public company, successfully listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 12 January 2023. This listing was a pivotal moment for the Group, providing us with the capital required to fuel expansion plans, as well as the visibility and credibility to enhance our market positioning. It enabled us to accelerate growth initiatives, attract strategic partnerships, and strengthen stakeholder confidence as we navigated the evolving business landscape.

Following our listing, we remained steadfast in our commitment to driving innovation, enhancing operational efficiencies, and expanding our market reach. We focused on scaling our manufacturing capabilities, exploring new business segments, and continuously refining our strategies to stay ahead in an increasingly competitive industry. These efforts laid the foundation for sustainable growth, enabling us to seize emerging opportunities and adapt to shifting market dynamics.

On 24 May 2024, we achieved another significant milestone by transferring our listing to the Main Market of Bursa Securities. This transition reflects the substantial progress we have made, not only in terms of financial performance but also in strengthening our governance practices and reinforcing our strategic direction. Moving to the Main Market enhances our access to a broader investor base and positions us for long-term value creation as we continue scaling our business and expanding into high-growth sectors.

The Star Nationgate shares to transfer to Main Market on May 24

KUALA LUMPUR: The shares in ACEMarket listed Nationgate Malaysia Bhd will be transferred to the Main Market of Bursa Malaysia Bhd from 24 May 2024 (Friday).

This elevation to the Main Market reaffirms our commitment to maintaining transparency and fostering trust with investors and stakeholders. We are dedicated to delivering consistent financial performance, upholding rigorous corporate governance standards, and pursuing growth strategies that align with evolving market demands. As we embark on the next phase of our journey, we remain focused on leveraging our strengths, driving technological innovation, and capturing new opportunities to sustain long-term growth and build enduring shareholder value.

Management Discussion and Analysis (Cont'd)

CORPORATE STRATEGIES AND INITIATIVES

To capitalize on investment opportunities and drive sustained growth, our Group remains committed to enhance manufacturing capacity and operational efficiency. These strategies are designed to grow revenue in line with industry forecasts for the financial year ended 31 December 2024 ("FYE 2024"). Our future growth strategy is built upon key initiatives that align closely with our ongoing expansion efforts:

1. Strategic Expansion into AI Server Manufacturing



As the demand for artificial intelligence ("AI") continues to surge, the immense potential for growth in this field presents unparalleled opportunities. NationGate has strategically positioned itself to capitalize on this momentum, ensuring we stay ahead of the curve. In 2024, we proudly launched our cutting-edge AI servers, designed to meet the dynamic needs of clients ranging from start-ups to hyperscale data centers.

As the first Malaysian company to manufacture these servers, we are honored to be at the forefront of AI innovation. Powered by industry-leading graphics processing units ("GPUs"), we are a trusted original equipment manufacturer ("OEM") partner to Nvidia, the top GPU manufacturer in the world.

As a homegrown Malaysian company, we are uniquely positioned to provide a comprehensive, one-stop solution for AI servers and switching technologies, all while championing the national localization agenda. Our strategic expansion into AI and data centers underscores our unwavering commitment to driving technological advancement, fostering local innovation, and propelling economic growth. By making significant contributions to supply chain development and creating high-skilled employment opportunities, we are fortifying our competitive edge in this rapidly evolving industry. Additionally, our entry into AI server manufacturing opens up exciting prospects to expand our customer base both locally and regionally, tapping into the double-digit annual growth in data center investments across ASEAN and globally.

2. Capturing New Market Opportunities through Innovation

To drive future growth, the Group is actively pursuing new customer acquisition opportunities, particularly within high-potential sectors such as networking and telecommunications, data computing, consumer electronics, automotive, and semiconductors. We are strategically aligned with emerging trends, including AI technologies, supercomputers, electric vehicles, and data centers, all of which are fueling the next wave of technology growth.

The Group's relentless pursuit of innovation, combined with ongoing capacity expansion, reflects our commitment to supporting customers' evolving manufacturing needs while reinforcing our role in advancing industry digitalization.

Management Discussion and Analysis (Cont'd)

CORPORATE STRATEGIES AND INITIATIVES (CONT'D)

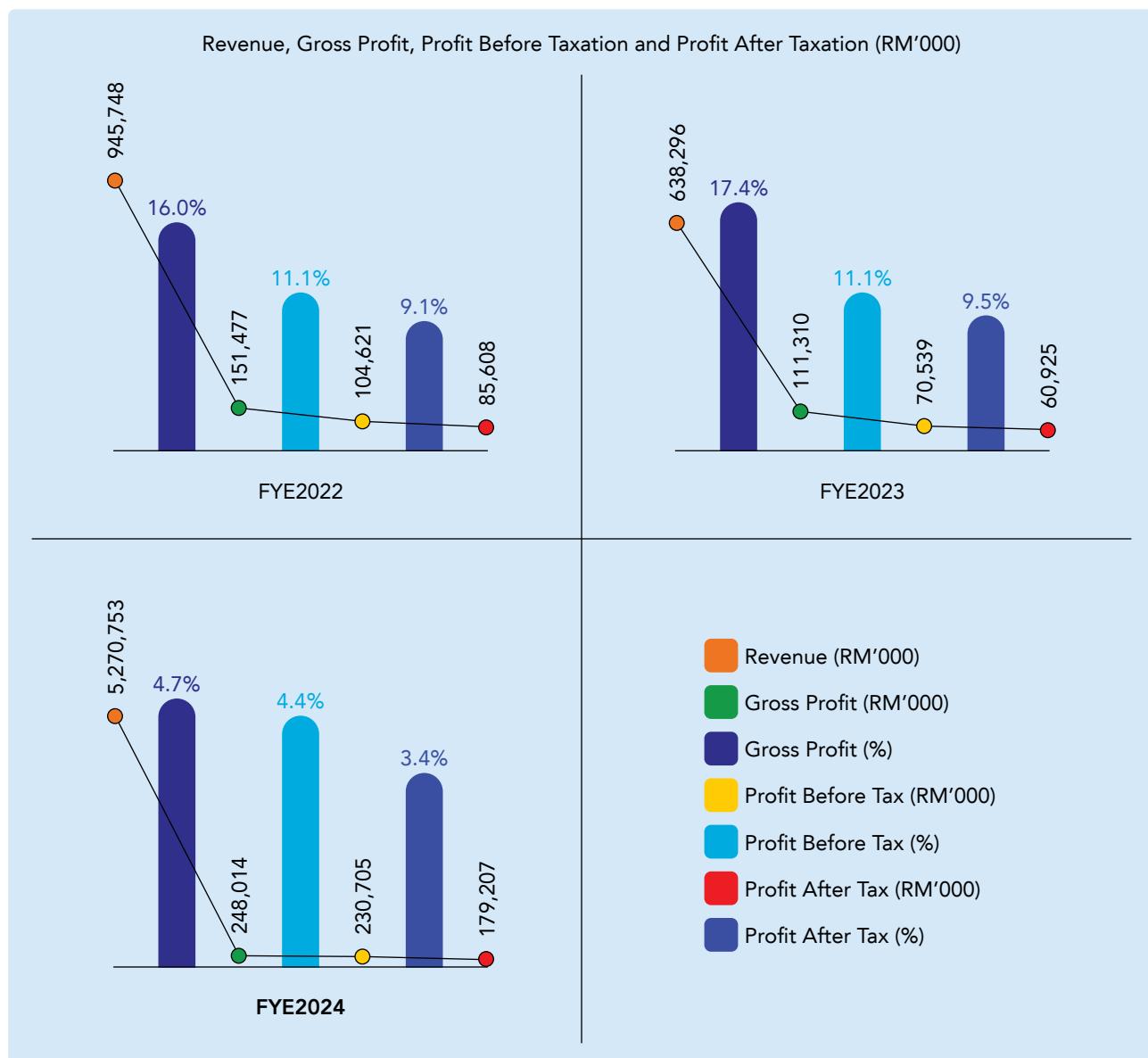
3. Strengthening Market Position through Strategic Acquisition

In line with our growth strategy, NationGate acquired NationGate Land Sdn Bhd (formerly known as Heschan Industries Sdn Bhd) on 21 June 2024 for a total cash consideration of RM25 million. The acquisition includes a 272,900-square-foot land area, providing significant capacity for future expansion.

NationGate Land's principal activities encompass warehousing, manufacturing, logistics services, general trading, as well as import and export operations. This acquisition presents favourable prospects, leveraging the Group's competitive strengths and aligning with its long-term business strategies. The dynamic nature of the electrical and electronics ("E&E") industry, coupled with rapid technological advancements, requires constant innovation and adaptability. This acquisition supports NationGate's commitment to moving up the value chain, enabling us to remain at the forefront of the evolving EMS market.

Furthermore, the Group remains focused on driving technological advancements, enhancing cost-efficiency, and fostering strong collaborations within the supply chain ecosystem. These efforts are designed to bolster our market positioning, deliver greater value to stakeholders, and sustain long-term growth in an increasingly competitive landscape.

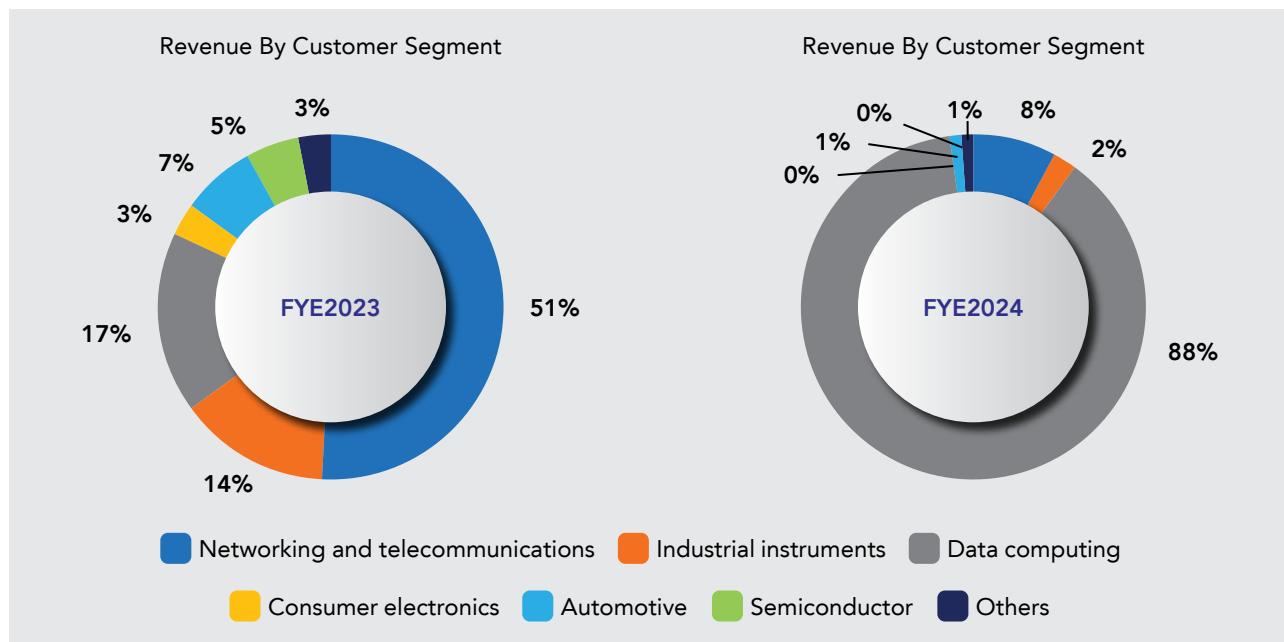
FINANCIAL OVERVIEW



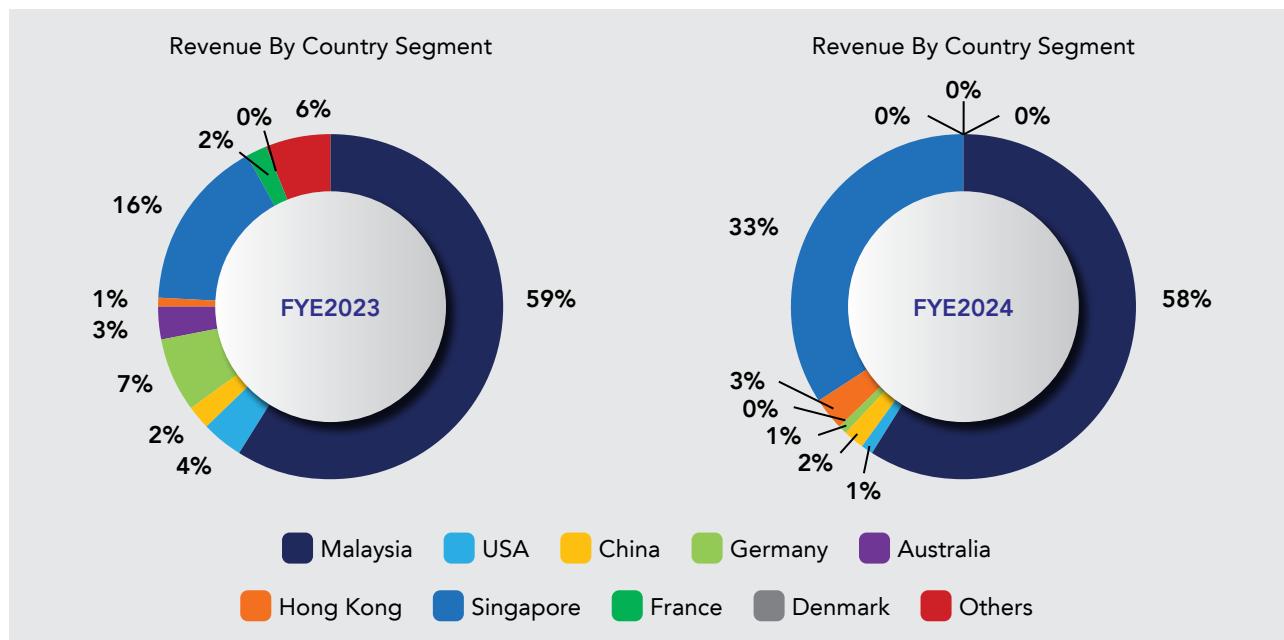
Management Discussion and Analysis (Cont'd)

FINANCIAL OVERVIEW (CONT'D)

Our Group achieved revenue of RM5,270.75 million for FYE 2024, which is an increase of RM4,632.46 million from the previous financial year ended 31 December 2023 ("FYE 2023") of RM638.30 million. The increase was mainly attributable from the strong demand from data computing segment.



Others: Mainly consists of manufacturers of medical devices, Internet of Things, household electronic products and analytical instrumentation devices.



Other countries include Taiwan, Thailand, United Kingdom, Mexico, Canada, India, Seychelles, Japan, Vietnam, Italy, and Turkey.

Management Discussion and Analysis (Cont'd)

FINANCIAL OVERVIEW (CONT'D)

In FYE 2024, our Group recorded a higher gross profit and profit before tax ("PBT") position of RM248.01 million and RM230.71 million respectively. These represent increases of RM136.70 million and RM160.17 million in gross profit and PBT respectively, compared to FYE 2023. The improvement in gross profit was mainly attributed by increased in revenue. However, both gross profit margin and PBT margin saw a decline. Gross profit margin decreased from 17.4% to 4.7% while PBT margin fell from 11.1% to 4.4%. These declines were largely attributable to the data computing segment, which faced higher costs associated with key components. Overall, our Group made a net profit of RM179.21 million in the current financial year, higher by RM118.28 million from RM60.93 million in the previous financial year.

Profit attributable to owners of the Company for FYE 2024 increased to RM160.19 million as compared with RM60.81 million in the previous financial year. Our Group's earnings per share is 7.44 sen for FYE 2024 as compared to earnings per share of 2.95 sen for FYE 2023.

Foreign Currency

The Group is exposed to foreign currency risks, primarily arising from sales and purchases denominated in USD. To mitigate these risks and protect profit margins, the Group enters into forward exchange contract particularly in relation to a key high-revenue customer whose purchases are predominantly in USD while sales are denominated in RM.

For other transactions, the Group generally relies on a natural hedge approach, supported by close and continuous monitoring of foreign exchange exposures to ensure timely management and response when necessary.

Liquidity and Capital Resources

Our Group recorded higher cash and cash equivalents of RM1,927.68 million in FYE 2024 as compared to RM65.86 million in FYE 2023, after taking in significant improvement in our operating cash flow generated of RM735.93 million during FYE 2024 as compared to RM147.72 million during FYE 2023.

As at 31 December 2024, our Group total liabilities increase to RM2,765.37 million from RM312.80 million as at 31 December 2023. The increase mainly attributed from the increase in trade payables and bank borrowing. The net gearing ratio been increased to 1.03 times in FYE 2024 as compared with 0.28 times recorded in FYE 2023.

CHALLENGES, RISKS, AND CLIMATE RESILIENCE

Geopolitical and Market Uncertainties

The EMS and E&E industries have been significantly impacted by geopolitical uncertainties, further compounded by factors such as geo-economic confrontations, including sanctions, tariffs, and investment screening. These challenges continue to shape market dynamics and influence cost structures within our sector. On 2 April 2025, the US government announced a reciprocal tariff on imported goods from all countries. The reciprocal tariff imposed a baseline of 10% tariff on all imports from countries worldwide effective 5 April 2025 while higher tariffs were imposed on specific countries whereby Malaysia was imposed a tariff rate of 24%, which take effect from 9 April 2025. On 9 April 2025, the US government has announced that the higher tariffs imposed will be temporarily suspended for 90 days for all countries except China, though the 10% baseline tariff remains.

At this juncture, the Management does not expect the reciprocal tariff to have a material impact on the Group's business operations or financial performance as the Group's direct export to US is negligible. However, the imposition of the reciprocal tariff by the US and retaliation tariffs by certain countries may lead to dysfunctional global trade environment such as supply chain disruptions, increase of operational costs and other global macroeconomic conditions such as rising inflation, higher unemployment rates, lower disposable income and etc. The put adverse implications on the global economy and may have a material adverse impact on the business and financial performance of businesses worldwide.

The Management is aware that any future development to this event may have a direct or indirect implication to its business operations and will continue to monitor the situation closely and take appropriate and timely measures to address the potential implications that may arise from this reciprocal tariff.

In parallel, the growing impact of climate change introduces additional risks, such as extreme weather events, which can disrupt supply chains, affect manufacturing timelines, and increase energy costs. We recognize the importance of climate resilience and are actively exploring strategies to enhance our operational adaptability, including optimizing energy efficiency and incorporating renewable energy solutions to mitigate long-term climate-related risks.

Supply Chain Vulnerabilities and Climate Impact

While supply chain disruptions, component shortages, and logistics constraints have eased compared to the Covid-19 period, our EMS business remains dependent on imported materials. As such, our production costs are closely linked to fluctuating prices of input materials in the market. Climate-related factors, such as resource scarcity or carbon pricing mechanisms, may further influence raw material availability and costs. To manage these impacts, we will, whenever possible, pass on material cost increases to safeguard our profit margins. Additionally, we will explore sourcing materials from alternative suppliers, particularly those with lower carbon footprints or sustainable practices, subject to customer approval, to enhance supply chain resilience and reduce emissions within our value chain.

Management Discussion and Analysis (Cont'd)

CHALLENGES, RISKS, AND CLIMATE RESILIENCE (CONT'D)

Talent Retention and Workforce Sustainability

As our business operations grow and evolve, the acquisition and retention of top-tier talent have become critical drivers in propelling the Company to new heights of performance and success. Our employees are our most valuable assets, and investing in their growth and well-being is essential to achieving long-term excellence. In response to evolving climate considerations, we will enhance employee awareness of sustainability practices, provide training on low-carbon manufacturing practices, and foster a culture of environmental stewardship. We also regularly review our remuneration and benefit packages to remain competitive, prioritize upholding human and labour rights, and provide a safe, supportive work environment that fosters well-being and productivity.

FORWARD LOOKING STATEMENT

Outlook and prospects in FYE 2025

The E&E industry plays a pivotal role in driving Malaysia's gross domestic product ("GDP") growth, investments, export earnings, employment, as well as industrial development. In 2024, the E&E industry secured investments worth RM55.8 billion (comprising 46.3% of approved investments in the manufacturing sector) (2023: RM85.4 million). Under the Twelfth Malaysia Plan, the E&E industry is targeted to contribute RM120.0 billion to Malaysia's GDP in 2025, compared to RM86.1 billion in 2020. In 2024, Malaysia have achieved 87.2% of its 2025 export target, driven by the increase in shipments of E&E products, which made up 39.9% of total exports. E&E exports grew by 4.5% to a record RM601.18 billion, reaching the highest value ever recorded for the sector.

Looking ahead, Malaysia's semiconductor industry is set to grow stronger with Budget 2025 initiatives like the Supply Chain Resilience Initiative and New Investment Incentive Framework. The budget focuses on developing talent in the E&E sector, boosting Malaysia's role in the global semiconductor supply chain. These measures aim to enhance competitiveness and ensure long-term growth and resilience. The budget allocates RM421 billion, with RM335 billion for operating expenses and RM86 billion for development. A key highlight is the RM1 billion fund to support high-value activities like IC design and advanced materials, encouraging local talent and innovation.

Our Group remains optimistic and confident with the opportunities that lies ahead, particularly in the EMS industry, which are expected to experience notable developments and transformation driven by the following factors in 2025 and beyond:

- (a) **More manufacturing operations to shift out of China:** As more key partners and major customers relocate their manufacturing facilities to the ASEAN region, our prospects remain strong. This shift is driven by the need to diversify away from China due to increasing challenges in the supply chain, further worsened by escalating US-China trade tensions since 2018. ASEAN's geographic, demographic, and regulatory advantages make it an attractive destination for businesses seeking stability and efficiency, creating new opportunities for our Group.
- (b) **Technological advancements:** The EMS industry continues to benefit from rapid advancements in technologies such as AI, IoT, supercomputers, electric vehicles, and data centers. These innovations are driving the demand for more complex electronic devices and components, creating a need for specialized manufacturing capabilities. Our Group is strategically positioned to capitalize on the growth of networking and telecommunications, as well as data computing segments, which are expected to expand with the increased adoption of 5G, IoT, and the rise of cloud computing. The global cloud computing market is expected to see rapid growth, driven by rising demand for cloud services, IoT applications, and AI and machine learning technologies, all of which benefit from improved scalability, flexibility, cost savings, and productivity.
- (c) **Digital transformation:** The accelerated digital transformation seen across industries in 2024 presents both opportunities and challenges. As businesses increasingly adopt digital solutions for remote work, e-commerce, and online services, they are shifting business models to keep pace with evolving consumer behaviors. For the EMS industry, this means leveraging technologies like big data analytics, cloud computing, and robotics to optimize manufacturing processes and improve operational efficiency. These digitalization efforts allow EMS providers to enhance production, boost quality control, and better meet the shifting demands of customers in a fast-changing market.
- (d) **Increased enquiries from data center providers:** The growing need for digital services, cloud computing, and data-driven technologies has led to a surge in demand for data center infrastructure, particularly in Malaysia. Major technology companies, both local and multinational, have expanded their data center operations to meet this demand. Malaysia's strategic location in Southeast Asia, coupled with its strong digital infrastructure and business-friendly policies, positions it as a prime hub for regional data centers and AI-related activities. This trend has attracted investments from global tech giants. On 1 September 2023, our Group was appointed as a strategic partner for a leading global provider of computing infrastructures and services, tasked with manufacturing GPU servers at our Penang facilities for the global market. This partnership highlights our growing capabilities and solidifies our position as a trusted EMS provider. Our Group is well-equipped to leverage these trends, ensuring we remain at the forefront of the industry and continue to drive growth and innovation in the years to come.

Sustainability Statement

INTRODUCTION

NationGate Holdings Berhad ("NGH" or the "Company") and its subsidiaries ("Group") are pleased to present our Sustainability Statement ("Statement") for the FYE 2024, providing an overview of our Group's sustainability goals, commitments, initiatives, practices and performance, highlighting our impacts on the economic, environmental, social and governance.

This Statement should be read in conjunction with other sections in our Annual Report namely Management Discussion and Analysis, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control as well as Corporate Governance Report, as sustainability efforts may be better contextualised and narrated in the respective sections.



REPORTING PERIOD, SCOPE AND BOUNDARY

This scope of this statement covers 2 entities of the Group namely NationGate Solution (M) Sdn Bhd and NationGate System Sdn Bhd. It provides information on the reported entities' annual sustainability performance and key achievements for financial reporting period from 1 January 2024 to 31 December 2024 ("FYE 2024"), unless stated otherwise. Where relevant, we will also include data from previous years to track year-on-year progress and provide comparative data.

REPORTING FRAMEWORK

We have prepared this Statement in accordance with the Main Market Listing Requirement, Sustainability Reporting Guide and Toolkits (3rd Edition) released by Bursa Malaysia Securities Berhad. In addition, we also strongly support the United Nations Sustainability Development Goals ("UNSDGs").

AVAILABILITY

This Statement is available on our Company's website at <https://www.nationgate.com.my/>.

STATEMENT OF ASSURANCE

There is no external assurance on seeking an independent evaluation of performance data published in this Statement. Regular audits/reviews are in place in relations to the policies and procedures quoted in this Statement. This Statement is reviewed and approved by the Board.

POINT OF CONTACT

We are fully committed to listening to our stakeholders and we welcome feedback for our continuous improvement in sustainability initiatives and reporting approach. Please email us at investorsrelation@nationgate.com.my.

OUR SUSTAINABILITY FRAMEWORK

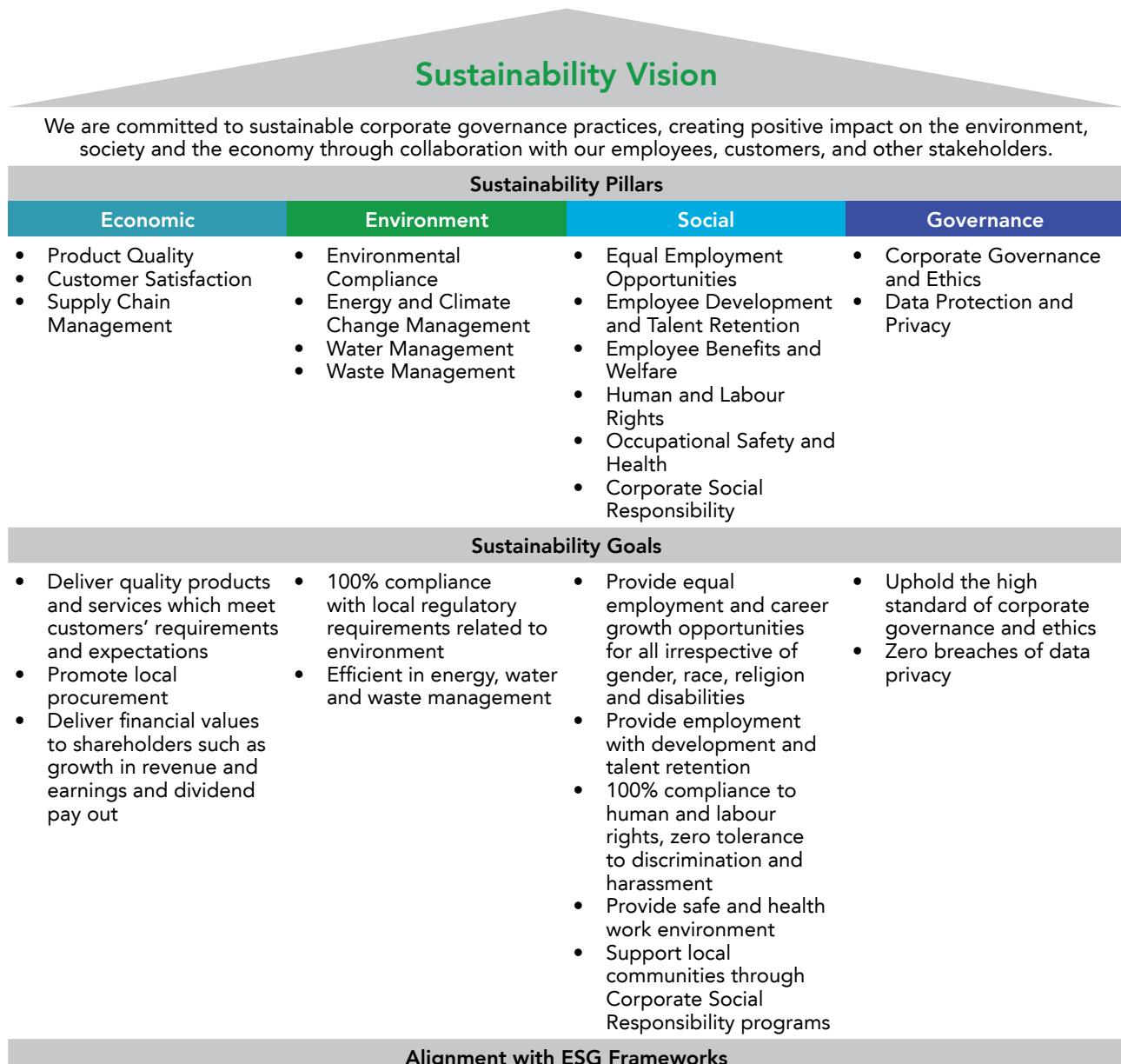
We have established a Sustainability Policy which serves as the overarching framework governing our sustainability commitments, outlining our main pillars, priorities and commitments in sustainability, providing a guiding framework for instilling sustainable practices across operations and aligning them with our sustainability vision.

The Group's sustainability strategies are founded upon four (4) main pillars, namely Economic, Environment, Social and Governance sustainability. Through active engagement with our stakeholders, we have identified the material sustainability matters within these pillars. To ensure effective management of the identified matters, we constantly implement initiatives and strategies. We monitor our progress towards the targets and goals set, which align with our sustainability vision and international framework such as the UNSDGs.

Sustainability Statement (Cont'd)

OUR SUSTAINABILITY FRAMEWORK (CONT'D)

Our sustainability framework is illustrated in the diagram below:



SUSTAINABLE DEVELOPMENT GOALS

Engagement with Stakeholders

- Investor/ Shareholders
- Suppliers/ vendors/ business partners
- Directors
- Local communities/ societies
- Management
- Government/ Regulatory authorities
- Employees
- Customers

Governance

Board of Directors



Audit and Risk Management Committee



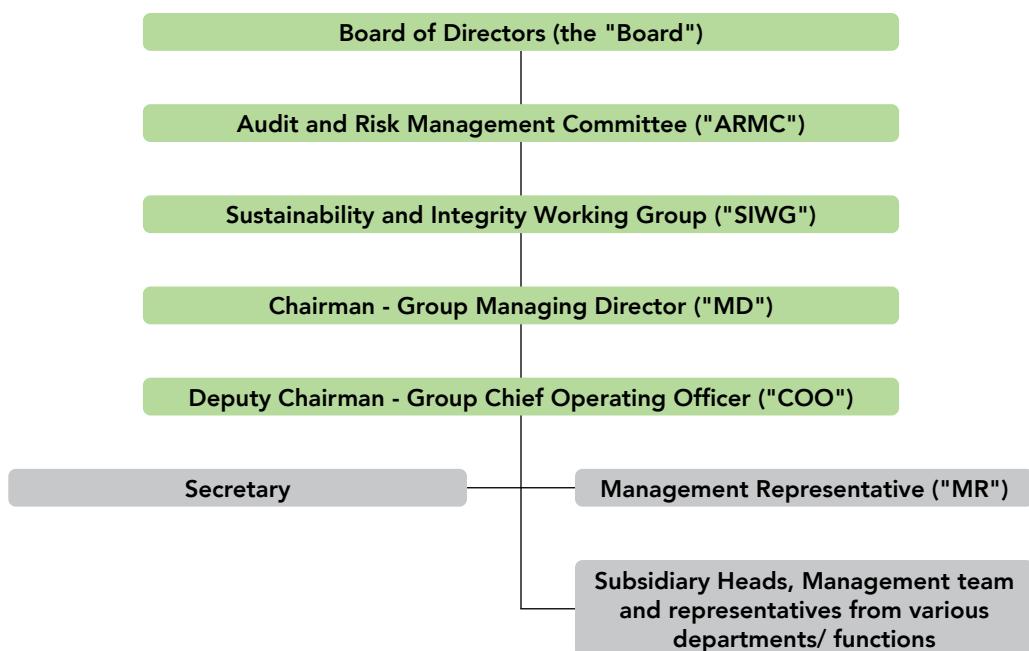
Sustainability and Integrity Working Group (chaired by Group Managing Director)

Sustainability Statement (Cont'd)

OUR SUSTAINABILITY GOVERNANCE

To embed sustainability throughout our organisation, we adopt a top-down approach where our sustainability governance is led by our Board of Directors. Our Board is committed to sustainability practices in our organisation and is supported by Audit and Risk Management Committee and Sustainability and Integrity Working Group ("SIWG" or the "Working Group") in addressing sustainability and integrity matters within our Group.

The Board has delegated certain powers to the SIWG to review and administer sustainability and integrity matters, with the roles and responsibilities detailed in the Terms of Reference of the SIWG. The SIWG currently is led by our Group Managing Director, supported by the Chief Operating Officer and comprises the management team and representatives from various departments. The reporting structure and the roles and responsibilities of the SIWG is illustrated in the diagram below:



Sustainability Statement (Cont'd)

OUR SUSTAINABILITY GOVERNANCE (CONT'D)

Governance	Roles and Responsibilities
Board of Directors	<ul style="list-style-type: none"> Together with Senior Management takes responsibility for the governance of sustainability in the Group including setting the Group's sustainability strategies, priorities and targets, including among others the development and implementation of company strategies, business plans, major plans of action and risk management; Set the strategic plan including setting performance objectives and approving operating budgets for the Group and ensuring that the strategies support long-term value creation and promote sustainability within the aspects of environment, social, governance and economy and necessary resources are in place for the Company to meet its objectives. The Board is also responsible for monitoring the implementation of the strategic plan by Management as well as supervise and assess management performance to determine whether the business is being properly managed;
Sustainability and Integrity Working Group (Chairman: Dato' Ooi Eng Leong, Managing Director; Deputy Chairman: Mr. Lee Kim San, Chief Operating Officer)	<p>On Sustainability</p> <ul style="list-style-type: none"> Establish effective Sustainability Framework to identify, analyse, evaluate, manage and monitor significant issues concerning the Group in the areas of: <ul style="list-style-type: none"> (a) Economic Sustainability (b) Environmental Sustainability (c) Social Sustainability (d) Governance Sustainability Conduct periodic evaluation and update the Audit and Risk Management Committee on sustainability strategies, priorities and targets to continuously improve and ensure its relevance taking into consideration of best practices and changing business environment; Provide feedback to the Audit and Risk Management Committee and ensure constant communication on Group's sustainability issues, including key risks faced by the Group, their changes and management action plans; and Ascertain if a sound and effective approach has been followed in establishing the Group's business continuity planning arrangements including business continuity and disaster recovery plans; <p>On Ethics and Integrity</p> <ul style="list-style-type: none"> Ensure Top Management commitment by providing oversight of the culture of integrity and monitor the "Tone from the top" set across the Group regularly; Establish and ensure that there are adequate resources and effective corruption risk assessment to identify, analyse, evaluate, manage and monitor significant corruption risk; Oversee and investigate whistleblowing matters as well as be the custodian of the Anti-Corruption and Bribery Policy and related matters of Malaysian Anti-Corruption Commission Act 2009; Ensure that there are adequate ethics training programme at all levels and effective communications strategies for the ethics programme reinforcing ethical values and good practice within the Group; Review and provide direction to resolve any conflict of interest declared by employees and Directors; and Monitor the adequacy of measures taken to ensure there is an effective and embedded Speak Up culture that facilitates the reporting of any issues of concern internally and externally.

Sustainability Statement (Cont'd)

STAKEHOLDER ENGAGEMENT

A stakeholder is essentially an individual or a group that has an effect on, or is affected by our Group and our activities. We actively engage with our stakeholders through different methods and channels to understand and respond to their concerns and expectations in order to align their key priorities with our business strategies. The outcome of the stakeholder engagement enables us to identify upcoming market trends, anticipate challenges and align our sustainability strategy and business activities with broader interests of the economy, society and environment.

The table below summarises our key stakeholders, their sustainability concerns, areas of interest and the engagement channels.

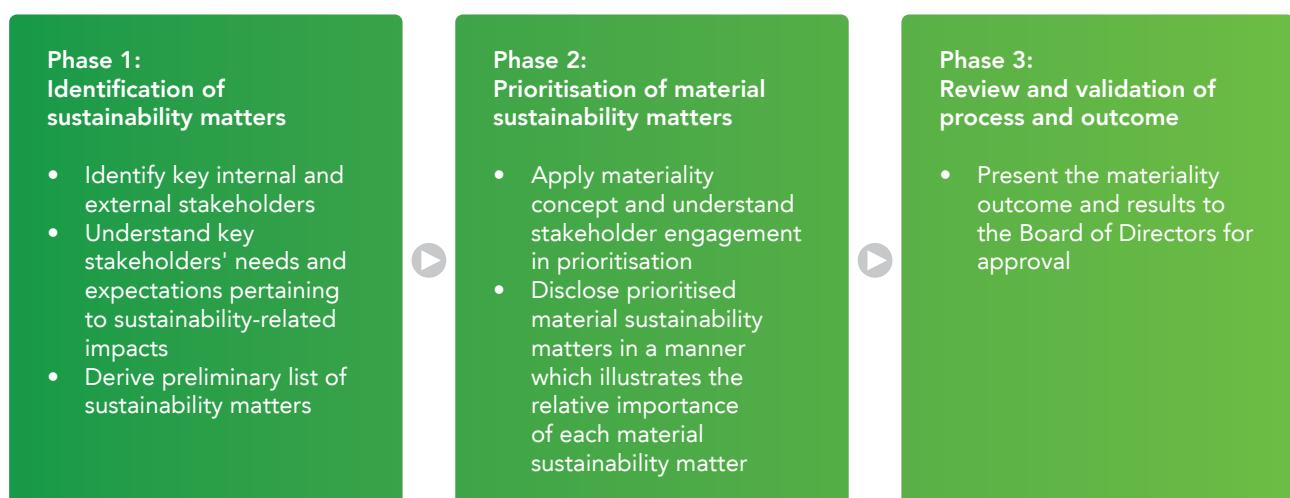
Stakeholder Groups	Areas of Interest	Engagement Methods	Engagement Frequency
Investor/ Shareholders	<ul style="list-style-type: none"> Return on investment Business prospects Future roadmap Corporate governance 	<ul style="list-style-type: none"> Annual general meeting Quarter and annual reporting Company's website and social media platform Roadshow/ investor briefing Whistleblowing policy 	<ul style="list-style-type: none"> As needed Quarterly Annually
Directors	<ul style="list-style-type: none"> Return on investment Business prospects Future roadmap Corporate governance 	<ul style="list-style-type: none"> Board of Directors meetings Corporate events 	<ul style="list-style-type: none"> As needed Quarterly Annually
Management	<ul style="list-style-type: none"> Financial performance Production performance Business strategy 	<ul style="list-style-type: none"> Management meeting and reporting Corporate events 	<ul style="list-style-type: none"> As needed Monthly Quarterly Annually
Employees	<ul style="list-style-type: none"> Competitive salary and benefits package Work-life balance Occupational safety and health Diversity and equal opportunities Employee development and talent retention 	<ul style="list-style-type: none"> Employee handbook Performance appraisal Training and development Recreational activities Corporate events 	<ul style="list-style-type: none"> As needed Annually
Customers	<ul style="list-style-type: none"> Long term relationship Product quality Reliable delivery Competitive prices Customer service and responsiveness 	<ul style="list-style-type: none"> Meetings Customer feedback/ survey Audits and site visits 	<ul style="list-style-type: none"> As needed Annually
Suppliers/ vendors/ business partners	<ul style="list-style-type: none"> Strategic partnership Fair procurement practices Ethics, integrity and regulatory compliance Prompt payments within credit period Business prospects and financial stability 	<ul style="list-style-type: none"> Meetings Supplier evaluation and assessment on suitability of vendors Reinforcement of Code of Business Conduct & Ethics for ethical practices Audits and site visits 	<ul style="list-style-type: none"> As needed Annually
Local communities/ societies	<ul style="list-style-type: none"> Impact of operations on surrounding environment Corporate social responsibility Corporate governance 	<ul style="list-style-type: none"> Engagement with local communities in community support programmes and corporate social responsibility events 	<ul style="list-style-type: none"> As needed
Governments/ Regulatory authorities	<ul style="list-style-type: none"> Compliance with laws and regulations Corporate governance 	<ul style="list-style-type: none"> Formal meetings Audits and site visits Consultation with authorities Participation in industry and government interest groups 	<ul style="list-style-type: none"> As needed

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT

We have adopted a sustainability management approach grounded in the concept of materiality. This approach enables the Group to assess and prioritise sustainability issues that are deemed most material – those that reflect our significant economic, environmental, social and governance impacts, as well as those that substantially influence the decisions and assessments of our stakeholders. By focusing on these key matters, we ensure that our sustainability efforts align with both our internal objectives and the broader expectations of those who are impacted by or have a vested interest in our activities.

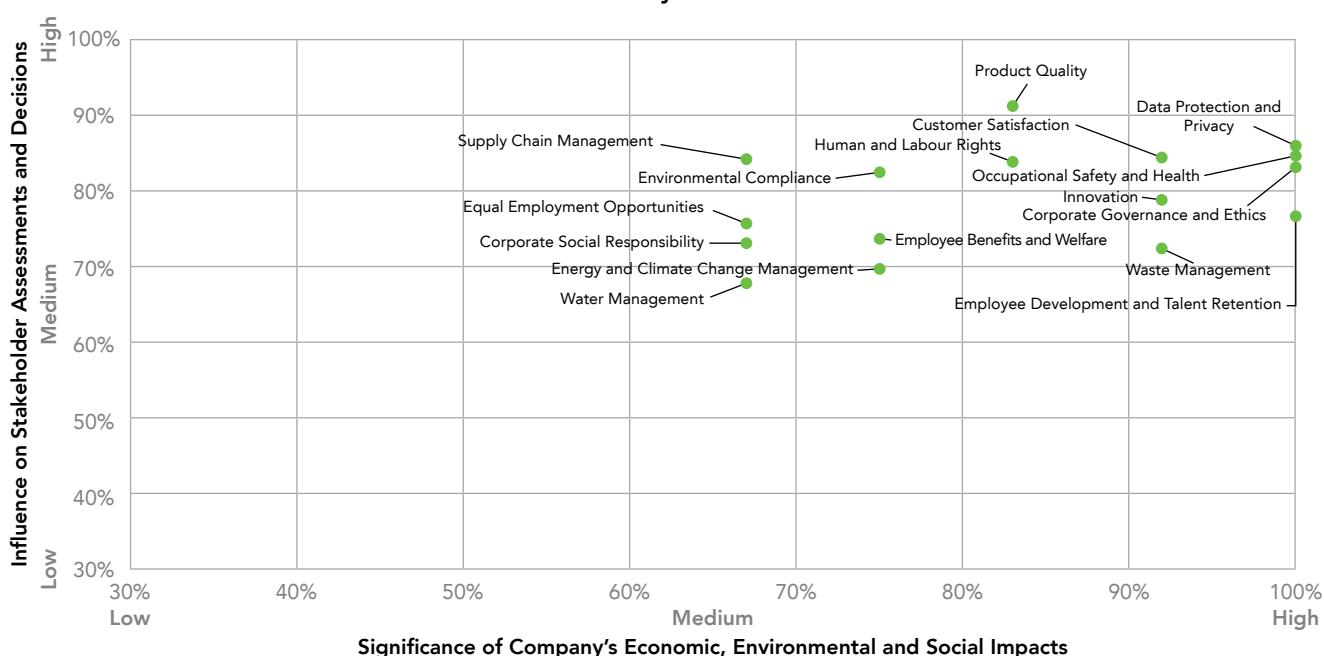
Our materiality assessment enables us to identify and prioritise the key risks and opportunities related to sustainability matters. The illustration below summarises our materiality assessment process which is typically made up of three (3) distinctive phases.



We conducted our first materiality assessment exercise in FYE 2022 and reviewed through a limited scale materiality assessment in FYE 2023. In FYE 2024, we undertook a comprehensive materiality assessment exercise to identify key sustainability topics that are material to both our Group and stakeholders.

This process involved engaging directly with both our internal and external stakeholders, including employees, investors, customers, suppliers and government. We gathered their inputs through a structured survey methodology, ensuring a diverse range of perspectives. The survey results were analysed and plotted on a materiality matrix, which effectively highlights the relative importance of each sustainability issue. This matrix plots the significance of each matter based on its importance to both the Group and our stakeholders, providing a clear representation of our sustainability priorities.

Materiality Matrix



Sustainability Statement (Cont'd)

OUR SUSTAINABILITY GOALS

We constantly monitor our performance across our sustainability pillars, aligning our goals and initiatives with the United Nations Sustainable Development Goals (UNSDGs) that are most relevant to our operations.

As part of our long-term sustainability strategy, we are committed to achieving Net-Zero emissions by 2050. We are actively developing action plans to reduce carbon emissions across our value chain, integrating climate-conscious practices, and driving continuous improvements to support a low-carbon future.

The table below presents the overview of the sustainability goals, target and our performance for FYE 2024.

Sustainability Matters	Sustainability Goals	FYE 2024 Performance
Economic <ul style="list-style-type: none"> Product Quality Customer Satisfaction Supply Chain Management 	<ul style="list-style-type: none"> Deliver financial values to shareholders such as growth in revenue and earnings and dividend pay out Deliver quality products and services which meet customers' requirements and expectations Promote local procurement 	<ul style="list-style-type: none"> Revenue increased by 725.8% and profit after taxation increased by 194.1% No major customer complaints received. Achieved our annual target for customer satisfaction 41% spending with local suppliers (excluding server related suppliers from data computing segment)
Environment <ul style="list-style-type: none"> Environmental Compliance Energy and Climate Change Management Water Management Waste Management 	<ul style="list-style-type: none"> 100% compliance with local regulatory requirements related to environment Efficient in energy, water and waste management 	<ul style="list-style-type: none"> Zero cases reported for non-compliance and breach of environmental regulations GHG emissions intensity and water intensity are relatively low at 0.0067 and 0.0405 respectively. 89% of non-hazardous and hazardous wastes are diverted from disposal

Sustainability Statement (Cont'd)

OUR SUSTAINABILITY GOALS (CONT'D)

Sustainability Matters	Sustainability Goals	FYE 2024 Performance
Social <ul style="list-style-type: none"> • Equal Employment Opportunities • Employee Development and Talent Retention • Employee Benefits and Welfare • Human and Labour Rights • Occupational Safety and Health • Corporate Social Responsibility 	<ul style="list-style-type: none"> • Provide equal employment and career growth opportunities for all irrespective of gender, race, religion and disabilities. The Board comprises at least 30% women directors • Provide employment with development and talent retention • 100% compliance to human and labour rights, zero tolerance to discrimination and harassment • Provide safe and health work environment • Support local communities through Corporate Social Responsibility ("CSR") programmes 	<ul style="list-style-type: none"> • 49% of workforce is represented by female. 33% of the Board is held by women representatives • Achieved a total of 64,302 working hours with an average of 21.3 hours per employee. 332 in total employee turnover • Zero substantiated complaints concerning human rights violations • 0 work-related fatalities and Lost Time Incident Rate ("LTIR") at 0.58. 1255 employees trained on health and safety standards • Contributed a total of RM15,382 for CSR programmes
Governance <ul style="list-style-type: none"> • Corporate Governance and Ethics • Data Protection and Privacy 	<ul style="list-style-type: none"> • Uphold the high standard of corporate governance and ethics • Zero breaches of data privacy 	<ul style="list-style-type: none"> • Zero confirmed incidents of corruption. All operations are assessed for corruption-related risks. All employees are trained on policies in relation to anti-bribery and anti-corruption • Zero substantiated complaints concerning breaches of customer privacy and losses of customer data

Sustainability Statement (Cont'd)

ECONOMIC

The Group's strategy is based on profitable and sustainable growth, which is important to our long-term success as a public listed company. We are mindful that our economic performance contributes to financial stability which in turn, has an impact on our ability to meet our financial obligations to the stakeholders, such as payment of salaries to our employees, to government through taxes, to shareholders through attractive returns, to suppliers through purchases, and to communities through donations, sponsorships and internship opportunities.

For the FYE2024, the Group recorded RM5.27 billion revenue, representing an increase of 725.8% from RM638.80 million and profit after taxation ("PAT") increased by 194.1% to RM179.21 million (FYE 2023: RM60.93 million). This was mainly boosted by high demand especially from Data Computing segments.

PRODUCT QUALITY

We are committed to delivering high quality products and services that align with our customers' requirements and expectation. In response to our commitment, we place strong emphasis on the quality of services rendered to our customers. The QMS that we put in place are in line with internationally acceptable practices. We believe that this can reinforce our efforts to ensure that we meet our customers' quality standards. To this end, our QMS meets the international standards such as ISO 9001:2015, ISO 14001:2015, AS9100D, ISO 13485:2016 and IATF 16949:2016. Our relentless focus on product quality is evidenced by the absence of any major customer complaints received during the FYE 2024.



We have put in place Quality Assurance ("QA") procedures to ensure that there is a systematic process within our Group to conduct quality inspections and audit. Our Group's QA and Quality Control ("QC") departments work alongside the production team to ensure our quality assurance protocols and requirements are fully communicated throughout our organisation and that quality control systems are adhered to. We do not generally provide warranty for the assembly and testing of our customer's products. However, any batch of products returned will undergo stringent assessment procedures to identify the issue and allow the replacement of products due to component failure.

Quality Assurance

Our quality assurance is focused on setting certain guidelines and taking certain measures to ensure that the entire assembly process adheres to the required standards. These guidelines and measures are put in place to ensure that the quality of the products or services rendered are met by introducing fail safe measures to reduce human errors and conducting inspections to identify deficiencies during the production process. We have put in place a QMS which encompasses a series of checks, inspections and procedures comprising:

QMS	Details
Quality inspections	Quality inspections act as control gates put up throughout the supply chain and assembly process to ensure all processes conform to requirements. It consists of incoming QC, real-time inspection, in-process control and outgoing QC.
Quality audits	Quality audit systems are put in place to assess our assembly process for compliance with standards set by both ourselves and international organisations such as the ISO against documented procedures and specifications. The effectiveness of our quality assurance is tested by our quality assurance personnel and engineers by way of conducting internal quality audits. In addition to internal quality audits, we are also subject to third party quality audits by our customers and certification bodies to ensure that our processes and services comply with requirements and standards.

Sustainability Statement (Cont'd)

PRODUCT QUALITY (CONT'D)

Quality Control

Our quality control activities consist of various checks, tests and inspections throughout our assembly process that are designed to ensure that the quality level of our products and services are not compromised and meet the requirements of our customers. The type of quality control tests that are conducted include in-circuit testing, functional testing, failure analysis, drop tests and accelerated life test, all done with the objective of ensuring that our products and services adhere to the required and specified functionality, reliability and overall quality imposed by our customers.

INNOVATION



Industrial 4.0 or "Smart Factory", in which cyber-physical systems monitor the cyber physical processes of the factory and make decentralized decisions. The physical systems become Internet of Things, communicating and cooperating both with each other and humans in real-time via the wireless web.

Vitrox's V-ONE is an Industrial 4.0 software platform that collects BIG data from Cloud, Fog or Edge for analysis, with fully flexible visualization drill down charts and flexible dashboard to provide meaningful analytics to users in real time basis and extend the platform towards complete data feeding for Artificial Intelligence processing. We felt the platform was appropriate to manage the manufacturing processes and it started its journey with this platform in 2017. The lack of centralized system to monitor the entire production line of machine performance is essential to today's manufacturing management. Today, Vitrox Technologies Sdn. Bhd. and NGH has successfully collaborated on the V-ONE Manufacturing Platform which allows monitoring of the machine health, status, process trends, yield trends, defects correlation with other inspection systems on the same line and link to our ticketing systems to have a close loop monitoring, detection and prevention process, all in a convenience of a touch screen monitor. The successful implementation of Vitrox's V-One Smart Manufacturing Platform at NGH's Surface Mount Technology ("SMT") lines has allowed double digit per cent downtime improvement. On top of that, the platform also allowed a real-time monitoring and proactive system, the exchange of information, best practices, enhancements, and expertise in relation to the adoption of the platform, and through the adoption of the platform.

We seek to embrace the 4th Industrial Revolution in our business operations. To this end, we have been adopting 4th Industrial Revolution technology innovations such as improving the level of automation in our manufacturing processes with the use of more automated machineries, utilising 3D imaging for inspection and investing in IT software that can help to drive the integration of our operational system as well as facilitate data collection and analytics among others.



Sustainability Statement (Cont'd)

INNOVATION (CONT'D)

For our production system, we have machineries and equipment that can link and communicate with one another. Real time data can be collected from these machineries and equipment, stored, retrieved and analysed by our system with the resulting outcome being delivered on demand in reports such as the production output summary report and production yield rate report. Besides that, issues encountered in the production lines including idle machineries can be identified and flagged promptly (via the visual management system that is embedded in the machineries involved) to our operators for their immediate action. The 3D images of our product(s) including assembled PCB(s) can also be captured by our machines to allow for automatic comparison with existing reference image(s) when making decisions on quality matters.

Our Group relies on various different types of machineries and equipment used under our assembly and testing activities and high precision plastic injection moulding processes.

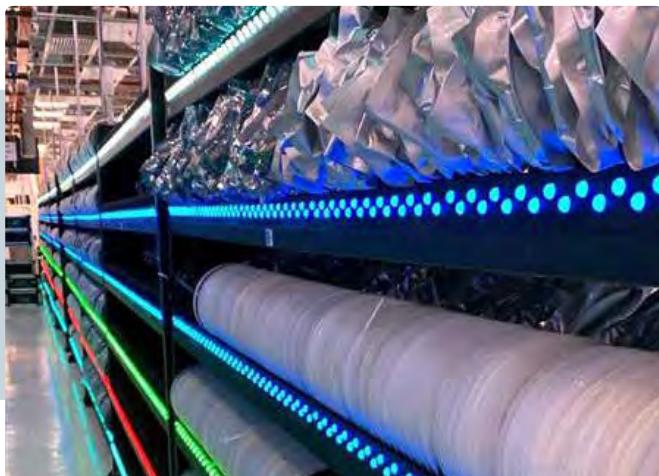
Machinery/ Equipment	Functions
SMT machines	Automated SMT high speed and precision placement machines that pick and place electronic components and mount onto the surface of PCBs.
Inspection machines and equipment	Perform various types of inspections including but are limited to automatic visual inspection, 3D angle inspection and dimension inspection amongst others.
Laser marking machines	Etching barcodes and serialised part identification on PCBs or print barcoding/ fine text on the product automatically using laser methods.
High speed dispensing machines	Glue/ epoxy dispenser onto PCB for holding electric components in place prior to the mounting of the electronics components.
Computer numerical control ("CNC") machines	A machine involved in the raw materials fabrication manufacturing process and are used as a subtractive fabrication method, where material gets removed during the production process.
Auto-insert machines	Automated Pin Through Hole ("PTH") insertion machines that pick and insert electronic components into PCBs.
Semiconductor assembly machineries and equipment	Machineries and equipment that are used for the assembly and testing of semiconductor devices. These include but are not limited to die attach machines, ovens, wafer mounting equipment, wire bonding machines and laser marking machines.
Test equipment	Equipment that is used to perform various type of testing including in circuit test and functional testing.
Automated super-capacitor assembly lines	Used to manufacture super-capacitors known as CAP-XX. This includes acrotronics stacker machine, fill-burp-sealing machine, initial cell test machine, crop and sort machine as well as automated device assembly machine.

We use various key software for our business operations. We purchase software together with the respective machinery purchase with additional payment for their engineers to perform updates as and when they are available. We also purchase other software that are either permanent or subject to periodical renewals with the vendor(s).

Sustainability Statement (Cont'd)

INNOVATION (CONT'D)

Software	Description
PanaCIM	<ul style="list-style-type: none"> PanaCIM is a manufacturing execution software solution that provides a computerised system for manufacturers to manage, track, synchronise and document the execution of real-time, physical processes (such as the placement of electronic components on PCB) involved in the transformation of raw materials to semi-finished and/or finished products. It is pre-installed in each of our SMT machines and will be updated periodically by their engineers. No periodical renewal required. One-off fee payment for the use of this software. Users of this software are subject to the standardised terms of use imposed by Panasonic Corporation.
Luvotech ERP	<ul style="list-style-type: none"> We use the Luvotech Manufacturing Resource Planning and Manufacturing Execution System ERP systems to control and manage our master production schedule under a centralised system which includes tracking orders, managing materials procurement, monitoring the progress of production as well as keeping records of quality control and assurance tests to ensure timely deliverables to customer. No periodical renewal required. One-off fee payment for the use of this software.
AutoCAD	<ul style="list-style-type: none"> AutoCAD is a computer-aided design software that allows us to create, modify, analyse and optimise designs for plastic structure parts and enclosures that will be produced via our high precision plastic injection moulding activities. It is subject to periodical renewal, with additional fee payment to be made for extension of use. Users of this software are subject to the standardised terms of use imposed by AutoDesk Inc.



We have also invested in a "Smart Rack" for our Warehouse Management System, an innovative, advanced storage solution designed to enhance efficiency, accuracy, and productivity in warehouse operations by leveraging cutting-edge technologies such as IoT Sensing, LED lighting, Smart Inventory Management, Resource Optimization, and System Integration to automate and streamline various processes.

Below summarises its key features and benefits:

- IoT Sensing:** IoT infra-red sensing and control allow for real-time updates of parts inventory status during the "put in" or "pick up" processes. This ensures real-time visualization of the latest inventory information.
- LED Lighting:** The Smart racks are equipped with LED lights that highlight the location of parts, making it significantly easier for warehouse operators to locate and retrieve items swiftly. This system adheres to FIFO (First In, First Out) principles to maintain proper inventory rotation.
- Smart Inventory Management:** The Smart Rack also integrates with the ScienScope X-ray auto recount machine, which can automatically recount and update part quantities. This feature minimizes the risk of errors and improves inventory accuracy.
- Resource Optimization:** The Smart Racks can substantially improve space utilization, reduce the time required for stock-taking, and enhance overall warehouse productivity, management, and tracking operations.
- System Integration:** The Smart Racks are also able to integrate with SMT machines. When parts are about to be exhausted, the FIFO "light-on" feature quickly indicates the required pick-up parts, streamlining the process even further.

Sustainability Statement (Cont'd)

CUSTOMER SATISFACTION

We recognise that customer satisfaction is one of the key factors for our Group's operations long term sustainability. We strive to provide quality products and services in order to meet the expectation of our customers. We conduct customer satisfaction survey with the aim to assess the customer satisfaction level and seek for continuous improvements. In FYE 2024, we have achieved our annual target for customer satisfaction.

In addition, we have also received several awards over the years which serve as acknowledgement of our efforts and commitment in delivering quality products and services which meet our customers' expectations.

Market Presence

By participating in associations, we have the opportunity to network and explore business opportunities with potential customers. In addition, we are also kept updated with the latest manufacturing technologies, regulations, trends and demand in the industry, enabling us to continuously enhance our processes, as well as products and services.

We are members of international and local associations as below.

- Penang Skill Development Centre ("PSDC");
- Federation of Malaysian Manufacturers ("FMM");
- American Malaysian Chamber of Commerce ("AMCHAM"); and
- Malaysian Semiconductor Industry Association ("MSIA").

We also actively participate in international conventions, exhibitions, conference and trade fairs to market our EMS to prospective customers on an international forum. Moving forward, we will continue to actively participate in trade fair and exhibition to solidify our market presence.



2nd My4IRC Summit 2024



Sustainability Statement (Cont'd)

SUPPLY CHAIN MANAGEMENT

We are committed to following the standards of the Responsible Business Alliance ("RBA") and require our suppliers to do the same. The RBA Code of Conduct sets standards for safe working conditions, fair treatment of workers, and environmentally responsible business operations in the electronics industry supply chain. We expect our suppliers to provide a current RBA Validated Audit Report and Corrective Action Plan, and reserves the right to audit and monitor supplier performance. If violations are found, the company may disqualify the supplier as an approved vendor.

The RBA Code of Conduct covers the following areas:

Standard	Description	Elements
Labour	<ul style="list-style-type: none"> Upholding the human rights of workers, preventing forced labour and child labour, limiting excessive working hours, providing fair wages and benefits, ensuring humane treatment, non-discrimination and freedom of association. 	<ul style="list-style-type: none"> Freely Chosen Employment Young Workers Working Hours Wages and Benefits Humane Treatment Non-Discrimination Freedom of Association
Health and Safety	<ul style="list-style-type: none"> Providing a safe and healthy work environment, minimizing work related injury and illness. 	<ul style="list-style-type: none"> Occupational Safety Emergency Preparedness Occupational Injury and Illness Industry Hygiene Physically Demanding Work Machine Safeguarding Sanitation, Food and Housing Health and Safety Communication
Environment	<ul style="list-style-type: none"> Minimizing environmental impact, promoting sustainable use of natural resources, and complying with applicable environmental laws and regulations. 	<ul style="list-style-type: none"> Environmental Permits and Reporting Pollution Prevention and Resource Reduction Hazardous Substances Solid Waste Air Emissions Materials Restrictions Water Management Energy Consumption and Greenhouse Gas Emissions
Ethics	<ul style="list-style-type: none"> Promoting ethical business practices, preventing corruption and bribery, and protecting confidential information. 	<ul style="list-style-type: none"> Business Integrity Non Improper Advantage Disclosure of Information Intellectual Property Fair Business, Advertising and Competition Protection of Identity and Non-Retaliation Responsible Sourcing of Minerals Privacy
Management System	<ul style="list-style-type: none"> Establishing and maintaining effective management systems, ensuring transparency and accountability, and promoting continuous improvement. 	<ul style="list-style-type: none"> Company Commitment Management Accountability and Responsibility Legal and Customer Requirements Risk Assessment and Risk Management

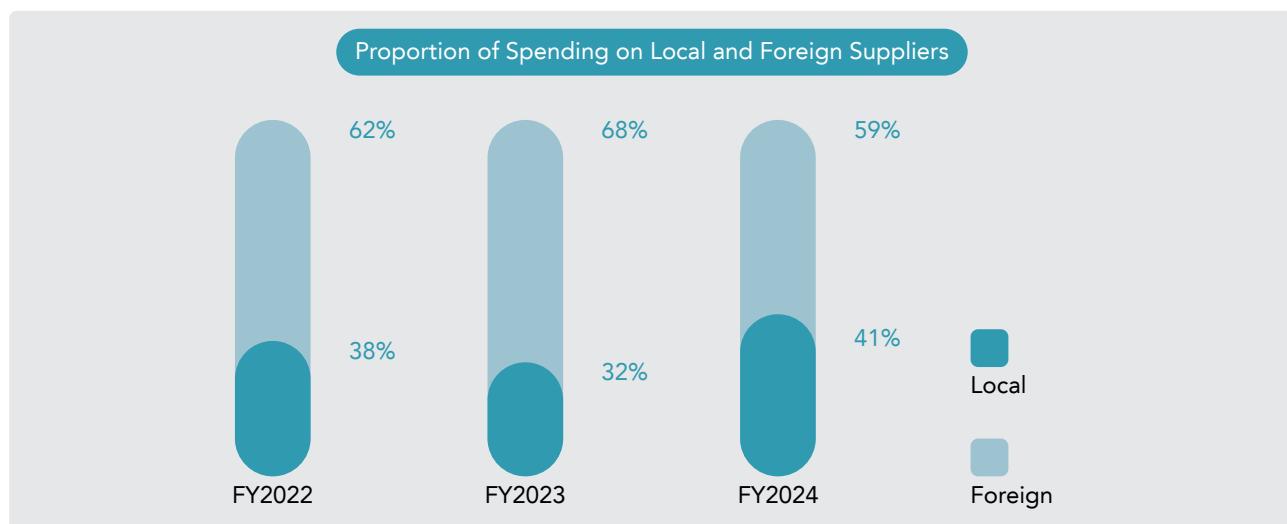
Sustainability Statement (Cont'd)

SUPPLY CHAIN MANAGEMENT (CONT'D)

We have processes and adheres to the system of internal controls around supplier selection. It is our policy that supplier selection should never be based on receipt of a gift, hospitality or payment. Our supplier selection is a formal and structured process. Our tender process includes an invitation for other parties to make a proposal, on the understanding that any competition for the relevant contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, close-door negotiations for the contract where a bidding process is open to all qualified bidders and where the sealed bids are in the open for scrutiny and are chosen on the basis of price and quality. We perform due diligence of new suppliers in supplier selection which includes the elements of corruption risk assessment.

To contribute a direct positive economic impact on the communities where we operate, we also prioritise our procurement of goods and services with local suppliers who meet the standards that we require.

The proportion of our spending with local and foreign suppliers are illustrated as below:



		FY2022		FY2023		FY2024*	
	Unit	Local Supplier	Foreign Supplier	Local Supplier	Foreign Supplier	Local Supplier	Foreign Supplier
Proportion of Spending	%	38%	62%	32%	68%	41%	59%

Note:

* The spending data for FYE2024 excludes server-related suppliers from the data computing segment to reflect a fair comparison with previous financial years data.

ENVIRONMENT

We are dedicated to upholding environmental performance and management across all our operations in compliance with local and regional environment laws and regulations. Acknowledging the impact of climate change, we are proactive in reducing greenhouse gas emissions, aligning our efforts with the national commitments made in the Paris Agreement. Our environmental management strategy focuses on optimising resource usage, reducing our carbon footprint and minimising waste generation.

ENVIRONMENTAL COMPLIANCE

We are committed to upholding stringent environmental standards and ensuring compliance with local and regional laws and regulations governing environmental conservation, including the Environmental Quality Act 1974. Our dedication to compliance is evidenced by successfully passing routine audits conducted by the Department of Environment ("DOE"), affirming our adherence to environmental laws and regulations. In FYE 2024, there were no non-compliance cases and breach of environmental regulations.

Sustainability Statement (Cont'd)

ENERGY AND CLIMATE CHANGE MANAGEMENT

According to the World Economic Forum Global Risks Perception Survey 2025, it has been highlighted that the top global risks ranked by severity over the long term period are extreme weather events, significant changes to Earth's systems, and biodiversity loss. In cognizance of these global challenges, particularly stemming from escalated energy consumption and greenhouse gas emissions, we remain resolute in our commitment to implementing energy-efficient and environmentally-conscious initiatives. We are committed to achieving Net-Zero emissions by 2050 and are actively developing comprehensive action plans to turn this ambition into reality. Our efforts are focused on implementing sustainable practices, reducing carbon emissions across our operations, and driving continuous improvements to support a low-carbon future.

In response to this, we have taken steps such as the installation of solar panel at rooftops of Plant 1, Plant 2, Plant 3 and Plant 5 which aim to reduce our carbon footprint and contribute to climate change mitigation efforts. By 2025, Plant 7 will also be equipped with solar panels as part of our broader sustainability strategy. Additionally, the establishment of green wall planter within our premises further bolsters our sustainability endeavours, enhancing air quality and biodiversity, acting as natural carbon sinks, and helping to absorb and mitigate the effects of greenhouse gas emissions. These initiatives signify our proactive approach towards mitigating climate-related risks and fostering sustainability within our operations.

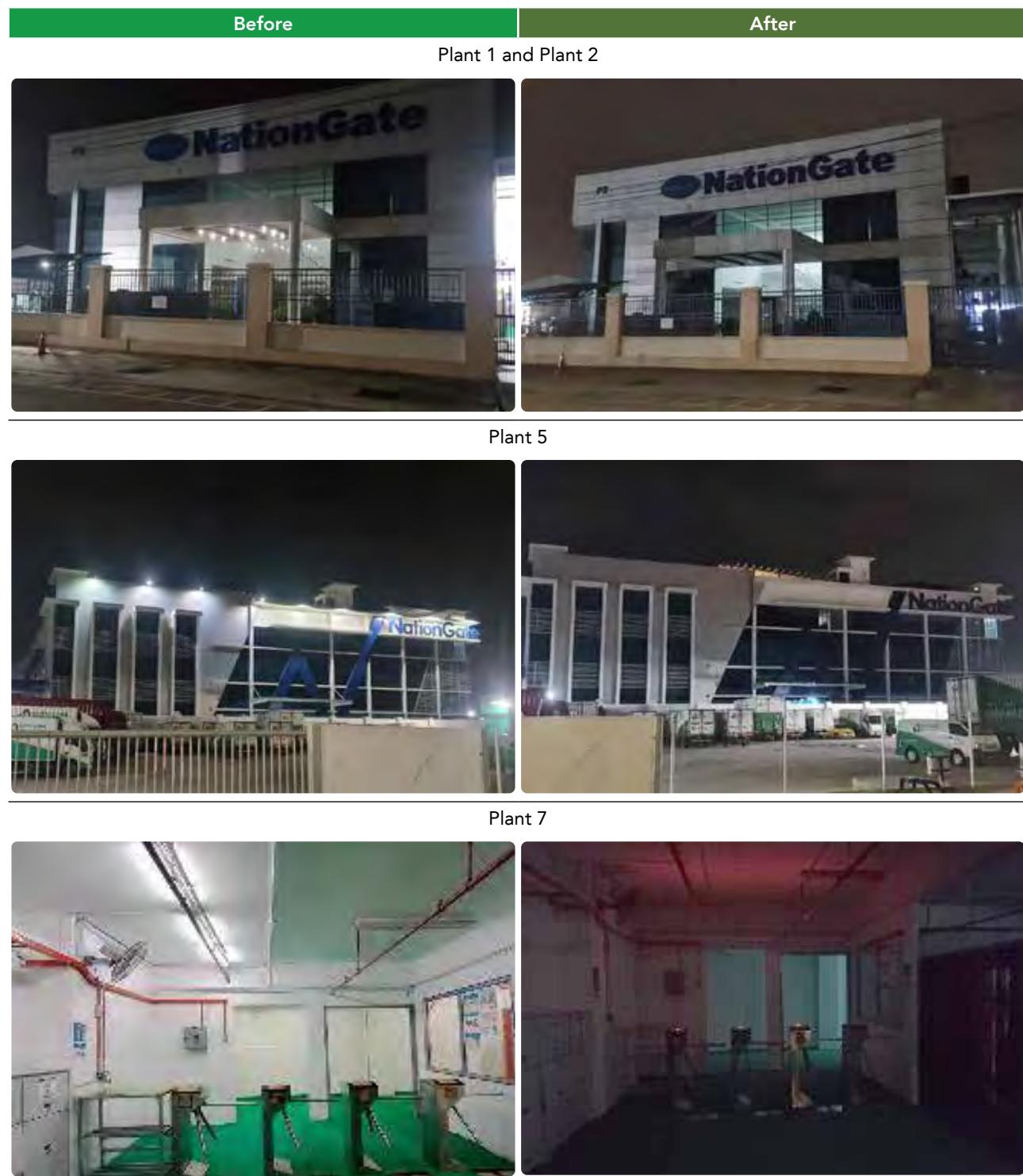


Sustainability Statement (Cont'd)

ENERGY AND CLIMATE CHANGE MANAGEMENT (CONT'D)

In addition, we also support all minor activities in our operation which do not appear significant but also can help in fighting climate change such as switch off unused lighting and electronic equipment within our premises.

We actively participated in Earth Hour Event by switching off lights for 60 minutes, aligning with our commitment to raise awareness about climate change and environmental sustainability. In addition, we also encouraged our employees to extend this practice to their homes, fostering a culture of conservation beyond the workplace.



Sustainability Statement (Cont'd)

ENERGY AND CLIMATE CHANGE MANAGEMENT (CONT'D)

	Unit	FYE 2022	FYE 2023	FYE 2024
Total electricity consumption	kWh	61,544,159	67,094,541	51,927,494
Revenue	RM'000	945,748	638,296	5,270,753
Electricity intensity	kWh/RM'000	65.0746	105.1151	9.8520

Note:

- a) Consumption of electricity is measured based on the quantities consumed according to the electricity bill.
- b) The energy intensity is a representation of energy (kWh) used per Group's revenue (RM'000).

	Unit	FYE 2022	FYE 2023	FYE 2024
Total petrol and diesel consumption	Litre	74,678	42,153	45,524
Revenue	RM'000	945,748	638,296	5,270,753
Petrol and diesel intensity	Litre/RM'000	0.0790	0.0660	0.0086

Note:

- a) Consumption of petrol and diesel is measured based on the petrol and diesel usage recorded from Company-owned vehicles.
- b) The petrol and diesel intensity is a representation of petrol and diesel (litre) used per Group's revenue (RM'000).

	Unit	FYE 2022	FYE 2023	FYE 2024
Direct emissions - Scope 1	tCO2e	193	112	124
Indirect emissions - Scope 2	tCO2e	39,327	43,971	34,031
Indirect emissions - Scope 3	tCO2e	-*	-*	988
Total GHG emissions	tCO2e	39,520	44,083	35,143
Revenue	RM'000	945,748	638,296	5,270,753
GHG emissions intensity	tCO2e/RM'000	0.0418	0.0691	0.0067

Note:

* Data was not available as it started being tracked only from FYE 2024.

- a) The GHG emission for Scope 1 encompass those generated from the consumption of petrol and diesel in vehicles, calculated based on the reported fuel quantities. The emission for Scope 1 in FYE 2022 is calculated using the emission factor obtained from the IPCC Fifth Assessment Report, while the default emission factors were based on IPCC Guidelines for National Greenhouse Gas Inventories (2006). The emissions for Scope 1 in FYE 2023 and FYE 2024 are calculated using the emission factor obtained from US EPA 2021 AR5.
- b) The GHG emission for Scope 2 encompass those generated from the consumption of electricity, calculated based on the energy quantities. The emission for Scope 2 in FYE 2022 is calculated using the emission factor obtained from the Sustainable Energy Development Authority ("SEDA") 2016 Baseline CO2 for Peninsular Malaysia. The emissions for Scope 2 in FYE 2023 and FYE 2024 are calculated using the emission factor obtained from the Malaysia Energy Commission 2019 Grid Emission Factor.
- c) The GHG emission for Scope 3 currently focus solely on business travel and employee commuting. The emission for Scope 3 is calculated using the emission factor obtained from the US EPA 2021 AR5 and emission data printed on flight tickets (for business travel by air).
- d) The GHG emissions intensity is a representation of GHG emissions per Group's revenue (RM'000).

Sustainability Statement (Cont'd)

WATER MANAGEMENT

The escalating concern on water scarcity is attributed to several factors, including climate change, inadequate water management and contamination. Although all our operations are not located in water stressed areas, we are committed to contribute to better water management which includes reducing water usage and safeguarding clean water sources. Across all our operation sites, we only source water from established water supply companies with well-developed water distribution infrastructure. We do not withdraw water from or release wastewater into oceans, rivers, lakes, natural ponds and wells. Our production activities do not cause water pollution.

We actively promote responsible water usage among our employees within their workspace. Additionally, we perform regular inspections and maintenance routines to identify and address any water leakages within our infrastructure. To further solidify our dedication to sustainability, we have implemented a rainwater harvesting system by installing a storage tank to collect and store rainwater. This initiative not only reduces our dependency on municipal water supply but also allows us to harness a natural resource for various purposes including gardening and sanitary purposes.



	Unit	FYE 2022	FYE 2023	FYE 2024
Total water consumption	m ³	225,774	170,283	213,242
Revenue	RM'000	945,748	638,296	5,270,753
Water intensity	m ³ /RM'000	0.2387	0.2668	0.0405

Note:

- a) Consumption of water is measured based on the quantities consumed according to the water bill.
- b) Water intensity is a representation of water (m³) used per Group's revenue (RM'000).

	Unit	FYE 2022	FYE 2023	FYE 2024
Total contaminated water released	m ³	2,950	564	2

Sustainability Statement (Cont'd)

WASTE MANAGEMENT

We strive to manage wastes in compliance with the applicable regulatory requirements. We prioritise effective waste management practices to minimise our environmental impact and positively impact the surrounding communities.

Stemming from our daily operations, we generate different types of waste, including both hazardous and non-hazardous wastes as outlined in table below. Our commitment to sustainable waste management is underscored by the adoption of 3Rs approach – Reduce, Reuse and Recycle and by raising employees' awareness on the importance of sustainable waste management. Furthermore, we ensure that our waste management protocols, including scheduled wastes, strictly adhere to the environmental regulations, thus maintaining our dedication to environmental stewardship and compliance.

Non-hazardous wastes	Hazardous wastes
<ul style="list-style-type: none"> • Tray • Roller • Plastic • Carton • Pin  	<p>Scheduled wastes such as:</p> <ul style="list-style-type: none"> • Solder waste • Scrap PCBA • Contaminated empty container • Contaminated rag  
 	 
	

Waste Management Program and Methodology

- Recycling
- Recovery
- Recycling

	Unit	FYE 2022	FYE 2023	FYE 2024
Total non-hazardous waste generated	Ton	318.77	400.34	913.00
Total hazardous waste generated	Ton	58.18	101.18	106.27
Recycling of non-hazardous waste	Ton	266.77	276.94	805.39
Recycling and recovery of hazardous waste	Ton	56.94	98.31	104.41
Percentage of non-hazardous and hazardous wastes diverted from disposal	%	86%	75%	89%
Percentage of non-hazardous and hazardous wastes directed to disposal	%	14%	25%	11%

Sustainability Statement (Cont'd)

WASTE MANAGEMENT (CONT'D)

Type of Scheduled Wastes	Unit	FYE 2022	FYE 2023	FYE 2024
SW103	KG	0	525	0
SW104	KG	4,557	7,058	7486
SW109	KG	0	358	0
SW110	KG	36,548	69,640	74312
SW311	KG	0	219	0
SW322	KG	1,290	7,916	3920.2
SW325	KG	0	2	40
SW404	KG	39	0	0
SW409	KG	8,272	7,450	7611
SW410	KG	7,132	7,516	9128
SW422	KG	0	0	0
SW429	KG	0	428	200
SW102	KG	0	0	197

We repurposed recycled cardboard boxes to create unique and eco-friendly decorations for Christmas. Below showcases our creativity in repurposing cardboard boxes to craft a festive fireplace and Rudolph for our Christmas decorations.



Sustainability Statement (Cont'd)

SOCIAL



We are committed to fostering a safe, inclusive, non-discriminatory workplace that offers equal opportunities for all our employees. We respect human rights by upholding international human rights principles and standards. In addition, we are dedicated to promoting the overall welfare of society.

EQUAL EMPLOYMENT OPPORTUNITIES

We are committed to building a diverse and inclusive environment without discrimination and any kind of harassment in the workplace. This is translated in our Code of Business Conduct & Ethics, it is our policy that our recruitment, advancement and retention of employees forbid discrimination on the basis of any criteria prohibited by law, including but not limited to gender, race, age, religion, political inclination. Our policies are adapted to ensure all employees are treated and treat each other fairly, with respect and dignity. Hence conduct involving discrimination and harassment of others will not be tolerated. All employees are required to comply with our policy of equal opportunity, non-discrimination and fair employment.

Workforce Diversity and Inclusion

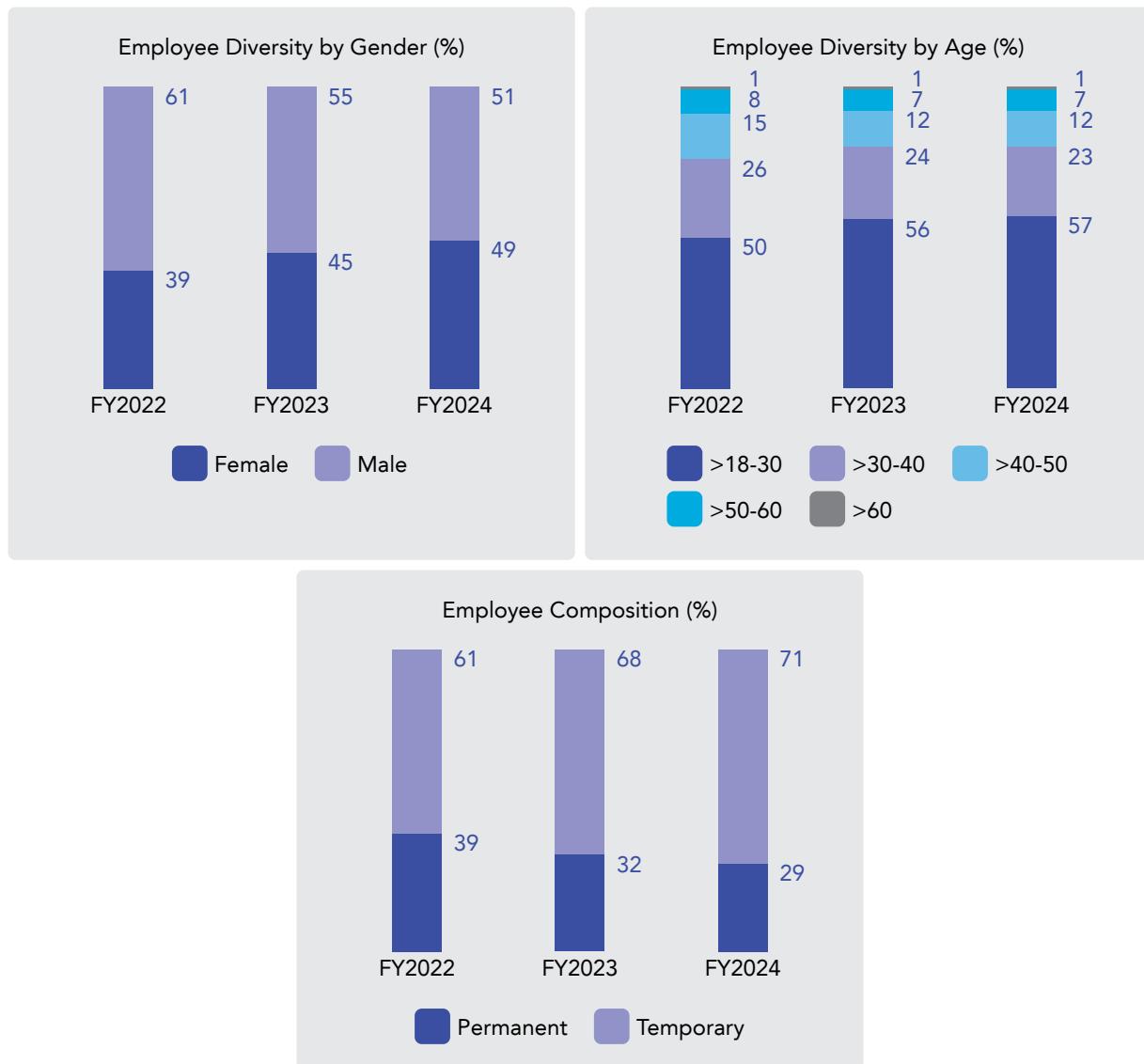
We recognise the strength in having a diverse workforce and inclusive environment. This is affirmed by our Group's gender diversity policy on the board comprises at least 30% women directors. In FYE 2024, the Board comprises 2 women directors out of 6 Directors, which represents 33% women directors. This demonstrates the Group's commitment on Board gender diversity as we had exceeded the prevailing requirement of Practice 5.9 of the Malaysian Code on Corporate Governance ("MCCG") to have at least 30% women Directors on Board.

Sustainability Statement (Cont'd)

EQUAL EMPLOYMENT OPPORTUNITIES (CONT'D)

Employee Diversity

In FYE 2024, we recorded total headcount of 3,019 pax (FY 2023: 2,694 pax). The details of our employee profile are presented as below:



	FYE 2022		FYE 2023		FYE 2024	
	No.	%	No.	%	No.	%
Total Employees	2,248		2,694		3,019	
Employee Breakdown by Gender						
Male	1,368	61%	1,487	55%	1,528	51%
Female	880	39%	1,207	45%	1,491	49%
Employee Breakdown by Age						
>18-30	1,126	50%	1,503	56%	1,735	57%
>30-40	585	26%	647	24%	690	23%
>40-50	338	15%	321	12%	348	12%
>50-60	182	8%	201	7%	220	7%
>60	17	1%	22	1%	26	1%

Sustainability Statement (Cont'd)

EQUAL EMPLOYMENT OPPORTUNITIES (CONT'D)

Employee Diversity (Cont'd)

	FYE 2022		FYE 2023		FYE 2024	
	No.	%	No.	%	No.	%
Employee Breakdown by Gender and Employee Category						
Senior Management – Male	62	90%	56	89%	73	90%
Senior Management – Female	7	10%	7	11%	8	10%
Middle Management – Male	56	71%	72	71%	73	64%
Middle Management – Female	23	29%	30	29%	41	36%
Executive – Male	182	58%	177	56%	211	57%
Executive – Female	132	42%	139	44%	156	43%
Non-Executive – Male	1,068	60%	1,182	53%	1,171	48%
Non-Executive – Female	718	40%	1,031	47%	1,286	52%
Employee Breakdown by Age and Employee Category						
Senior Management – >18-30	0	0%	1	2%	2	2%
Senior Management – >30-40	6	9%	3	5%	7	9%
Senior Management – >40-50	22	32%	22	35%	28	35%
Senior Management – >50-60	34	49%	30	48%	35	43%
Senior Management – >60	7	10%	7	11%	9	11%
Middle Management - >18-30	2	3%	12	12%	8	7%
Middle Management - >30-40	12	15%	20	20%	24	21%
Middle Management - >40-50	26	33%	21	21%	24	21%
Middle Management - >50-60	37	47%	45	44%	53	46%
Middle Management - >60	2	3%	4	4%	5	5%
Executive - >18-30	112	36%	132	42%	150	41%
Executive - >30-40	53	17%	45	14%	76	21%
Executive - >40-50	89	28%	70	22%	67	18%
Executive - >50-60	57	18%	66	21%	70	19%
Executive - >60	3	1%	3	1%	4	1%
Non-Executive - >18-30	1,012	57%	1,358	61%	1,575	64%
Non-Executive - >30-40	514	29%	579	26%	583	24%
Non-Executive - >40-50	201	11%	208	9%	229	9%
Non-Executive - >50-60	54	3%	60	3%	62	3%
Non-Executive - >60	5	0%	8	0%	8	0%
Employee Breakdown by Employment Contract						
Permanent Staffs	876	39%	858	32%	864	29%
Contractors/ Temporary Staffs	1,372	61%	1,836	68%	2,155	71%
Employee Breakdown by Nationality						
Malaysian	896	40%	879	33%	894	30%
Non-Malaysian	1,352	60%	1,815	67%	2,125	70%

Board Diversity

	FYE 2022		FYE 2023		FYE 2024	
	No.	%	No.	%	No.	%
Director Breakdown by Gender						
Male	4	67%	4	67%	4	67%
Female	2	33%	2	33%	2	33%
Director Breakdown by Age						
>50-60	3	50%	3	50%	3	50%
>60	3	50%	3	50%	3	50%

Sustainability Statement (Cont'd)

EQUAL EMPLOYMENT OPPORTUNITIES (CONT'D)

Employee New Hire

	FYE 2022*	FYE 2023*	FYE 2024*
	No.	No.	No.
New Hire by Gender			
Male	924	318	303
Female	333	467	480
New Hire by Age			
>18-30	740	653	594
>30-40	337	87	113
>40-50	118	26	62
>50-60	58	18	11
>60	4	1	3
Total	1,257	785	783

Employee Turnover

	FYE 2022	FYE 2023	FYE 2024
	No.	No.	No.
Employee Turnover by Gender			
Male	340	192	185
Female	330	170	147
Employee Turnover by Age and Employee Category			
Senior Management - >18-30	0	0	0
Senior Management - >30-40	3	4	2
Senior Management - >40-50	3	1	0
Senior Management - >50-60	8	10	6
Senior Management - >60	0	1	2
Middle Management - >18-30	5	0	3
Middle Management - >30-40	4	4	4
Middle Management - >40-50	11	11	9
Middle Management - >50-60	6	2	2
Middle Management - >60	1	0	2
Executive - >18-30	64	43	27
Executive - >30-40	35	20	15
Executive - >40-50	16	6	12
Executive - >50-60	16	7	6
Executive - >60	0	0	1
Non-Executive - >18-30	318	159	140
Non-Executive - >30-40	107	71	76
Non-Executive - >40-50	62	21	17
Non-Executive - >50-60	9	1	7
Non-Executive - >60	2	1	1
Total	670	362	332

* Restated due to refinement of calculation methodology.

We continue to see the under 30 years old category as consistently our largest group for both turnover and new hires as they are in the early stages of their career journey and are always looking out for new opportunities. We constantly engage with our employees to understand their needs and expectations, allowing us to identify opportunities for improvement and enhance their overall working experience with us.

Sustainability Statement (Cont'd)

EQUAL EMPLOYMENT OPPORTUNITIES (CONT'D)



Dialogue session with employees

EMPLOYEE DEVELOPMENT AND TALENT RETENTION

We consider continuous development to be an investment in the future and keys to attracting and retaining high performers. We are committed to nurturing our employees through diverse learning experiences to help them to achieve excellence in their respective fields, which in return, will improve in work productivity and efficiency. In FYE 2024, we have carried out a total of 64,302 hours of training (FYE 2023: 42,245 hours) with average 21.3 training hours per employee (FYE 2023: 15.7 training hours per employee).

	Unit	FYE 2022	FYE 2023	FYE 2024
Total Training Hours	Hours	49,334	42,245	64,302
Total Amount invested in Employee Learning and Development	RM	204,724	209,447	491,298
Total Training Hours by Gender				
Male	Hours	23,099	20,543	29,598
Female	Hours	26,235	21,702	34,704
Total Training Hours by Employee Category				
Senior Management	Hours	642	1,208	1,264
Middle Management	Hours	2,501	3,656	4,283
Executive	Hours	5,399	4,292	8,033
Non-Executive	Hours	40,904	33,089	50,722

Sustainability Statement (Cont'd)

EMPLOYEE DEVELOPMENT AND TALENT RETENTION (CONT'D)

Below we summarise the types of training and development programmes:

Training Types	Description
Orientation	<ul style="list-style-type: none"> One time programme to welcome new employees. The topics cover company overview, key corporate policies, overview of benefits and attendance, health and safety procedures. Facility tour helps new employees to get acquainted with new workplace.
On-the-Job (OJT) Training	<ul style="list-style-type: none"> Focus on departmental goals by delivering the necessary skills, knowledge, and core competencies to new employees to perform the task efficiently. Mentoring programme drives rich learning and development for both mentees and mentors.
Technical Skills Training	<ul style="list-style-type: none"> Job-specific training which focus on building employee's prerequisite technical skills and competencies relevant to his role. Regular training is conducted to keep abreast of latest development.
Soft Skills Training	<ul style="list-style-type: none"> To enable our employees to work together as a team for the benefit of their own and the organisation's success. The training module covers the topics such as leadership, communication, teamwork, collaboration, time management, problem-solving and etc.
Mandatory Training	<ul style="list-style-type: none"> All employees are required to undergo Safety and Health Training. All employees are expected to discharge their respective duties in line with our standards and policies.

We proactively collaborate with colleges and universities throughout Malaysia by participating in career fairs, forum talks and engaging in various partnership activities. During these interactions, we furnish interested candidates with comprehensive insights into our Company's background and corporate culture, presenting them with valuable career opportunities within our organisation.



We have sponsored RM3,000 for the Universiti Sains Malaysia ("USM") Varsity Hackathon Event, which aims to nurture talents in the technology field. Through this event, we are also able to build relationships with institutions and secure talented individuals as potential employees.

EMPLOYEE BENEFITS AND WELFARE

We recognise that our success is driven by a committed workforce and therefore we aim to provide a conducive working environment for our employees, supporting them in pursuing reasonable standard of lifestyle and work life balance. We adhere to the local regulations on labour matters, which includes but not limited to Employment Act 1955, minimum wage law and etc.

To foster a healthy work-life balance, we are committed to providing an environment where our employees can dedicate time to their families and pursue personal interests. We believe in minimizing overtime and only encourage it when absolutely necessary, such as to meet customer orders or regulatory deadlines. Furthermore, we organize sports events to promote an active lifestyle and support our employees in maintaining good health.

Sustainability Statement (Cont'd)

EMPLOYEE BENEFITS AND WELFARE (CONT'D)



Hiking

Sustainability Statement (Cont'd)

EMPLOYEE BENEFITS AND WELFARE (CONT'D)



Futsal and badminton

Sustainability Statement (Cont'd)

EMPLOYEE BENEFITS AND WELFARE (CONT'D)

All our employees are entitled to national and state public holidays. In addition, our employees are entitled to annual leave, medical leave, marriage leave, maternity leave, paternity leave and etc. The details of employee benefits and welfare are outline as follows:

Statutory Benefits	Leave Provision	Employment Benefits & Welfare	Facilities
<ul style="list-style-type: none"> • Adhere to minimum wages • Statutory contributions (EPF, SOCSO, EIS and Income Tax) • Overtime payments • National and state public holidays 	<ul style="list-style-type: none"> • Annual leave • Medical leave • Hospitalization leave • Marriage leave • Maternity leave • Paternity leave • Compassionate leave • Replacement leave 	<ul style="list-style-type: none"> • Shift allowance • Outstation allowance • Penang bridge toll subsidy • Transport allowance • Marriage gift • New birth gift • Employee gift • Festival goodies • Annual salary increment • Performance bonus • Service award • Star award • Bereavement gift • GP clinic visit • Hospitalisation and surgical coverage • Recreational activities • Flexible working time • Foreign worker permit • Accommodation and transportation 	<ul style="list-style-type: none"> • Car park • Cafeteria • Pantry • Personal lockers • Prayer rooms • Training rooms • Auditorium • Meeting rooms

Throughout the year, we organized a diverse range of programs and festive celebrations, fostering team unity and enhancing employee morale. These events not only provide opportunities for relaxation and socialization but also help strengthen our company culture and create a positive, inclusive work environment.



Town hall and luncheon

Sustainability Statement (Cont'd)

EMPLOYEE BENEFITS AND WELFARE (CONT'D)



Chinese New Year celebration



Sustainability Statement (Cont'd)

EMPLOYEE BENEFITS AND WELFARE (CONT'D)



Festive seasons goodies distribution



Birthday cupcakes distribution

Sustainability Statement (Cont'd)

EMPLOYEE BENEFITS AND WELFARE (CONT'D)



Iftar dinner celebration



Anniversary celebration

Sustainability Statement (Cont'd)

EMPLOYEE BENEFITS AND WELFARE (CONT'D)



Deepavali celebration

HUMAN AND LABOUR RIGHTS

We respect all international standards, local laws and regulations applicable to the protection of human and labour rights. We recognise the importance of evading all forms of human rights abuses, including any form of harassment, discrimination, threatening or inappropriate behaviour. This is also translated in our Code of Business Conduct & Ethics which clearly states that any form of forced or child labour is strictly prohibited.

Our Human Resource Department oversees all issues regarding human rights, forced and child labour and ensure protection of our employees' rights. They are tasked to make sure that our operations comply with regulations mandated by the Department of Labour and international standards. Our Human Resource staffs were also being briefed on the minimum age for hiring and they will perform age verification to avoid hiring of underage labours.

We encourage all stakeholders to report suspected human and labour rights violations within our operation without fear of retaliation. All stakeholders can report via our whistleblowing mechanism. In FYE 2024, there were no substantiated complaints concerning human rights violations, including child and forced labour, discrimination or harassment.

	Unit	FYE 2022	FYE 2023	FYE 2024
Number of substantiated complaints concerning human rights violations	No.	0	0	0

OCCUPATIONAL SAFETY AND HEALTH

The health, safety and well-being of our employees, contractors, visitors and communities are vital to our operations. We are committed to:

- Establish and maintain a safe and healthy environment for all employees and visitors;
- Integrate safety and health issues in all aspects at the workplace;
- Identify and eliminate hazards in order to prevent any accidents;
- Promote safety consciousness and responsibility and provide adequate training to enhance the safety awareness to employees; and
- Involve all employees in safety and health planning and implementation.

We established Safe and Health Committee which consists of employee representatives from different departments, to oversee the Group's safety and health related matters. The Safe and Health Committee performs periodic workplace inspection to identify and manage any safety and health hazard risks to prevent accidents from happening. The outcome of the workplace inspection will be discussed during the Safe and Health Committee meeting on a quarterly basis. To promote safety consciousness and promote safety awareness among our employees, we provide them various trainings on safety procedures to ensure they are equipped with relevant skills they need to carry out work safety and keep abreast with current relevant regulatory requirements.

Sustainability Statement (Cont'd)

OCCUPATIONAL SAFETY AND HEALTH (CONT'D)



Fire drill exercise



Briefing on accident prevention and social welfare benefits to employees

Sustainability Statement (Cont'd)

OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

Below summarises the number of staffs trained on health and safety standards:

	Unit	FYE 2022	FYE 2023	FYE 2024
Number of staffs trained on health and safety standards	No.	508	989	1,255

In FYE 2024, there were no work-related injuries. All the injuries were investigated by Safety and Health Officer and closed with necessary corrective action.

	Unit	FYE 2022	FYE 2023	FYE 2024
Number of work-related fatalities	No.	0	0	0
Lost Time Injury Frequency Rate ("LTIFR")	%	0	0.25	0.58

Note:

- a) LTIFR refers to the number of lost time injuries occurring in a workplace per 1 million hours worked. LTIFR = No. of lost time injury incidents/ total man hours x 1,000,000

We have complied to the best of our ability the existing laws and regulations relevant to our operations such as Occupational Safety and Health Act 1994, Factories and Machinery Act 1967, Fire Services Act 1988 and Prevention and Control of Infectious Diseases Act 1988, etc.

CORPORATE SOCIAL RESPONSIBILITY

Internship Programme

We take in interns to expose them to a working environment where they can apply the knowledge from the classroom to the real-world experience, gain skills and hands-on experience that will enable them to be successful in their careers.

Local Communities Development

We recognise the importance of giving back to the communities we operate in. Below summarises some of our contribution this year for our Corporate Social Responsibility activities:

	Unit	FYE2022	FYE2023	FYE 2024
Total amount invested where the target beneficiaries are external parties	RM	18,000	16,080	387,082 1 family 139 students 1 school
Total number of beneficiaries of the investment in community	No.	3 schools 162 elderly	4 families 3 schools 28 children	15 children 19 institute

Sustainability Statement (Cont'd)

CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

- In January 2024, we contributed RM11,120 to support one hundred thirty nine (139) students from SJK(T) Kadun Jawi with Early Schooling Assistance.



- In April 2024, we extended a cash donation amounting to RM1,000 to assist personnel affected by fire incidents. This contribution made a positive impact on one (1) family.

Sustainability Statement (Cont'd)

CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

- In April 2024, we sponsored RM3,000 for USM Varsity Hackathon Event.
- In April 2024, we involved in Penghijauan Malaysia – Kempen Penanaman 100 juta pokok 2021 – 2025.



Sustainability Statement (Cont'd)

CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

- In July 2024, we involved in Blood Donation - Hospital Seberang Jaya.



- In December 2024, we involved in Lawatan Sambil Belajar di Balai Bomba Kamunting bersama Anak-Anak Yatim Chrystal Home.

Sustainability Statement (Cont'd)

GOVERNANCE

Governance stands as a fundamental pillar within NGH's sustainability framework, seamlessly integrated across all facets or the Company's functions and processes. It acts as a beacon of transparency and accountability, guiding us to effectively manage risks, uphold operational and business sustainability, and maintain the trust and confidence of our stakeholders.

CORPORATE GOVERNANCE AND ETHICS

Code of Business Conduct & Ethics

Our Code of Business Conduct & Ethics ("Code") summarizes the standards that guide every employee and director actions. Through the Code, we aim to foster a culture of honesty and accountability. Our commitment to the highest level of ethical conduct should be reflected in all the Company's dealings with its suppliers, customers, the government, public, among employees and also our shareholders.

Our Code covers the standards for the following areas:

- Compliance with laws, rules and regulations;
- Abuse of powers;
- Insider trading;
- Anti-money laundering;
- Protection of confidential information;
- Conflict of interest;
- Equal opportunity and non-discrimination;
- Environment, health and safety;
- Quality of public disclosure;
- Compliance of the Code and reporting of any illegal or unethical behaviour;
- Anti-corruption and bribery;
- Gift, entertainment, hospitality and travel;
- CSR, donation and sponsorship;
- Procurement process;
- Facilitation payments;
- Dealings with public officials; and
- Political contributions.

In FYE 2024, there were no non-compliance cases and breach of Code of Business Conduct & Ethics.

Anti-Bribery and Anti-Corruption Policy

We are committed to fair, honest and transparent conduct of business. We never offer or accept bribes, whether directly or indirectly to gain a business advantage. Every employee and director shall endeavour to deal fairly with customers and suppliers, the public and one another at all times and in accordance to sound ethical practices. No bribes, kickbacks or any payments in any form shall be made directly or indirectly to anyone for the purpose of obtaining or retaining business or obtaining any favourable action.

With the implementation of the new Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 which introduces corporate liability provision for bribery and corruption offences that came into effect on 1 June 2020, we have established Anti-Bribery and Anti-Corruption Policy, with the following purposes:

- Set out the responsibilities of the Group, and the responsibilities of in observing and upholding the Group's position on bribery and corruption, in order to ensure that the Group comply with applicable laws, regulations and policies and procedures;
- Ensure that the Group has adequate procedures in place to prevent and detect bribery and corruption;
- Provide information and guidance to employees on how to recognise and deal with potential bribery and corruption issues; and
- Protect the Group against the possible penalties and repercussions resulting from acts of bribery and corruption or being associated with such behaviour.

Sustainability Statement (Cont'd)

CORPORATE GOVERNANCE AND ETHICS (CONT'D)

The Anti-Bribery and Anti-Corruption Policy is applicable to directors, senior management and employees including any person who is employed full time, on probation, contractually or temporarily. It is stated in our policy that any and all forms of corruption, extortion, and embezzlement are strictly prohibited and will result in disciplinary action, including immediate termination and/ or other legal actions against the employee or director. Employees are encouraged to raise concerns about any instances, or suspicion, of malpractice at the earliest possible stage through their line manager or Whistleblowing channel.

To ensure the effective implementation of the Anti-Bribery and Anti-Corruption Policy, we provide training and communication to all new employees pertaining to this policy during the time of induction. A copy of the Anti-Bribery and Anti-Corruption Policy is made available to all employees through our intranet.

	Unit	FYE2022	FYE2023	FYE2024
Senior Management	%	100%	100%	100%
Middle Management	%	100%	100%	100%
Executive	%	100%	100%	100%
Non-Executive	%	100%	100%	100%

Although the Policy is specifically written for employees, we expect that contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group will comply with it in relevant part when performing such work or services. We have made this policy available in our Company's website so they are able to view our policy from time to time. This Policy will be communicated to them at the beginning of business relationship with them and as appropriate thereafter.

In FYE 2024, we have engaged YNC Business Consulting Sdn. Bhd., an independent consulting firm, to conduct Corruption Risk Management ("CRM") assessment across our operations. From the assessment, we identified the potential corruption-related risks, assess its impact and likelihood of occurrence and ensure there are controls in place and action plans taken to mitigate the identified corruption-related risks.

	Unit	FYE2022	FYE2023	FYE2024
Operations assessed for corruption-related risks	%	0%	100%	100%

In FYE 2024, there were no confirmed incidents of corruption.

	Unit	FYE2022	FYE2023	FYE2024
Number of confirmed incidents of corruption	No.	0	0	0

Whistleblowing Policy

We are committed to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs. We expect wrongdoings such as fraud, corruption, serious financial impropriety and gross mismanagement to be reported and facilitates this through internal mechanisms. In relation to this, we have established Whistleblowing Policy to provide an avenue for employees and stakeholders (shareholders, customer and suppliers) to raise concerns and take appropriate action to resolve them effectively. All stakeholders and employees of the Group are encouraged to raise genuine concerns about possible improprieties in matters of financial reporting, compliance, malpractices and unethical business conduct such as bribery and corruption within the Group at the earliest opportunity and in an appropriate way.

Sustainability Statement (Cont'd)

CORPORATE GOVERNANCE AND ETHICS (CONT'D)

Whistleblowing Policy (Cont'd)

The Whistleblowing Policy outlines the procedures for reporting of a wrongdoings which includes who can disclose, what to disclose, when to disclose and how to proceed. The objectives of Whistleblowing Policy is to:

- Encourage whistleblower to be confident in raising serious genuine concerns and to question and act on those concerns;
- Facilitate early disclosure in a responsible manner by establishing procedures for stakeholders to raise genuine concerns or allegations through an appropriate channel upon discovery of possible wrongdoing(s);
- Address disclosure in an appropriate and timely manner. Disclosed matters may be prioritized according to the nature or seriousness of the alleged wrongdoing(s) or reported risk(s) and the magnitude of the impact;
- Protect identity of whistleblower upon receipt of report on a confidential and anonymous basis; and
- Treat both whistleblower and alleged wrongdoer fairly. Status of disclosure shall be informed to the whistleblower while alleged wrongdoer will be informed of the allegations at an appropriate time and be given opportunity to answer the allegations. Identities and personal information of the whistleblower and alleged wrongdoer will only be revealed to persons involved in investigations on a "need-to-know" basis only.

The types of concerns can be reported through whistleblowing mechanism includes but not limited to the following:

- Acceptance of favour;
- Corruption, blackmail or fraud;
- Criminal offence;
- Misuse of Group's funds or assets;
- Gross mismanagement within the Group;
- Serious financial irregularity or impropriety within the Group;
- Serious breach of Code of Business Conduct & Ethics;
- An act or omission which creates a substantial or specific danger to the lives, health, or safety of employees, the public or the environment;
- Failure to comply within the provisions of other Acts of Parliament where the wrongdoer knowingly disregards or does not comply with such provisions;
- Knowingly directing or advising a person to commit any of the above wrongdoings; and
- Concealment of any or a combination of the above.

In FYE 2024, there were no whistleblowing reports being reported.

Our policies and procedures namely Code of Business Conduct & Ethics, Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy are made available on our Company's website at <http://www.nationgate.com.my/>.

DATA PROTECTION AND PRIVACY

We are committed to protecting the private information and personal data of our customers, suppliers and employees. We secure information assets and personal data of our customers, suppliers and employees through the use of integrated data protection and information security strategies. We consider certain types of information about products, processes and employees to be confidential, the disclosure of which could significantly harm our Group's interests. Unauthorised disclosure, use or theft of our Group's confidential information will be subject to disciplinary and also possibly legal action against the employee/director. Each employee is responsible for protecting the confidentiality of our Group's records and information.

Below are examples of our measures, protocols and practices that we have implemented to protect data privacy:

- Use of firewall, anti-virus and anti-malware protection;
- Use of physical security measures;
- Password Policy for assessing to PCs, notebooks and servers, which requires users to periodically change the passwords;
- Control over access to data information to prevent unauthorised access;
- Employees sign Non-Disclosure Agreement;
- Disaster Recovery Plan to ensure continuity of operations in the event of major systems failure or catastrophe; and
- Scheduled backup on an external drive which is placed outside of the Company's premises.

In FYE 2024, there were no substantiated complaints concerning breaches of customer privacy and losses of customer data.

	Unit	FYE 2022	FYE 2023	FYE 2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	0	0	0

Sustainability Statement (Cont'd)

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	100.00	100.00	100.00
Middle Management	Percentage	100.00	100.00	100.00
Executive	Percentage	100.00	100.00	100.00
Non-executive	Percentage	100.00	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	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	18,000.00	16,080.00	387,082.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	165	35	175
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	2.00	2.00
Senior Management Between 30-40	Percentage	9.00	5.00	9.00
Senior Management Between 40-50	Percentage	32.00	35.00	35.00
Senior Management Between 50- 60	Percentage	49.00	48.00	43.00
Senior Management Above 60	Percentage	10.00	11.00	11.00
Middle Management Under 30	Percentage	3.00	12.00	7.00
Middle Management Between 30-40	Percentage	15.00	20.00	21.00
Middle Management Between 40-50	Percentage	33.00	21.00	21.00
Middle Management Between 50- 60	Percentage	47.00	44.00	46.00
Middle Management Above 60	Percentage	3.00	4.00	5.00
Executive Under 30	Percentage	36.00	42.00	41.00
Executive Between 30- 40	Percentage	17.00	14.00	21.00
Executive Between 40- 50	Percentage	28.00	22.00	18.00
Executive Between 50- 60	Percentage	18.00	21.00	19.00
Executive Above 60	Percentage	1.00	1.00	1.00
Non-executive Under 30	Percentage	57.00	61.00	64.00
Non-executive Between 30-40	Percentage	29.00	26.00	24.00
Non-executive Between 40-50	Percentage	11.00	9.00	9.00
Non-executive Between 50- 60	Percentage	3.00	3.00	3.00
Non-executive Above 60	Percentage	0.00	0.00	0.00
Gender Group by Employee Category				
Male Senior Management	Percentage	90.00	89.00	90.00
Female Senior Management	Percentage	10.00	11.00	10.00
Male Middle Management	Percentage	71.00	71.00	64.00
Female Middle Management	Percentage	29.00	29.00	36.00
Executive Male	Percentage	58.00	56.00	57.00
Executive Female	Percentage	42.00	44.00	43.00

Internal assurance

External assurance

No assurance

(*)Restated

Sustainability Statement (Cont'd)

PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2022	2023	2024
Non-executive Male	Percentage	60.00	53.00	48.00
Non-executive Female	Percentage	40.00	47.00	52.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	67.00	67.00	67.00
Female	Percentage	33.00	33.00	33.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-40	Percentage	0.00	0.00	0.00
Between 40-50	Percentage	0.00	0.00	0.00
Between 50-60	Percentage	50.00	50.00	50.00
Above 60	Percentage	50.00	50.00	50.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	61,544.16	67,094.54	51,927.49
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.25	0.58
Bursa C5(c) Number of employees trained on health and safety standards	Number	508	989	1,255
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	642	1,208	1,264
Middle Management	Hours	2,501	3,656	4,283
Executive	Hours	5,399	4,292	8,033
Non-executive	Hours	40,904	33,089	50,722
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	61.00	68.00	71.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	14	16	10
Middle Management	Number	27	17	20
Executive	Number	131	76	61
Non-executive	Number	498	253	241
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	38.00	32.00	41.00
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	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	225.774000	170.283000	213.242000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	376.95	501.52	1,019.27
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	323.71	375.25	909.80
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	53.24	126.27	109.47
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	193.00	112.00	124.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	39,327.00	43,971.00	34,031.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	988.00

Internal assurance

External assurance

No assurance

(*)Restated

Corporate Governance Overview Statement

The Board of Directors ("Board") of NationGate Holdings Berhad ("Company" or "NGH") recognises the importance of practicing high standards of corporate governance is essential in building a sustainable business and creating long-term value for the shareholders and stakeholders and to enhance the performance of the Company and its subsidiaries ("Company"). The Board is committed to upholding high standards of integrity and transparency in its governance and ensuring corporate practices are implemented and maintained throughout the Company.

The Board is pleased to present the Corporate Governance Overview Statement ("Statement") to provide shareholders and investors with an overview of the corporate governance practices adopted by the Company in achieving the intended outcomes as set out in the new Malaysian Code on Corporate Governance ("MCCG") with the following three (3) key principles, under the leadership of the Board during the financial year ended 31 December 2024 ("FYE 2024"):

- a) Principle A: Board Leadership and Effectiveness;
- b) Principle B: Effective Audit and Risk Management; and
- c) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement also serves as a compliance with Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and shall be read together with the Corporate Governance Report ("CG Report") of the Company for the FY2024 published on the Company's website at <http://www.nationgate.com.my/> and Bursa Securities' website: <https://www.bursamalaysia.com>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1.0 Board's Leadership on Objectives and Goals

1.1 Strategic Aims, Value and Standards

Our Board is responsible to provide leadership to set the Company's strategic plan, values, standards and ensure necessary resources are in place to achieve the long-term sustainable success of the Company for the benefit of stakeholders. The Board assumes ultimate accountability and responsibility for the performance and affairs of the Company and is collectively responsible for meeting the objectives and goals of the Company as stipulated in the Board Charter.

The Board is made up of a combination of Executive Directors who are involved in strategic formulation, implementation and day-to-day operations while Independent Non-Executive Directors ("INEDs") who are involved in decision evaluation and approval.

To assist the Board in fulfilling its duties and responsibilities, the Board has delegated specific responsibilities to the Board Committees which operate within their defined roles and responsibilities as set out in their respective Terms of Reference ("TOR"), which are made available on our Company's website:

- Audit and Risk Management Committee ("ARMC")
- Remuneration Committee ("RC")
- Nomination Committee ("NC")

The Board has also established a topic-specific Committee, Sustainability and Integrity Working Group ("SIWG"), to which it has delegated certain powers to review and administer sustainability and integrity matters. The SIWG's TOR is also made available on our Company's website.

During FYE 2024, the Board reviewed business and financial performance through the regular updates received from the Company Managing Director ("MD"), Chief Operating Officer ("COO") and the Finance Director ("FD") during the Board meeting.

Through the regular updates received from the Board meeting, the Board is kept abreast on the conduct, business activities and development of the Company and able to discuss and advise the Management in its formulation of the Company's business strategies. Discussions would include the deployment of resources efficiently and effectively in achieving the objectives to be met. In making its decisions, the Board would be guided by the Company's values and standards.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

1.0 Board's Leadership on Objectives and Goals (Cont'd)

1.2 The Chairman of the Board

Dato' Seri Wong Siew Hai, an INED, was appointed as the Chairman of the Board. He assumed the role of a leader with responsibility for instilling good corporate governance practices. He chaired all the Board meetings during FYE 2024, led discussions and provided effective leadership to the Board.

The roles and responsibilities of the Chairman are enunciated in the Board Charter, which is made available on our Company's website.

1.3 Chairman and Chief Executive Officer

The Board is headed by Dato' Seri Wong Siew Hai, Chairman of the Board whereas the Company MD is Dato' Ooi Eng Leong. The role of the Board Chairman is to ensure the effective functioning of the Board while the Company MD is to ensure effective implementation of the Company's business plan, lead and manage the Company's operations. The Company MD also acts as a link between the Independent Directors and the Management to align management actions to Board decisions and strategies. The distinct and separate roles and responsibilities of the Chairman and Company MD are as set out in the Board Charter of the Company, which is available on our Company's website.

The position of the Chairman of the Board and the Company MD are held by different individuals to ensure an appropriate balance of role, power and authority, such that no one individual has unfettered powers during Board discussions and decision making.

For better safeguard the interest of our stakeholders, the Board is balanced by a majority of INEDs on the Board to foster greater objectivity in the Boardroom.

1.4 Chairman and Board Committees

The Chairman, Dato' Seri Wong Siew Hai is not a member of the various Board subcommittees.

1.5 Company Secretary

The Board is supported and assisted by suitably qualified, competent and capable Company Secretary, namely Ms. Hing Poe Pyng (MAICSA 7053526)(SSM PC No. 202008001322). The Company Secretary is qualified as per Section 235(2) of the Companies Act 2016 and is registered with the Companies Commission of Malaysia ("CCM").

The roles and responsibilities of the Company Secretary are outlined in the Board Charter, which is made available on our Company's website.

1.6 Access to Information and Meeting Materials

As stated in the Board Charter, the minimum number of Board Committee meetings to be held in a financial year is four (4) meetings. Additional meetings may be called at any time, at the discretion of the Chairman. In FYE 2024, a total of five (5) Board meetings were held with good attendance from the Board.

All Board and Board Committees' meeting are determined in advance with approved agenda to facilitate Directors' time planning. Prior to the respective meetings, Board members are provided with pre-circulated Board papers and related meeting materials to enable them to make informed decisions. The notice of the meetings shall be given in writing at least seven (7) days prior to the meetings, to enable sufficient time for the Directors to prepare for the meetings and to facilitate informed decision making.

The minutes will record the deliberation, in terms of the issues discussed, and the conclusions thereof. Company Secretary is responsible for the proper maintenance of the records of Board and Board Committees meetings and record of discussions on key deliberations and decisions taken. Minutes of the meeting are circulated to the members of the Board and Board Committees, and the Management for review and comments in a timely manner. The draft minutes will then be tabled at the following meeting for confirmation. The Company Secretary will also notify and follow up with the Management of any actions to be taken or further updates to be provided to the Board. The updates and action plans for the items identified as matters arising would be discussed at the next Board and Board Committee meetings.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

2.0 Demarcation of Responsibilities

2.1 Board Charter

The Board is guided by a Board Charter which clearly defines the respective roles and responsibilities of the Board, Board Committees, individual Directors and Management as well as matters reserved for the Board. It sets out the principles for the operation of the Board of Directors and describes the functions of the Board and those functions delegated to Management of the Company.

The Board Charter is kept under continuous review and updated to ensure it remains consistent with the Board's objectives and kept up-to-date with changes in regulations and governance practices.

The Board Charter is made available on our Company's website.

3.0 Good Business Conduct and Healthy Corporate Culture

3.1 Code of Conduct & Ethics

The Board is responsible for promoting good corporate governance culture within the Company which reinforces ethical, prudent and professional behavior. We aim to foster a culture of honesty and accountability. Our commitment to the highest level of ethical conduct should be reflected in all the Company's dealings with its suppliers, customers, the government, public, among employees and shareholders.

Accordingly, the Company has adopted a Code of Business Conduct & Ethics ("Code"), formally approved by the Board, which summarize the standards that guide the actions of employee and directors. The employees and directors are clear that they must adhere to the spirit and language of this Code seeking to avoid the appearance of improper behavior.

As part of the Company's commitment in upholding high ethical standards, the Code is extended to third parties through the Supplier Code of Conduct and Declaration ("Supplier Code"). The Supplier Code defines the basic requirement of supplier on the activities that are strictly prohibited as well as respective responsibilities towards their stakeholders. Mechanisms are in place to report instances of bribery, fraud, corruption, unethical behaviour and irregularities.

The Company has adopted a zero-tolerance policy against all forms of bribery and corruption and is committed to fair, honest and transparent conduct of business. In respect to this, the Company has implemented a comprehensive Anti-Bribery and Corruption Policy ("ABAC") which provides information and guidance to employees, senior management and directors on how to recognize and deal with potential bribery and corruption issues. Although the ABAC Policy is written specifically to the internal employees, senior managers and directors, the Company also expects that the contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Company will comply with it in relevant part when performing such work or services.

In FYE 2024, no misconduct cases were being reported.

The Code and ABAC Policy are made available on the Company's website.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

3.0 Good Business Conduct and Healthy Corporate Culture (Cont'd)

3.2 Whistleblowing Policy

The Company is committed to values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs. It expects the wrongdoings such as fraud, corruption, serious financial impropriety and gross mismanagement to be reported and facilitates this through internal mechanism.

In respect to this, the Board has formalised a Whistleblowing Policy, with the aims to promote a workplace conducive to open communication regarding the Company's business practices. The Whistleblowing Policy provides a mechanism for stakeholders of the Company (such as employees employed full time, on probation, contractually or temporarily), people performing services for the Company (such as contractors and service providers), members of the public who are natural persons, not being incorporated or unincorporated bodies, to raise genuine concerns, channel their complaints or to provide information on wrongdoings and improper conduct which may adversely impact the Company. The Whistleblowing Policy outlines who can disclose, what to disclose, when to disclose, how and to whom a concern may be properly raised, distinguishes a concern from a personal grievance and allows the whistleblower the opportunity to raise a concern outside their management line and in confidence.

The whistleblowing report will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The unauthorized disclosure of whistleblower's information or the identity of a whistleblower by any employee may constitute misconduct for which, if established, disciplinary measures will be imposed.

In FYE 2024, no whistleblowing incidents were reported.

The Whistleblowing Policy is accessible to the public for reference on the Company' website.

4.0 Addressing Sustainability Risks and Opportunities

4.1 Governance of Sustainability

As stated in the Board Charter, the Board together with Senior Management, takes responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets. The Board shall promote sustainability within the aspects of environment, social, governance and economy.

The Company has formed SIWG, led by the Company MD with the support from key functional group, to identify, analyse, evaluate, manage and monitor sustainability issues with emphasis on economic, environmental, workplace and governance. To better discharge the duties of SIWG, a TOR has been formalised which outlines the reporting structure, duties and responsibilities of the working group. The SIWG's TOR is made available on our Company's website.

4.2 Communication of Company's Sustainability Strategies, Priorities, Targets and Performance

The Board understands that meeting the needs of all stakeholders is fundamental to building trust and confidence and forms the foundation of good governance in the Company. Our sustainability strategy is guided by a materiality assessment which defines the sustainability focus areas that are most important to the Company and its stakeholders that the Company believe, will have the most impact on its business.

The details pertaining to the sustainability strategies, priorities, stakeholder groups, engagement methods and performance are communicated to both internal and external stakeholders through the Company's Sustainability Statement in Annual Report 2024, which is made available on our Company's website. The Sustainability Statement is prepared in accordance with the Main Market Listing Requirements ("MMLR") issued by Bursa Malaysia Securities Berhad, referencing the Sustainability Reporting Guide (3rd Edition).

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

4.0 Addressing Sustainability Risks and Opportunities (Cont'd)

4.3 Board Keeps Abreast of the Relevant Sustainability Issues

The Board acknowledges the importance to keep fully abreast of knowledge, risks and opportunities as well as current and future trends on sustainability matters.

During FYE 2024, the Board has attended a number of continuous professional development program covering various topics in relation to sustainability. Moving forward, the Board aspires to be constantly abreast of current sustainability issues and regulatory requirements.

4.4 Performance Evaluation of Board and Senior Management

The Board assessment/evaluation is being conducted annually. The Board evaluation on 27 February 2025 in respect of FYE 2024 takes into consideration the performance of the Board in addressing the Company's material sustainability risks and opportunities and also the conduct of the Board to stay abreast with and understand the sustainability issues relevant to the Company and its business.

The Company has implemented a yearly performance review for the Senior Management. The assessment criteria for the said evaluation takes into account, amongst others, sustainability risks such as financial and people development.

4.5 Sustainability Strategy (Step Up)

The SIWG is chaired by the Company MD to oversee the planning and execution of sustainability strategies and ensure that our sustainability matters are implemented throughout our business operations. The Company MD is supported by the Company COO and Heads of Department.

The reporting structure, duties and responsibilities of the SIWG has been formalised and documented in the TOR of SIWG, which is made available on our Company's website.

II. BOARD COMPOSITION

5.0 Board Objectivity

5.1 Board Appointment

The NC is empowered by the Board to review the required mix of skills, experience and other qualities of the Board and to access the effectiveness of the Board as a whole as well as contribution by each director, through annual assessment.

Annually, each of the Directors will give confirmation to disclose any potential or actual conflict of interests arises. This is one of the criteria to enable the Board/ NC to assess the Directors' independence as and when any new interest or relationship develops.

During the financial year under review, the NC had assessed the effectiveness of the Board, the Committees, the contribution of each individual Director and performance of Independent Directors. The NC is satisfied with the assessment results.

In accordance with Clause 76(3) of the Company's Constitution. The NC has reviewed Dato' Seri Lee Kah Choon and Ju Siew Lee performance who is retired and eligible for re-election at the forthcoming AGM. The NC is satisfied with the assessment result and recommendation has been made to the Board on their re-election. The Board concurred with the NC's recommendation and the rationale and reasons for recommending the re-election of each Directors are detailed in the Notice of the forthcoming AGM.

Upon assessment of independence of the Independent Directors, the tenure of individual Independent Directors would be presented to the NC for review annually.

As of 31 December 2024, none of the Independent Directors had serve the Company for more than 9 years as per Malaysian Code of Corporate Governance ("MCCG") recommendations.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

5.0 Board Objectivity (Cont'd)

5.2 Composition of the Board

Our Board comprises a majority (67%) of Independent Non-Executive Directors with the composition as shown below:

- 2 Executive Directors; and
- 4 Independent Non-Executive Directors.

This composition enables the Board to provide an objective judgement in the best interest of the Company taking into account diverse perspectives and insights.

5.3 Tenure of Independent Non-Executive Director

As stated in the Board Charter, the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a non-Independent non-executive Director. The Board may subject to the assessment of the NC on an annual basis, recommend for an Independent Director who has served a consecutive or cumulative term of nine (9) years to remain as an Independent Director subject to Shareholders' approval with justification given. If the Board continues to retain the Independent Director after the ninth (9th) year, the Board should seek annual Shareholders' approval through a two-tier voting process. After the twelfth (12th) year, an Independent Director must observe a cooling-off period of three (3) years before re-appointment.

At present, all our Independent Directors have not exceeded this limit.

5.4 Appointment of Board and Senior Management

The Board believes that a truly diverse and inclusive Board will leverage the differences of its members, to achieve stewardship and in turn, retains its competitive advantage.

As stated in the Board Charter, the Board shall be of a size and take into consideration the representation of the interest of certain shareholders or group of shareholders with the benefit of diversity in perspectives, experience, skill sets, gender mix, ethnicities and age to understand and deal with the current and emerging issues of the Company's business and operations.

The NC is mindful of its responsibilities to conduct all Board appointment processes through various approaches in a manner to promote Board diversity. In determining the process for the identification of suitable candidates, the following attributes or factors will be considered:

- Skills, knowledge, expertise and experience;
- Professionalism;
- Commitment (including time commitment) to effectively discharge his/ her role as a Director;
- Contribution and performance;
- Background, character, integrity and competence; and
- Boardroom diversity including gender diversity.

In addition, the Board has adopted the Fit and Proper Policy to ensure appointing the right person with the right skills, experience and credibility. This Policy aims to provide a formalised and clear parameter on the selection process of Directors and Senior Management Personnel, which will improve and strengthen the Board independence, quality and diversity.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

5.0 Board Objectivity (Cont'd)

5.4 Appointment of Board and Senior Management (Cont'd)

The diversity in the gender, age, race/ethnicity (culture background) and nationality of the existing Board and Key Senior Management is as follows:

	Age				Gender	
	<30	46-50	51-55	≥56	Male	Female
Number of Directors	0	0	1	5	4	2
Number of Key Senior Management	1	2	1	2	5	1

	Race / Ethnicity				Nationality	
	Malay	Chinese	Indian	Others	Malaysian	Foreigner
Number of Directors	1	5	0	0	6	0
Number of Key Senior Management	0	5	1	0	6	0

5.5 Identify Candidates for Board Appointment

The NC is responsible to perform screening, evaluation and nomination of the new Board Member's appointment. The procedures for the appointment of Directors and the criteria used by the NC in the selection process are provided in the TOR of NC.

In sourcing new Directors, the NC is empowered to utilize independent sources to identify suitably qualified candidates and does not solely rely on recommendations from existing directors, management or major shareholders to identify a short-list of suitable candidates for consideration.

5.6 Details of interest, position and relationship

The profile and details of the Directors are published in the Annual Report. The particulars of each director are disclosed in accordance with the Appendix 9c of the MMLR of Bursa Malaysia Securities Berhad, which include the following:

- a) the name, age, gender, nationality, qualification and whether the position is an executive or non-executive one and whether such director is an independent director;
- b) working experience and occupation;
- c) the date the person was first appointed to the board;
- d) the details of any board committee to which the person belongs;
- e) any other directorship in public companies and listed issuers;
- f) any family relationship with any director and/or major shareholder of the listed issuer;
- g) the nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries;
- h) other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any; and
- i) the number of board meetings attended in the financial year.

In the notice of the Company's AGM, the Board included comments on whether the Board supports the resolutions relating to the re-election of the retiring Directors. In addition, the Board provided insights into the rationale behind the re-election of the retiring Directors. These decisions were grounded in the satisfactory performance evaluations conducted annually, as outlined in the fit and proper policy.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

5.0 Board Objectivity (Cont'd)

5.7 Nomination Committee

The NC is chaired by Dato' Faiza Binti Zulkifli, the INED of the Company. In accordance to the NC TOR, the NC shall comprise at least three (3) members, exclusively of non-executive Directors, a majority of whom must be independent which are free from any business relationship that would materially interfere with their judgement as members of the Committee. The present NC comprises exclusively of INEDs as follows:

- Dato' Faiza Binti Zulkifli (INED/Chairman)
- Ms. Ju Siew Lee (INED/Member)
- Dato' Seri Lee Kah Choon (INED/Member)

5.8 Diversity of Board and Senior Management

The Board comprises two (2) women Directors out of six (6) Directors, which represents 33% women Directors. This demonstrates the Company's commitment on Board gender diversity as we had exceeded the prevailing requirement of Practice 5.9 of the MCCG to have at least 30% women Directors on Board.

5.9 Gender Diversity Policy

The Board recognises the importance of diversity in contributing to the sustainable development of the Company, the appointment of Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Company does not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability.

The Board has disclosed the Company's policy on gender diversity in the Annual Report.

6.0 Overall Effectiveness of the Board and Individual Directors

6.1 Annual Evaluation of Effectiveness of the Board, Board Committees and Directors

The Company carried out the assessment of the Board and Board Committees on 27 February 2025. The assessment was conducted internally via the NC taking into consideration the criteria guided by the Corporate Governance Guide of Bursa Malaysia Berhad. As stated in the TOR of NC, the NC is tasked to review annually the effectiveness of the Board by taking into consideration the present size, structure and composition of the Board and Board committees as well as the required mix skills, experience and competency required. The NC is also responsible for assessing annually the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director, including the directors' time commitment, character, experience and integrity. The assessment findings revealed that the Board, its Committees and Individual Directors have met the criteria used and satisfied the requirements.

All assessments and evaluations carried out by the NC in the discharge of all its functions shall be properly documented.

In addition, the NC also assesses annually the independence of the Independent Directors and this activity is disclosed in the annual report of the Company. The results of the evaluation were discussed by the NC which were then reported to the Board. The Board did not engage any external party to undertake an independent assessment of the Directors.

During the financial year ended 31 December 2024, the Directors have evaluated their own training needs on a continuous basis and attended the following:-

Director	Type of training
Dato' Seri Wong Siew Hai	<ul style="list-style-type: none"> - SME Conference 2024 (Innovation: The Pathway to Growth) - Bursa Securities Malaysia Berhad – Shifting Tides of US Industrial Policy by MSIA - National E&E Forum 2024 - SEMICON Southeast Asia 2024 - Sustainability & ESG Conference 2024 by MSIA and EEPN - ISEAS – Yusof Ishak Institute C29J workshop - Stratum Focus Series XVII (Semiconductors: Light at the end of the tunnel?) by Bursa Securities Malaysia Berhad and Hong Leong Investment Bank - Ikhlas Capital Annual Conference 2024 - Khazanah Megatrends Forum 2024 - BFM Breakfast Grille

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

6.0 Overall Effectiveness of the Board and Individual Directors (Cont'd)

6.1 Annual Evaluation of Effectiveness of the Board, Board Committees and Directors (Cont'd)

Director	Type of training
Dato' Ooi Eng Leong	<ul style="list-style-type: none"> - Refresher training on company policies - ESD Refresher training - Kaizen Internal Training - RBA Code of Conduct Awareness training - Conflict of Interest - Personal Data Protection Act
Lee Kim San	<ul style="list-style-type: none"> - Refresher training on company policies - ESD Refresher training - Kaizen Internal Training - RBA Code of Conduct Awareness training - Conflict of Interest - Personal Data Protection Act
Dato' Seri Lee Kah Choon	<ul style="list-style-type: none"> - Finance for Non Finance Director by ICDM - Protected: Being Sued as an Independent Non-Executive Director – A personal Journey by ICDM - When do Investors Sell a Stock? Webinar by Bursa Securities Malaysia Berhad - Anti Money Laundering and Anti Bribery & Corruption by Nature of Life - Financial Health Check: Mastering the Art of Analysing Company Statement by Bursa Securities Malaysia Berhad
Dato' Faiza Binti Zulkifli	<ul style="list-style-type: none"> - Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by ICDM
Ju Siew Lee	<ul style="list-style-type: none"> - Recent Development of Listing Requirements, including Conflict of Interest by CKM Advisory Sdn Bhd - Tax & Law relating to property transaction, capital gain tax, estate and trust by Malaysian Institute of Accountants (MIA) - Budget 2025 Seminar by MIA - Webinar: MFRS Updates 2024 by KPMG PLT - Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by ICDM

III REMUNERATION

7.0 Level and Composition of Remuneration

7.1 Remuneration Policy

The Board has adopted a Remuneration Policy and Procedures, with the aim to attract and retain quality members of the Board and Senior Management. The Policy serves as a guiding document to determine the remuneration of Directors and Senior Management, taking into account the demands, complexities and performance of the Company as well as skills and experience required. It also sets out an overarching framework for the development and administration of a fair and transparent framework for the remuneration of Directors and Senior Management.

The Remuneration Policy and Procedures has outlined the following key contents:

- Remuneration principles
- Remuneration structures
- Remuneration policies and procedures for Non-Executive Directors, Executive Directors and Senior Management
- Governance of remuneration

The Board and RC will review the on-going appropriateness and relevance of the Remuneration Policy and Procedures. The Policy is made available on the Company's website.

7.2 Remuneration Committee

As stated in the Remuneration Policy and Procedures, the RC as delegated by the Board is responsible to implement the Remuneration Policy and Procedures including reviewing and recommending matters relating to the remuneration of Directors and Senior Management.

The RC comprises exclusively INEDs of the Company and is governed by its TOR, which is available on the Company's website. The current members of the RC are as follows:

- Dato' Seri Lee Kah Choon (INED/Chairman)
- Ms. Ju Siew Lee (INED/Member)
- Dato' Faiza Binti Zulkifli (INED/Member)

Corporate Governance Overview Statement (Cont'd)

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

III REMUNERATION (CONT'D)

8.0 Remuneration of Directors and Key Senior Management

8.1 Directors' Remuneration

The detailed disclosure on named basis for the remuneration of individual directors, including the breakdown of individual directors on fees, salary, bonus, benefits in-kind and other emoluments for FYE 2024 are as disclosed below.

No	Name	Directorate	Company ('000)						Group ('000)							
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	
1	Dato' Ooi Eng Leong	Executive Director	-	7	-	-	-	-	7	-	7	660	55	25	144.2	891.2
2	Lee Kim San	Executive Director	-	6	-	-	-	-	6	-	6	419	34	10.6	123.0	592.6
3	Dato' Seri Wong Siew Hai	Independent Director	55	10.5	-	-	-	-	65.5	55	10.5	-	-	-	-	65.5
4	Dato' Seri Lee Kah Choon	Independent Director	45	10.4	-	-	-	-	55.4	45	10.4	-	-	-	-	55.4
5	Dato' Faiza Binti Zulkifli	Independent Director	45	10.3	-	-	-	-	55.3	45	10.3	-	-	-	-	55.3
6	Ju Siew Lee	Independent Director	50	10.7	-	-	-	-	60.7	50	10.7	-	-	-	-	60.7

8.2 Key Senior Management's Remuneration

The Board may consider disclosing the remuneration of the top six senior management on a band basis at a later stage if the Board, after thorough consideration and deliberation, determines that such disclosure will not have a detrimental impact on the management of the Group's human resources. Nonetheless, the Board continually reviews the remuneration of top senior management to ensure it is aligned with their responsibilities, individual performance, and the overall performance of the Group.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I AUDIT AND RISK MANAGEMENT COMMITTEE

9.0 Effective and Independent Audit and Risk Management Committee

9.1 Chairman of the Audit and Risk Management Committee

In accordance with the TOR of ARMC, the Chairman of the ARMC shall be appointed by the members of the Committee and must not be the chairman of the Board.

The ARMC is chaired by Ms. Ju Siew Lee who is not the Chairman of the Board. This ensures the Board is able to objectively review the ARMC's findings and recommendations.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

9.0 Effective and Independent Audit and Risk Management Committee (Cont'd)

9.2 Former Key Audit Partner

As stated in the TOR of ARMC, a former partner of the external audit firm is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee.

The Company has not appointed any former partner of external audit firm to be a member of the ARMC.

9.3 Suitability, Objectivity and Independence of the External Auditors

The ARMC had on 19 April 2024 assessed the external auditors, namely Grant Thornton Malaysia PLT, based on inter alia, the following factors:-

1. Quality of service including level of knowledge, capabilities, experience and quality of previous work
2. Communication and interaction such as ability to provide constructive observations, implications and recommendations in areas which require improvements
3. Independence, objectivity, professionalism and caliber of external auditors
4. Audit scope and fees as well as the provision of non-audit services does not impede their independence
5. Ability to perform the audit work within the agreed timeframe
6. Inputs and opinions from the Company's personnel who constantly deal with the external audit team throughout the year.

The External Auditors has provided assurance to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with By-Laws of the Malaysian Institute of Accountants.

The ARMC was satisfied with the performance and independence of the External Auditors.

9.4 Composition of the Audit and Risk Management Committee (Step Up)

In accordance to the TOR of ARMC, the ARMC shall be appointed by the Board and shall comprise at least three (3) members, consisting solely of INEDs who are free from any business or other relationship that would materially interfere with their judgement as members of the ARMC.

The present ARMC of the Company comprises solely of INEDs, namely:

- Ms. Ju Siew Lee (INED/Chairman)
- Dato' Faiza Binti Zulkifli (INED/Member)
- Dato' Seri Lee Kah Choon (INED/Member)

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

9.0 Effective and Independent Audit and Risk Management Committee (Cont'd)

9.5 Qualification of the Audit and Risk Management Committee

All members of the ARMC are financial literate, competent and able to understand matters under the purview of the ARMC including the financial reporting process. They are able to review the Company's financial reporting process and information to ascertain whether the financial reporting reflects the Company's actual performance. The Chairman of the ARMC namely Ms. Ju Siew Lee is a Chartered Accountant by profession.

All members of the ARMC have undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. Summary of training programmes, seminars and forums attended by ARMC members in the FYE 2024 are disclosed under page 72 and 73 of this Annual Report.

In addition, the ARMC is also kept updated by the Management, Company Secretary, External and Internal Auditors on changes to accounting and auditing standards, practices and rules.

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10.0 Risk Management

10.1 Effective Risk Management ("ERM") and Internal Control Framework

The Board recognises the importance of having a sound framework for internal controls and risk management. In respect to this, the Company has established an ERM Framework which is aligned with ISO 31000:2018 Risk Management Standards. The ERM framework enables the Company to have a structured process for risk management which includes identification, analysis, treatment, monitoring, review and reporting of risks across the Company.

Upon listing in January 2023, the Company had engaged an independent professional firm to provide ERM awareness session to the identified employees, focusing the introduction of risk, importance of risk management and ERM methodology.

In 2024, the risk assessment process was performed and encompassed both ERM and Corruption Risk Management ("CRM"), addressing both business and corruption-related risks. The process involved the identification, ranking and prioritisation of the Group's key risks, taking into account their potential impact and likelihood of occurrence. Additionally, it included the identification of controls to manage these risks to the desired level.

The risk assessment activities during the financial year under review encompassed:

- Strategic discussion with Executive Directors and Senior Management to understand the strategic concerns from Top Management; and
- Interviews with Management identified personnel to elicit risk information, scrutinise and validate preliminary risks and current controls.

The results of the risk assessment, encompassing both ERM and CRM, were reviewed by Senior Management before being presented to the ARMC on 24 February 2025 and to the Board on 27 February 2025.

The Statement on Risk Management and Internal Control ("SORMIC") in Company's Annual Report 2024 provides an overview on the state of the risk management and internal control in the Company.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

10.0 Risk Management (Cont'd)

10.2 Features of Risk Management and Internal Control Framework

The Board has disclosed the overview of the risk management framework and internal control system within the Company and the adequacy and effectiveness of the framework in the SORMIC of the Annual Report 2024.

The Board is satisfied with the existing level of systems of risk management and internal control. The Board also received assurance from the Managing Director, Executive Director and Finance Director that to the best of their knowledge that the Company's risk management and internal control systems are adequate and effective.

The SORMIC was reviewed by the Company's External Auditors.

10.3 Risk Management Committee (Step Up)

The Board has formed its ARMC to oversee the risk management framework and policies in the Company. In accordance to the TOR of ARMC, the ARMC shall be appointed by the Board and shall comprise at least three (3) members, consisting solely of INEDs which are free from any business or other relationship that would materially interfere with their judgement as members of the Committee.

The present ARMC of the Company comprises solely of INEDs, namely:

- Ms. Ju Siew Lee (INED/Chairman)
- Dato' Faiza Binti Zulkifli (INED/Member)
- Dato' Seri Lee Kah Choon (INED/Member)

11.0 Effective Governance, Risk Management and Internal Control Framework

11.1 Internal Audit Function and Effectiveness Review

The internal audit ("IA") function is outsourced to an independent professional service provider namely YNC Business Consultant Sdn. Bhd. ("YNC") to assist the ARMC and the Board in discharging their responsibilities. The outsourced Internal Auditors reports directly to the ARMC and provides the Board with independent, objective and reasonable assurance on the effectiveness of the internal controls in the Company.

In accordance with Paragraph 15.15(3)(e) of the MMLR, the summary of work of the IA function is disclosed in the Annual Report 2024, under ARMC Report.

In ensuring that the duties and responsibilities of Internal Auditors are fully discharged, functioning effectively and independently, the TOR of the ARMC stipulates that the ARMC is responsible to review:

- Review and report the same to the Board on the adequacy of the scope, functions, competency and resources of the IA function without interference from the Management, and that it has the necessary authority to carry out its work;
- Review and report the same to the Board on the IA program, processes, the results of the IA program, processes or investigation undertaken, and whether or not appropriate action is taken on the recommendations of the IA function;
- Ensure that appropriate action is taken on the recommendations of the internal auditors, where necessary;
- Review the assistance and cooperation given by the employees of the Company to the internal auditors;
- Review any appraisal or assessment of the performance of the internal auditors;
- Review the effectiveness of the Company's IA function including compliance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and make recommendations necessary for improvement of the internal audit function;
- Approve any appointment or termination of the internal auditors; and
- Review any letter of resignation of internal auditors and request the resigning firm to submit its reasons for resigning.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

11.0 Effective Governance, Risk Management and Internal Control Framework (Cont'd)

11.2 Internal Audit Effectiveness Review (Cont'd)

The IA function is outsourced to YNC, an independent professional firm. The internal audit engagement is led by an Executive Director, Ms. Phoon Yee Min, who is a Certified Internal Auditor ("CIA"), member of Association of Chartered Certified Accountants ("ACCA") and member of Malaysia Institute of Accountants ("MIA"). She has accumulated over 20 years of experience in Audit and Advisory engagement. She is further supported by other YNC professional staffs. All the personnel deployed by YNC do not have any family relationship or conflicts of interest with our Company that could impair their objectivity and independence during the course of their work.

The Internal Auditors conducted their work in consideration of the broad principles of the International Professional Practice Framework ("IPPF") of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders.

In FYE 2024, the Internal Auditors had reported their observations and findings according to the approved Internal Audit Plan to the ARMC.

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

I ENGAGEMENT WITH STAKEHOLDERS

12.0 Communication with Stakeholders

12.1 Effective, Transparent and Regular Communication with its Stakeholders

The Board ensures that the communication with its stakeholders is accurate, transparent, timely and with high-quality disclosure. In respect to this, the Board has established various communication channels with its stakeholders.

The Annual Report remains a vital and convenient source of essential information for investors, shareholders and stakeholders. Annual Report is made available on our Company's website.

The Company's website serves as a platform to provide information about the Company. The Company's website also has a dedicated Investor Relations ("IR") section containing annual report, quarterly report, announcement, corporate governance and stock information. Contact details of the IR including its email investorsrelation@nationgate.com.my are also listed on the website to facilitate dialogue and queries from shareholders.

The detailed stakeholder engagement method is set out in the Company's Sustainability Report.

II CONDUCT OF GENERAL MEETINGS

13.0 Engagement with Shareholders

13.1 Notice of Annual General Meeting

The Board endeavours to provide shareholders with adequate time to consider the resolutions that will be discussed and decided during the AGM. Where the shareholders are not able to attend the AGM, they may appoint proxies to attend, vote and ask question on their behalf.

The notice of the Company's third AGM was circulated to shareholders on 29 April 2024, which is at least 28 days prior to the date of the meeting, i.e. 28 June 2024.

13.2 Directors' Participation at General Meetings

All the Directors, Chairman of the Board and Chairpersons of the Board Committees attended the third AGM held on 28 June 2024 and EGM held on 14 May 2024 to provide meaningful response to questions addressed to them. They are fully aware of their respective scope of responsibilities and will come prepared to address any issues that the shareholders may raise within the scope of the responsibilities of the Board Committees that they lead.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II CONDUCT OF GENERAL MEETINGS (CONT'D)

13.0 Engagement with Shareholders (Cont'd)

13.3 Voting

The Company conducted its third AGM on 28 June 2024, on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website. Electronic voting was adopted to ensure accurate recording of votes and all resolutions put to vote by poll. An independent scrutineer has been appointed to validate the votes cast and results of each resolution put to vote were announced at the meeting. An announcement detailing the results, including the total number of votes cast for and against each resolution and the respective percentages has been announced via Bursa Securities' website after the conclusion of the AGM.

Shareholders who are unable to attend the AGM are advised to appoint proxies to attend and vote on their behalf by completing the proxy form enclosed in the Annual Report and depositing it at the Registered Office at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

13.4 Interaction with Shareholders in General Meetings

The Board regards its AGM or other general meetings as an opportunity to communicate directly with shareholders and endeavour to encourage shareholders to participate in these meetings.

The third AGM held on 28 June 2024 was conducted on a fully virtual basis through live streaming and online remote voting. The Company's financial and non-financial performance has been presented during the AGM. The Board Chairman provided appropriate and sufficient time and encourage shareholders to pose questions, express opinions and give suggestions about the issues throughout the entire meeting. The Finance Director, Corporate Services Director, Joint Company Secretaries and external auditors were present during the AGM to engage with shareholders and address any areas of interest or concern brought up by the shareholders.

The EGM held on 14 May 2024 was conducted on a fully virtual basis through live streaming and online remote voting. The Board Chairman provided appropriate and sufficient time and encourage shareholders to pose questions, express opinions and give suggestions about the issues throughout the entire meeting.

13.5 Virtual General Meeting

For the financial year under review, an EGM was held virtually on 14 May 2024.

Shareholders were advised to attend, speak (in the form of real time submission of typed texts) and vote remotely at the EGM through live streaming and online remote voting via Remote Participation and Voting facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at <https://tiih.online>.

13.6 Minutes of the General Meeting

The Board understand that the minutes of AGM and EGM reflects the mutual understanding and resolutions reached between the shareholders and Directors of the Company. The minutes also provide meaningful information to shareholders especially for the absentee shareholders to keep track with the AGM and EGM that they are unable to attend.

The minutes of the Company's third AGM (held on 28 June 2024), which details the meeting proceedings including the Q&A discussions, were published on the Company's and Bursa Securities website on 28 June 2024 i.e. no later than 30 business day after the AGM.

While the minutes of the Company's EGM (held on 14 May 2024), which details the meeting proceedings including the Q&A discussions, were published on the Company's and Bursa Securities website on 14 May 2024 i.e. no later than 30 business day after the EGM.

Statement on Risk Management and Internal Control

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and Practice 10.2 of the Malaysian Code on Corporate Governance 2021 ("MCCG"), with the guidance on the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board of Directors of NationGate Holdings Berhad ("NGH" or the "Company") and its subsidiaries ("Group") is pleased to present the Statement on Risk Management and Internal Control. The Statement outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 December 2024.

BOARD'S RESPONSIBILITY

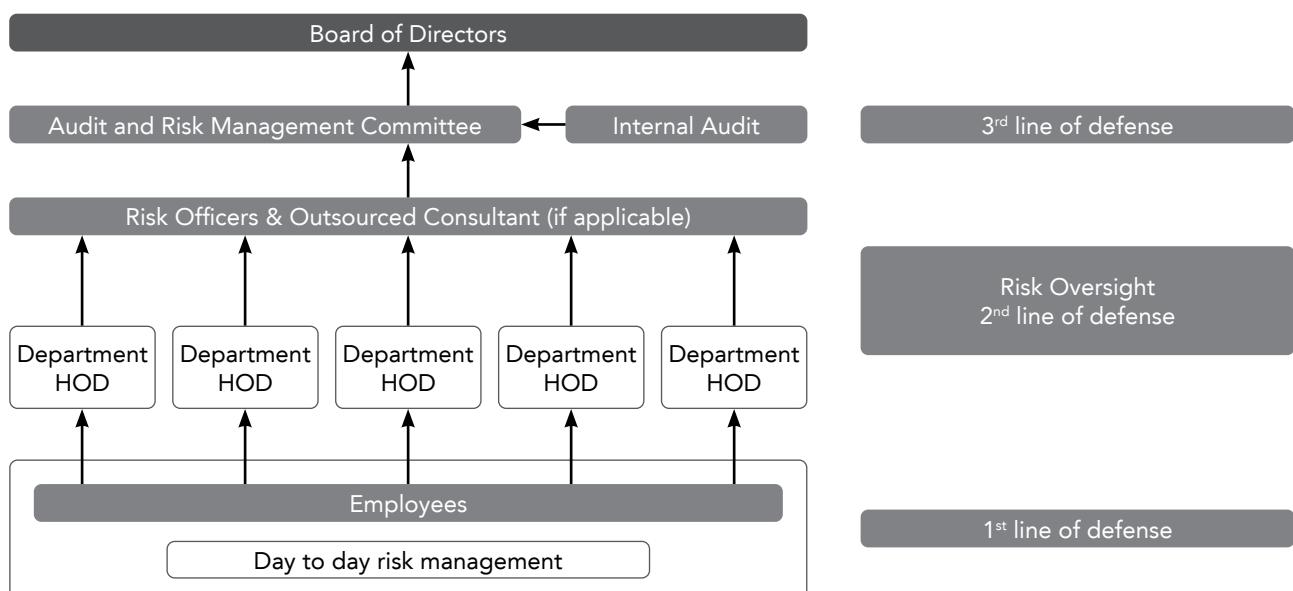
The Board affirms its overall responsibility for the Group's system of internal control and risk management. The Board recognises the importance of maintaining a sound system of internal control and risk management to safeguard the shareholders' investment and the Group's assets, and to discharge their stewardship responsibilities in identifying and reviewing risks and ensuring the implementation of appropriate systems to manage these risks. However, in view of the limitations that are inherent in any risk management system and internal control system, the system is designed to manage, rather than to eliminate, the risk of failure to achieve the business objectives of the Group. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement, financial losses, fraud and breaches of laws or regulations.

The Board has delegated the oversight of the risk management and the internal control function to the Audit and Risk Management Committee ("ARMC") which is comprised solely of Independent Non-Executive Directors. On a periodic basis, the Board, via the ARMC, reviews the adequacy and integrity of the Group's internal control systems and, where appropriate, requires the Management to implement appropriate internal controls and mitigation measures to address emerging issues or areas of control deficiencies. The process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in this Annual Report.

The Group's system of risk management and internal control applies principally to the Company and its subsidiaries but do not apply to the associate.

RISK MANAGEMENT FRAMEWORK

The Group has in place an Enterprise Risk Management ("ERM") framework which serves as a methodical approach for the timely identification, reporting and management of principal risks as well as in ensuring the implementation, tracking and review of the effectiveness of mitigation actions for the risks identified. It sets out the risk management governance, guidelines, processes and control responsibilities in association with the Group's business and operational requirements in order to maintain a sound control environment. The risk reporting structure is outlined as below:



Statement on Risk Management and Internal Control (Cont'd)

RISK MANAGEMENT FRAMEWORK (CONT'D)

The risk assessment was outsourced to an independent professional firm, YNC Business Consulting Sdn. Bhd. ("YNC"), to assist the Board and Management in updating the Group's risk profile. In 2024, the risk assessment process encompassed both ERM and Corruption Risk Management ("CRM"), addressing both business and corruption-related risks. The process involved the identification, ranking and prioritisation of the Group's key risks, taking into account their potential impact and likelihood of occurrence. Additionally, it included the identification of controls to manage these risks to the desired level.

The risk assessment activities during the financial year under review encompassed:

- Strategic discussion with Executive Directors and Senior Management to understand the strategic concerns from Top Management; and
- Interviews with Management identified personnel to elicit risk information, scrutinise and validate preliminary risks and current controls.

The results of the risk assessment, encompassing both ERM and CRM, were reviewed by Senior Management before being presented to the ARMC on 24 February 2025 and to the Board on 27 February 2025.

INTERNAL AUDIT FRAMEWORK

The salient elements of the Group's internal control framework are described below:

a) Organisation Structure and Limit of Authority

The Group has an organisational structure that well defines lines of responsibility, delegation of authority, segregation of duties and flow of information, aligned to the operational requirements of the business of the Group within management, which provides the levels of accountability and responsibility of the respective job functions of management. The Group has established authorisation limits and approval levels for management to follow including those requiring approval from the Board. No single individual should be accorded with unfettered powers.

b) Policies and Procedures

Formalised and documented internal policies, standards and procedures are in place to ensure compliance with internal controls and relevant laws and regulations. The policies and procedures are subject to review and enhancement as and when necessary to ensure that documentation remains current and relevant.

c) Strategic Business Planning Process

Business plans are established in which the Group's business objectives, strategies and targets are articulated. Business planning and budgeting are undertaken to establish plans and targets against which performance is monitored on an ongoing basis.

d) Integrity and Ethical Values

The Board acknowledges that "tone from the top" is a key driver for healthy corporate culture and serves to form the bedrock of value creation. In respect to this, the Board adopts the Anti Bribery and Corruption Policy and Code of Business Conduct and Ethics. The Whistleblowing Policy is also established to provide avenue for the stakeholders to raise genuine concerns about possible improprieties in matters of financial reporting, compliance, malpractices and unethical business conduct such as bribery and corruption within the Group at the earliest opportunity and in an appropriate way.

e) Approval of the Annual Internal Audit Plan

Internal audit will be carried out based on the annual internal audit plan approved by the ARMC and takes into consideration feedback from the Management. During the financial year under review, the risk based internal audit plan covering identified areas was reviewed and approved by the ARMC.

Statement on Risk Management and Internal Control (Cont'd)

INTERNAL AUDIT FUNCTION

The Group outsourced the internal audit function to YNC, an independent professional firm. The firm is free from any relationships or conflicts of interest, which could impair its objectivity and independence of the internal audit function. The firm does not have any direct operational responsibility or authority over any of the activities audited. Functionally, the Internal Auditors report directly to the ARMC. The primary responsibility of the Internal Auditors is to assist the Board and the ARMC in reviewing and assessing management systems of internal control and procedures. The ARMC reviews and approves the Internal Audit Engagement and fees to ensure the independence and objectivity of the Internal Auditors.

The Internal Auditors executed the internal audit work based on a risk-based internal audit plan which had been approved by the ARMC before the commencement of work. The Internal Auditors will conduct their work in consideration of the broad principles of the International Professional Practices Framework ("IPPF") of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders.

The internal audit engagement by YNC was led by an Executive Director, namely Ms Phoon Yee Min who is a Certified Internal Auditor ("CIA"), member of Association of Chartered Certified Accountants ("ACCA") and member of Malaysia Institute of Accountants ("MIA"). She has accumulated over 20 years of experience in Audit and Advisory engagement. She was further supported by other YNC professional staff. All the personnel deployed by YNC will not have any family relationship or conflicts of interest with the Group that could impair their objectivity and independence during the course of their work.

During the financial year under review, the internal auditors assessed the adequacy and effectiveness of internal controls and risk management processes in the following areas:

- Business development on RFQ/ quotation process, credit evaluation and credit control, and costing analysis process; and
- Human resources on hiring and resignation process, employee retention and reward program, and employee development.

REVIEW BY THE EXTERNAL AUDITORS

The external auditors, Grant Thornton Malaysia PLT, have reviewed the Statement on Risk Management and Internal Control pursuant to Rule 15.23 of the MMLR of Bursa Malaysia and in accordance with the Audit and Assurance 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") in February 2018 for inclusion in the annual report of the Group for the financial year under review.

The external auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate. AAPG 3 does not require the external auditors to consider whether this Statement covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures.

CONCLUSION

The Board is of the view that the risk management and internal control systems are operating satisfactorily and effectively to safeguard the interest of stakeholders and assets of the Group for the financial year under review, and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the annual report of the Company.

The Board has received reasonable assurance from the Managing Director and Finance Director that, to the best of their knowledge the risk management and internal control system is operating adequately and effectively, in all material aspects, based on the framework adopted by the Group.

This Statement on Risk Management and Internal Control is made in accordance with a resolution passed in the Board of Directors' meeting held on 23 April 2025.

Audit and Risk Management Committee Report

NationGate Holdings Berhad ("NGH" or the "Company") and its subsidiaries ("Group") is pleased to present the Audit and Risk Management Committee ("ARMC") Report for the financial year ended 31 December 2024.

COMPOSITION

The ARMC comprised solely of Independent Non-Executive Directors as below:

Name	Designation	Directorship
Ju Siew Lee	Chairman	Independent Non-Executive Director
Dato' Seri Lee Kah Choon	Member	Independent Non-Executive Director
Dato' Faiza Binti Zulkifli	Member	Independent Non-Executive Director

The current composition of ARMC is in line with Paragraphs 15.09(1)(a) and (b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Practice 1.4 of the Malaysian Code on Corporate Governance ("MCCG"), where the Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee and Step Up Practice 9.4 of MCCG, which stipulated the Audit Committee should comprise solely of Independent Directors.

The ARMC is chaired by Ms. Ju Siew Lee who is not the Chairman of the Board, which is aligned with the Practice 9.1 of the MCCG. Ms. Ju Siew Lee is a member of the Malaysian Institute of Accountants ("MIA"). Therefore, the Group complies with the requirements of Rule 15.09(1)(c)(i) of the MMLR which stipulates that at least one member of the ARMC must be a member of MIA.

All members of the ARMC are financial literate, competent and able to understand matters under the purview of the ARMC including the financial reporting process. They are able to review the Group's financial reporting process and information to ascertain whether the financial reporting reflects the Group's actual performance.

MEETINGS AND ATTENDANCE

The ARMC convened five (5) meetings during the financial year ended 31 December 2024. The attendance of the members is tabulated below.

Name of ARMC members	Attendance	Percentage of Attendance
Ju Siew Lee	5 of 5 meetings	100%
Dato' Seri Lee Kah Choon	5 of 5 meetings	100%
Dato' Faiza Binti Zulkifli	5 of 5 meetings	100%

Executive Directors, Finance Director and other relevant key personnel as appropriate are invited to attend the meetings to facilitate direct communication and provide clarification on audit issues, financial reports and operations of the Group. Representatives of the internal auditors and external auditors are also invited to attend the meetings to present their respective reports.

The Company Secretary acts as secretary to the ARMC. Notice of meetings and supporting documents were circulated to the ARMC members at least seven (7) days prior to the meeting, providing the ARMC with relevant and timely information for effective discussions during the meeting. The minutes of each meeting are kept and distributed electronically to the ARMC members and Board of Directors.

TERMS OF REFERENCE

The Terms of Reference ("TOR") of the ARMC, which outline the composition, authority, duties and responsibilities, meeting and disclosure are published on the Company's website at <http://www.nationgate.com.my>.

Audit and Risk Management Committee Report (Cont'd)

SUMMARY OF ACTIVITIES OF ARMC

The activities undertaken by the ARMC in discharging its functions and duties during the financial year under review are summarized as below:

Financial Reporting

- Reviewed the Group's unaudited quarterly financial reports and the audited financial statements, prior to recommending to the Board for its approval and release of the Group's financial results to Bursa Securities.
- Discussed and reviewed the integrity of information, regulatory and accounting standard compliance in the quarterly financial reports and audited financial statements focusing particularly on changes in or implementation of major accounting policies, major judgement areas, significant and unusual events and compliance with applicable accounting standards.

External Audit

- Reviewed the Audit Planning Memorandum which outlined the external auditors' audit team, audit scope and materiality, initial assessment of the significant audit risks, summary of audit approach, proposed audit timeline and reporting schedule besides proposed audit fees for the financial year under review.
- Held private discussions with the external auditors, in the absence of the management, to review and discuss area of concern. No major concerns were raised by the external auditors.
- Reviewed the external auditors' report and their opinion in relation to the audited financial statements of the Company and the Group, including any significant findings in relation to the audit.
- Performed annual assessment on the independence and performance of the external auditors. ARMC is satisfied with the outcome of assessment and recommended for their re-appointment as external auditor as well as the proposed audit fees to the Board.

Internal Audit

- Reviewed and recommended the appointment of internal auditors.
- Reviewed and approve the internal audit plan proposed by the internal auditors to ensure the adequacy of the scope and coverage of work.
- Reviewed the internal audit reports, assessed the audit findings, management comments, audit recommendations for improvements and actions taken for improvement.
- Reported to the Board on the internal audit activities, significant audit findings and actions taken for improvement.

Conflict of Interest, Related Party Transactions ("RPT") and Recurrent Related Party Transactions ("RRPT")

- Reviewed any conflict of interest situation and RPT on quarterly basis.
- Reviewed RRPT on quarterly basis to ascertain if the transactions were at arm's length basis and in ordinary course of business.
- Reviewed the proposed RRPT for shareholders' mandate before recommended to the Board.

Other Activities

- Reviewed and recommended the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report to the Board for approval.
- Reviewed the TOR of ARMC.

Audit and Risk Management Committee Report (Cont'd)

SUMMARY OF ACTIVITIES CARRY OUT BY ARMC DURING THE FINANCIAL YEAR

The activities undertaken by the ARMC in discharging its functions and duties during the financial year under review are summarized as below:

a.) Financial Reporting

The ARMC reviewed the unaudited quarterly financial reports as well as the annual financial statements of the Group before recommended to the Boards for its approval.

Date of meetings	Financial Statements
26 February 2024	Unaudited Fourth Quarter Interim Financial Report for the quarter ended 31 December 2023.
19 April 2024	Draft audited financial statements for the financial year ended 31 December 2023.
28 May 2024	Unaudited First Quarter Interim Financial Report for the quarter ended 31 March 2024.
27 August 2024	Unaudited Second Quarter Interim Financial Report for the quarter ended 30 June 2024.
25 November 2024	Unaudited Third Quarter Interim Financial Report for the quarter ended 30 September 2024.

b.) External Auditors

- i) The ARMC conducted two (2) private sessions with the external auditors on 26 February 2024 and 25 November 2024, with the absence of the management of the company, to discuss on their area of concerns arising from the audit performed.
- ii) On 26 February 2024, the ARMC reviewed the audit findings report in respect of their audit for the financial year ended 31 December 2023.
- iii) On 19 April 2024, the ARMC reviewed and discussed on the annual audited financial statements for financial period ended 31 December 2023. It was unanimously resolved that the annual audited financial statements be recommended to the Board for approval.

On the even date, the ARMC considered the external auditors' performance, tenure, independence and objectivity, technical competency, audit quality and adequacy of resources in their evaluations of external auditors' performance.

The ARMC was satisfied with the performance of Messrs Grant Thornton Malaysia PLT ("GTM") and had recommended the re-appointment of GTM as external auditors to the Board subject to the shareholders' approval at the company forthcoming Third Annual General Meeting.

- iv) On 25 November 2024, the ARMC discussed and reviewed the external auditors' Audit Planning Memorandum for the financial year ended 31 December 2024 outlining their audit team, objectives and scope, recent development of the Group, key identified risks, audit approach, proposed audit timeline and reporting schedule and proposed audit fees before the commencement of the audit for the Group's financial statements.

The ARMC also reviewed the proposed audit fees of the external auditors and presented to the Board of Directors for approval.

Audit and Risk Management Committee Report (Cont'd)

SUMMARY OF ACTIVITIES CARRY OUT BY ARMC DURING THE FINANCIAL YEAR (CONT'D)

c.) Internal Auditors

During the financial year under review, the Group continued to outsource its internal audit function to YNC Business Consulting Sdn Bhd ("YNC"), an independent professional firm to provide the internal audit services for the Group. YNC assists both the Board and the ARMC by conducting independent assessments on the adequacy and effectiveness of the Group's internal control system, based on an Internal Audit Plan approved by the ARMC before the commencement of work. The Internal Auditors report directly to the ARMC to ensure independence from Management.

- i.) On 26 February 2024, the ARMC reviewed the internal audit plan which covers key processes for Business Development and Human Resources.
- ii.) On 26 February 2024, the ARMC reviewed Enterprise Risk Management ("ERM") 2023 reports covering the areas of strategic and operations.
- iii.) On 28 May 2024, the ARMC reviewed the reports received on Business Unit which covering audit findings, management response and their recommendations for improvement.
- iv.) On 25 November 2024, the ARMC reviewed the reports received on Human Resources which covering audit findings, management response and their recommendations for improvement, besides follow-up reviews in assessing the progress of the agreed management's action plans.
- v.) On 25 November 2024, the ARMC with satisfaction with the performance of YNC had approved the appointment of YNC as internal auditors.

The total cost incurred for the internal audit function for the financial period ended 31 December 2024 was RM36,000.

The internal audit findings, description, implications, recommendations for improvement and management response and action plan were tabled to the ARMC for their review and deliberations. The internal auditors monitored and follow-through the implementation of management's action plan to ascertain that all key risk and control weaknesses are being properly addressed.

Further details on the internal audit function are reported in the Statement on Risk Management and Internal Control of this Annual Report.

d.) Conflict of Interest, RPT and RRPT

On 26 February 2024, the ARMC reviewed the Group's RRPT value to be included in the circular for proposed new shareholders' mandate for RRPT to be submitted to Bursa Malaysia Securities Berhad and mandate for the RRPT ("RRPT Circular") before recommending to the Board.

The ARMC also review the conflict of interest or potential conflict of interest situation on quarterly basis. The summary of potential conflict of interest is stated in Key Senior Management's Profile.

e.) Others

The details of non-audit fees for the Company and the Group are stated below.

Nature of Services	Company RM	Group RM
Tax compliance service fees	5,000	53,000
Review of Statement on Risk Management and Internal Control	3,000	3,000

Statement of Directors' Responsibility

Pursuant to the provisions of the Companies Act 2016, and Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Directors are required to prepare the annual audited financial statements, including the cash flows and results, that give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year.

In the preparation of these financial statement, the Directors have taken the following measures:

- i. appropriate accounting policies have been adopted and applied consistently;
- ii. reasonable and prudent judgements and estimates have been made;
- iii. all applicable approved accounting standards in Malaysia, such as Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 have been adhered to; and
- iv. the financial statements have been prepared on a going concern basis.

The Directors have ensured that proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement was made in accordance with a resolution of Board of Directors dated 23 April 2025.

Additional Compliance Information

1. UTILISATION OF PROCEEDS

On 12 August 2024, the Company had issued a total of 202,369,310 new ordinary shares at an issue price of RM1.96 per share pursuant to placement of new ordinary shares to independent third party investors.

Our utilisation of proceeds as at 31 December 2024 is as follows:

Utilisation of proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance of Proceeds RM'000	Estimated timeframe for utilization of proceeds upon share placement
Working capital requirements	393,146	393,146	-	Within 12 months
Estimated listing expenses	3,499	3,499	-	Within 3 months
Total	396,645	396,645	-	-

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Company and the Group for the financial period ended 2024 ("FY 2024") by the Company's Auditors and its local affiliate are as follows:

	Audit Fees (RM)	Non-Audit Fees* (RM)
Company	40,000	48,000
Group	248,000	96,000

* Non-Audit fees comprise of Review of Statement of Risk Management and Internal Control, professional fees for tax compliance services.

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

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 34 (ii) to the financial statements.

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

There were no material contracts entered into by the Company and its subsidiary involving Directors', Chief Executive and major shareholders' interests during the financial year ended 31 December 2024.

Directors' Report

For The Financial Year Ended 31 December 2024

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

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
Profit for the financial year	<u>179,206,788</u>	<u>55,662,038</u>
Attributable to:		
Owners of the Company	160,190,024	55,662,038
Non-controlling interest	19,016,764	-
	<u>179,206,788</u>	<u>55,662,038</u>

In the opinion of the directors, 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.

DIVIDENDS

Since the end of the previous financial year, the Company had declared the following dividends:

- (i) Final single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2023 amounting to RM5,184,833 on 29 February 2024 and paid on 11 July 2024;
- (ii) First interim single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2024 amounting to RM5,184,833 on 31 May 2024 and paid on 12 August 2024;
- (iii) Second interim single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2024 amounting to RM5,690,756 on 29 August 2024 and paid on 23 September 2024; and
- (iv) Third interim single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2024 amounting to RM5,691,698 on 27 November 2024 and paid on 24 December 2024.

On 19 March 2025, the Company has declared a final single tier dividend of 0.25 sen per ordinary share amounting to RM5,691,699 and special dividend of 1.0 sen per ordinary share amounting to RM22,766,795 in respect of the financial year ended 31 December 2024 which are payable on 18 April 2025. The current financial statements do not reflect this declared dividend. Such declared dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

RESERVES AND PROVISIONS

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

Directors' Report (Cont'd)

For The Financial Year Ended 31 December 2024

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM304,540,409 to RM697,685,875 by way of issuance of:

- (i) 202,369,310 new ordinary shares through a private placement at an issue price of RM1.96 per ordinary share; and
- (ii) 376,900 new ordinary shares pursuant to Employee Share Grant Program ("ESGP"). The fair value of the ESGP amounting to RM670,882 was transferred from ESGP reserve to share capital upon vesting of ESGP.

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

EMPLOYEE SHARE GRANT PROGRAM ("ESGP")

The establishment of ESGP under Long Term Incentive Plan ("LTIP") of up to 15% of the Company's total number of issued shares for eligible directors and employees of the Group was approved by the shareholders of the Company at an Extraordinary General Meeting held on 20 July 2023. The LTIP is governed by the By-Laws and it shall be in force for a period of 5 years from 1 December 2023. The directors may, if the directors deem fit and upon the recommendation of the LTIP committee, extend the LTIP for a period of up to a maximum of 5 years immediately from the expiry of the first 5 years, provided that the LTIP does not exceed a maximum period of 10 years in its entirety.

The salient features of the LTIP are disclosed in Note 39 to the financial statements.

As at 31 December 2024, the movement of the ESGP during the financial year is as follows:

Grant date	Number of ESGP				Balance at 31.12.2024
	Balance at 1.1.2024	Granted	Vested	Forfeited	
28.8.2024	-	2,652,600	(376,900)	(71,990)	2,203,710

DIRECTORS

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

Directors of the Company:

Dato' Seri Wong Siew Hai
 * **Dato' Ooi Eng Leong**
 * **Lee Kim San**
Dato' Seri Lee Kah Choon
Dato' Faiza Binti Zulkifli
Ju Siew Lee

* The directors are also directors of the subsidiaries

Directors of the subsidiaries:

Davindra Singh Gendeh
Lee Aik Kun (resigned on 20.12.2024)

Directors' Report (Cont'd)

For The Financial Year Ended 31 December 2024

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholding kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares in the Company during the financial year are as follows:

	Number of ordinary shares		
	Balance at 1.1.2024	Bought	Sold
			Balance at 31.12.2024

The Company

Direct Interest:

Dato' Seri Wong Siew Hai	5,200,000	220,000	(819,200)	4,600,800
Dato' Ooi Eng Leong	1,200,730,300	770,000	(103,696,000)	1,097,804,300
Lee Kim San	15,470,900	10,500	(2,570,900)	12,910,500
Dato' Seri Lee Kah Choon	1,750,000	-	-	1,750,000
Dato' Faiza Binti Zulkifli	20,000	-	(20,000)	-
Ju Siew Lee	-	20,700	(20,700)	-

Deemed Interest:

^ Dato' Seri Wong Siew Hai	884,800	165,000	(142,000)	907,800
# Dato' Ooi Eng Leong	148,286,100	1,200	(700,000)	147,587,300

	Number of ESGP		
	Balance at 1.1.2024	Granted	Vested
			Balance at 31.12.2024

Direct Interest:

Lee Kim San	-	70,000	(10,500)	59,500
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[^] Deemed interested pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held by his children.

[#] Deemed interested pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held by his spouse and child.

By virtue of his shareholdings in the Company, **Dato' Ooi Eng Leong** is also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests.

DIRECTORS' REMUNERATION AND BENEFITS

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

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Fees	195,000	-	195,000
Salaries, bonus and allowances	54,900	1,168,000	1,222,900
EPF	-	233,600	233,600
ESGP expenses	-	31,228	31,228
Benefits-in-kind	-	35,625	35,625
	249,900	1,468,453	1,718,353

Directors' Report (Cont'd)

For The Financial Year Ended 31 December 2024

DIRECTORS' REMUNERATION AND BENEFITS (CONT'D)

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in Note 34 to the financial statements.

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The insurance premium paid and professional indemnity coverage for the directors and officers of the Company during the financial year amounted to RM52,000 and RM30 million respectively.

OTHER STATUTORY INFORMATION

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

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

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

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

In the opinion of the directors:

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

Directors' Report (Cont'd)

For The Financial Year Ended 31 December 2024

SIGNIFICANT EVENT

The details of the significant event are disclosed in Note 41 to the financial statements.

EVENTS AFTER THE REPORTING PERIOD

The details of the events after the reporting period are disclosed in Note 42 to the financial statements.

AUDITORS

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

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

	GROUP RM	COMPANY RM
Statutory audit	248,000	40,000
Assurance related and non-audit services	96,000	48,000
Total	344,000	88,000

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

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

Dato' Ooi Eng Leong

Penang,

Date: 23 April 2025

Lee Kim San

Directors' Statement

In the opinion of the directors, the financial statements set out on pages 100 to 154 are properly drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December 2024** and of their financial performance and cash flows for the financial year then ended.

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

Dato' Ooi Eng Leong

Lee Kim San

Date: 23 April 2025

Statutory Declaration

I, Dato' Ooi Eng Leong, the director primarily responsible for the financial management of **NationGate Holdings Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 100 to 154 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this 23rd)
day of April 2025.)

Dato' Ooi Eng Leong

Before me,

Liew Juan Leng (P162)
Commissioner for Oaths

Independent Auditors' Report

To The Members Of NationGate Holdings Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NationGate Holdings 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 100 to 154.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 December 2024** and of their financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of 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.

Independent Auditors' Report (Cont'd)

To The Members Of NationGate Holdings Berhad

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Valuation of inventories (Note 11 to the financial statements)</p> <p>The Group holds significant inventories as at 31 December 2024 which exposes the Group to a risk that the inventories may become slow moving or recorded above their realisable value. Besides, it is also exposed to risks of inaccurate valuation due to inaccurate physical or costing records.</p> <p>We focus on this area as it involves estimation uncertainty by the management in determining the accuracy of inventories written down and in assessing the adequacy of inventories not stated at the lower of cost and net realisable value.</p>	<p>Our audit procedures in relation to the valuation of inventories included, amongst others, the followings:</p> <ul style="list-style-type: none"> • Obtained an understanding of: <ul style="list-style-type: none"> - the Group's inventory management process; - how the Group identifies and assesses inventories written down; and - how the Group makes the accounting estimates for inventories written down; • Reviewed the consistency of the application of management's methodology in determining and estimating the inventories written down from year to year; • Attended the year end physical inventory counts to observe the inventory count procedure carried out and separately identify if there are any inventories which are slow moving or obsolete; • Made inquiries of management regarding the action plans to clear the aged inventories; • Reviewed the costing method used by the Group and assessed whether it is consistent with prior year. This process involved understanding how material, labour and overhead cost are allocated to the inventories and verifying that the data used by the management was up-to-date; • Performed substantive testing to verify cost of raw materials to supplier invoices on a sampling basis; • Reviewed and tested the net realisable value of inventories on a sampling basis; and • Obtained and tested the reliability of the inventories ageing worksheet provided by the management. From there, we have assessed management's evaluation on non-provision of write-down for slow moving inventories through enquiries and corroborating with other supporting evidence.

Independent Auditors' Report (Cont'd)

To The Members Of NationGate Holdings Berhad

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
Revenue recognition <i>(Note 26 to the financial statements)</i> <p>The Group's revenue is mainly derived from the assembly and testing of electronic components/products and semiconductor devices and is recognised at a point in time.</p> <p>We focus on this area as the magnitude and voluminous transactions may give rise to a higher risk of material misstatements in respect of the timing and amount of revenue recognised.</p>	<p>Our audit procedures in relation to the revenue recognition included, amongst others, the followings:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's revenue recognition process and application surrounding the occurrence of revenue and thereafter tested key controls on the effectiveness of the controls applied; • Performed analytical procedures on the trend of revenue recognised to identify for any abnormalities; • Performed substantive testing on a sampling basis to verify that revenue recognition criteria was properly applied by checking to the documents which evidenced the delivery of goods to the customers; • Assessed whether revenue was recognised in the correct period by testing cut-off through assessing sales transactions taking place at either side of the reporting date as well as reviewing credit notes and sales returns issued after the reporting date; • Reviewed the sales contracts entered into with customers having special delivery arrangement (Note 14 to the financial statements) and verified that revenue recognition is in accordance with the accounting standards; and • Reviewed the sales ledger to identify any sales transactions that were entered using journals or non-sales invoices references and evaluated the nature of the transactions to determine whether they were <i>bona fide</i> transactions.

There are no key audit matters to be communicated in the audit of the separate financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Directors' Responsibilities for the Financial Statements

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

Independent Auditors' Report (Cont'd)

To The Members Of NationGate Holdings Berhad

Directors' Responsibilities for the Financial Statements (Cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Independent Auditors' Report (Cont'd)

To The Members Of NationGate Holdings Berhad

Other Matter

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

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

Penang

Date: 23 April 2025

Teh Khang Xuen
No. 03805/12/2025 J
Chartered Accountant

Statements of Financial Position

As At 31 December 2024

	NOTE	GROUP		COMPANY		
		2024 RM	2023 RM	2024 RM	2023 RM	
ASSETS						
Non-current assets						
Property, plant and equipment	4	331,314,763	245,559,753	-	-	
Right-of-use asset	5	4,203,459	8,083,575	-	-	
Investment properties	6	14,508,737	14,812,672	-	-	
Investment in subsidiaries	7	-	-	697,844,014	154,160,649	
Investment in an associate	8	397,296	395,204	-	-	
Deferred tax assets	9	10,624,000	-	-	-	
Amount due from subsidiaries	10	-	-	-	147,293,913	
		361,048,255	268,851,204	697,844,014	301,454,562	
Current assets						
Inventories	11	899,947,331	230,223,764	-	-	
Trade receivables	12	494,078,121	132,688,047	-	-	
Other receivables, deposits and prepayments	13	24,401,096	17,812,745	7,170	1,000	
Contract assets	14	13,095,468	8,382,311	-	-	
Amount due from subsidiaries	10	-	-	29,218,015	728,902	
Current tax assets		2,653,635	-	42,217	-	
Derivative financial assets	15	14,183,082	-	-	-	
Investment securities	16	131,243	294,586	-	-	
Fixed deposits with licensed banks	17	10,000	20,687,130	-	-	
Cash and bank balances	18	1,927,671,274	55,914,052	7,755,347	3,948,357	
		3,376,171,250	466,002,635	37,022,749	4,678,259	
TOTAL ASSETS		3,737,219,505	734,853,839	734,866,763	306,132,821	
EQUITY AND LIABILITIES						
Equity attributable to the owners						
Share capital	19	698,356,757	304,540,409	698,356,757	304,540,409	
Reserves	20	(132,834,724)	(133,360,647)	512,479	-	
Retained profits	21	382,006,941	243,569,037	34,275,677	365,759	
		947,528,974	414,748,799	733,144,913	304,906,168	
Non-controlling interest		24,324,895	7,308,131	-	-	
Total equity		971,853,869	422,056,930	733,144,913	304,906,168	
Non-current liabilities						
Borrowings	22	37,894,237	23,064,037	-	-	
Lease liability	5	340,715	4,539,405	-	-	
Contract liabilities	23	10,284,350	-	-	-	
Deferred tax liabilities	9	7,516,000	9,600,000	-	-	
		56,035,302	37,203,442	-	-	
Current liabilities						
Trade payables	24	1,600,615,569	129,232,168	-	-	
Other payables, accruals and provision	25	71,027,427	45,642,250	1,721,850	51,560	
Contract liabilities	23	24,886,900	594,517	-	-	
Borrowings	22	960,741,530	94,239,002	-	-	
Lease liability	5	4,029,400	3,752,891	-	-	
Current tax liabilities		48,029,508	2,132,639	-	1,175,093	
		2,709,330,334	275,593,467	1,721,850	1,226,653	
Total liabilities		2,765,365,636	312,796,909	1,721,850	1,226,653	
TOTAL EQUITY AND LIABILITIES		3,737,219,505	734,853,839	734,866,763	306,132,821	

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

Statements of Comprehensive Income

For The Financial Year Ended 31 December 2024

	NOTE	2024 RM	GROUP 2023 RM	COMPANY 2024 RM	2023 RM
Revenue	26	5,270,752,988	638,296,483	57,000,000	9,300,000
Cost of sales		(5,022,738,750)	(526,986,099)	-	-
Gross profit		248,014,238	111,310,384	57,000,000	9,300,000
Other income		87,853,392	9,526,030	992	-
Administrative expenses		(98,548,570)	(42,801,802)	(2,856,501)	(4,493,096)
Operating profit		237,319,060	78,034,612	54,144,491	4,806,904
Finance income	27	18,641,057	2,682,092	2,104,333	7,753,577
Finance costs	28	(25,257,623)	(10,181,258)	-	-
Share of profit from an associate		2,092	2,979	-	-
Profit before taxation	29	230,704,586	70,538,425	56,248,824	12,560,481
Taxation	30	(51,497,798)	(9,613,528)	(586,786)	(1,850,093)
Profit for the financial year		179,206,788	60,924,897	55,662,038	10,710,388
Total other comprehensive income, net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		13,444	-	-	-
Total comprehensive income for the financial year		179,220,232	60,924,897	55,662,038	10,710,388
Profit attributable to:					
Owners of the Company		160,190,024	60,810,669	55,662,038	10,710,388
Non-controlling interest		19,016,764	114,228	-	-
		179,206,788	60,924,897	55,662,038	10,710,388
Total comprehensive income attributable to:					
Owners of the Company		160,203,468	60,810,669	55,662,038	10,710,388
Non-controlling interest		19,016,764	114,228	-	-
		179,220,232	60,924,897	55,662,038	10,710,388
Earnings per share attributable to owners of the Company (sen)					
- Basic	31	7.44	2.95		
- Diluted	31	7.44	2.95		

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

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 December 2024

		Attributable to Owners of the Company				Non-controlling Interest		Total Equity RM
		Share Capital RM	ESGP Reserve RM	Foreign Currency Translation Reserve RM	Merger Reserve RM	Distributable Retained Profits RM	Total RM	
NOTE	2024							
Balance at beginning		304,540,409	-	(133,360,647)	243,569,037	414,748,799	7,308,131	422,056,930
Total comprehensive income for the financial year		-	13,444	-	160,190,024	160,203,468	19,016,764	179,220,232
<i>Transactions with owners of the Company:</i>								
Dividends	32	-	-	-	-	(21,752,120)	(21,752,120)	(2,000,000) (23,752,120)
Issuance of shares pursuant to:								
- ESGP	19/20	670,882	(670,882)	-	-	-	-	-
- Private placement	19	396,643,848	-	-	-	396,643,848	-	396,643,848
Recognition of equity-settled share-based payment	20	-	1,183,361	-	-	1,183,361	-	1,183,361
Share issuance expenses	19	(3,498,382)	512,479	-	-	(3,498,382)	-	(3,498,382)
Balance at end		698,356,757	512,479	13,444 (133,360,647)	382,006,941	947,528,974	24,324,895	971,853,869

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

Consolidated Statement of Changes in Equity (Cont'd)

For The Financial Year Ended 31 December 2024

		Attributable to Owners of the Company —						Total Equity RM
		Non-distributable Share Capital RM	Merger Reserve RM	Distributable Profits RM	Total RM	Non-controlling Interest RM		
NOTE	2023							
	Balance at beginning	143,360,649	(133,360,647)	219,046,104	229,046,106	-	229,046,106	
	Total comprehensive income for the financial year	-	-	60,810,669	60,810,669	114,228	60,924,897	
	Transactions with owners of the Company:							
	Changes of ownership interest in a subsidiary							
	Dividends	-	-	6,097	6,097	7,193,903	7,200,000	
	Issuance of shares pursuant to Initial Public Offering ("IPO")			(36,293,833)	(36,293,833)	-	(36,293,833)	
	Share issuance expenses	19 (4,320,082)		-	165,499,842	-	165,499,842	
		161,179,760		(36,287,736)	(4,320,082)	-	(4,320,082)	
					124,892,024	7,193,903	132,085,927	
	Balance at end	304,540,409	(133,360,647)	243,569,037	414,748,799	7,308,131	422,056,930	

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

Statement of Changes in Equity

For The Financial Year Ended 31 December 2024

	NOTE	Share Capital RM	Non-distributable ESGP Reserve RM	Distributable Retained Profits RM	Total Equity RM
2024					
Balance at beginning		304,540,409	-	365,759	304,906,168
Total comprehensive income for the financial year		-	-	55,662,038	55,662,038
<i>Transactions with owners of the Company:</i>					
Dividends	32	-	-	(21,752,120)	(21,752,120)
Issuance of shares pursuant to:					
- ESGP	19/20	670,882	(670,882)	-	-
- Private placement	19	396,643,848	-	-	396,643,848
Recognition of equity-settled share-based payment	20	-	1,183,361	-	1,183,361
Shares issuance expenses	19	(3,498,382)	-	-	(3,498,382)
Balance at end		698,356,757	512,479	34,275,677	733,144,913
2023					
Balance at beginning		143,360,649	-	25,949,204	169,309,853
Total comprehensive income for the financial year		-	-	10,710,388	10,710,388
<i>Transactions with owners of the Company:</i>					
Dividends	32	-	-	(36,293,833)	(36,293,833)
Issuance of shares pursuant to IPO	19	165,499,842	-	-	165,499,842
Shares issuance expenses	19	(4,320,082)	-	-	(4,320,082)
Balance at end		304,540,409	-	365,759	304,906,168

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

Statements of Cash Flows

For The Financial Year Ended 31 December 2024

	GROUP	COMPANY	
	2024 RM	2023 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	230,704,586	70,538,425	56,248,824
Adjustments for:			
Accretion of interest on lease liability	175,591	280,070	-
Depreciation of:			
- investment properties	303,935	303,935	-
- property, plant and equipment	45,394,336	37,797,955	-
- right-of-use assets	3,880,116	3,914,100	-
Dividend income	(2,992)	(5,984)	(57,000,000)
ESGP expenses	1,183,361	-	-
Fair value gain on derivative financial assets	(14,183,082)	-	-
Fair value gain on short term investment	(16,471)	-	(16,471)
Fair value loss on investment securities	163,242	90,191	-
Loss/(Gain) on disposal of property, plant and equipment	10,094	(86,259)	-
Interest expenses	25,082,032	9,901,188	-
Interest income	(18,641,057)	(2,682,092)	(2,104,333)
Inventories written down:			
- addition	8,534,348	710,791	-
- reversal	(448,182)	(3,776,819)	-
Property, plant and equipment written off	7,099,965	-	-
Share of profit from an associate	(2,092)	(2,979)	-
IPO expenses	-	3,701,800	3,701,800
Unrealised loss/(gain) on foreign exchange	26,514,674	(1,174,683)	11,234
Operating profit/(loss) before working capital changes/Balance carried forward	315,752,404	119,509,639	(2,860,746)
			(791,296)

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

Statements of Cash Flows (Cont'd)

For The Financial Year Ended 31 December 2024

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Operating profit/(loss) before working capital changes/Balance brought forward	315,752,404	119,509,639	(2,860,746)	(791,296)
Net changes in:				
Inventories	(677,809,733)	(40,828,838)	-	-
Receivables	(358,340,760)	80,774,608	(6,170)	2,104,781
Payables	1,472,506,159	(1,802,014)	1,670,290	22,569
Contract assets	(4,713,157)	20,889,019	-	-
Contract liabilities	34,576,733	(8,494,483)	-	-
Cash generated from/(used in) operations	781,971,646	170,047,931	(1,196,626)	1,336,054
Income tax paid	(20,962,564)	(12,428,805)	(1,804,096)	(675,000)
Interest paid	(25,082,032)	(9,901,188)	-	-
Net cash from/(used in) operating activities	735,927,050	147,717,938	(3,000,722)	661,054
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividend received	2,992	5,984	28,000,000	9,300,000
Investment in subsidiaries	-	-	(25,000,004)	(10,800,002)
Interest received	18,641,057	2,483,628	2,104,333	7,753,577
Withdrawal/(Placement) of fixed deposits with licensed banks	10,740,530	(4,000,000)	-	-
Proceeds from disposal of property, plant and equipment	28,000	342,413	-	-
Proceeds from disposal of short term fund	16,471	-	16,471	-
Issuance of share to non-controlling interest	-	7,200,000	-	-
Purchase of property, plant and equipment	(138,287,405)	(50,067,068)	-	-
Net cash (used in)/from investing activities	(108,858,355)	(44,035,043)	5,120,800	6,253,575
Balance carried forward	627,068,695	103,682,895	2,120,078	6,914,629

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

Statements of Cash Flows (Cont'd)

For The Financial Year Ended 31 December 2024

	NOTE	2024 RM	GROUP 2023 RM	COMPANY 2024 RM	2023 RM
Balance brought forward		627,068,695	103,682,895	2,120,078	6,914,629
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid					
Dividends paid to non-controlling interest		(21,752,120)	(36,293,833)	(21,752,120)	(36,293,833)
Net change in subsidiaries' balances	A	(2,000,000)	-	-	-
Payment of lease liabilities		-	-	-	-
Proceeds from issuance of shares pursuant to:					
- IPO		(4,097,772)	(4,133,772)	-	-
- Private placement		396,643,848	165,499,842	396,643,848	165,499,842
IPO expenses		-	(8,021,882)	-	(8,021,882)
Share issuance expenses		(3,498,382)	-	(3,498,382)	-
Drawdown/(Repayment) of bankers' acceptance	A	871,842,872	(90,362,233)	-	-
Repayment of hire purchase	A	(21,250,706)	(23,343,190)	-	-
Drawdown of revolving credit	A	-	10,000,000	-	-
Drawdown of term loans	A	37,820,131	-	-	-
Repayment of term loans	A	(18,969,388)	(98,035,873)	-	-
Net cash from/(used in) financing activities		1,234,738,483	(84,690,941)	1,686,912	(2,966,274)
NET INCREASE IN CASH AND CASH EQUIVALENTS					
		1,861,807,178	18,991,954	3,806,990	3,948,355
EFFECT OF FOREIGN EXCHANGE RATE CHANGES					
		13,444	-	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING					
		65,860,652	46,868,698	3,948,357	2
CASH AND CASH EQUIVALENTS AT END					
		1,927,681,274	65,860,652	7,755,347	3,948,357

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

Statements of Cash Flows (Cont'd)

For The Financial Year Ended 31 December 2024

	GROUP	COMPANY	
	2024 RM	2023 RM	2024 RM
The cash and cash equivalents are represented by:			
Cash and bank balances	1,927,671,274	55,914,052	7,755,347
Fixed deposits with licensed banks	10,000	20,687,130	-
Less: Fixed deposits pledged with a licensed bank	-	(10,740,530)	-
	1,927,681,274	65,860,652	7,755,347
			3,948,357

A. Liabilities arising from financing activities

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

GROUP	Balance at beginning RM	Net cash flows RM	Unrealised gain on foreign exchange RM	Others RM	Balance at end RM
2024					
Total liabilities arising from financing activities					
Bankers' acceptance	38,089,162	871,842,872	11,889,819	-	921,821,853
Hire purchase	36,822,001	(21,250,706)	-	-	15,571,295
Revolving credit	24,000,000	-	-	-	24,000,000
Term loans	18,391,876	18,850,743	-	-	37,242,619
Lease liabilities	8,292,296	(4,097,772)	-	175,591 ¹	4,370,115
	125,595,335	865,345,137	11,889,819	175,591	1,003,005,882

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

Statements of Cash Flows (Cont'd)

For The Financial Year Ended 31 December 2024

	Balance at beginning RM	Net cash flows RM	Unrealised gain on foreign exchange RM	Others RM	Balance at end RM
2023					
Bankers' acceptance	127,214,214	(90,362,233)	1,237,181	-	38,089,162
Hire purchase	60,165,191	(23,343,190)	-	-	36,822,001
Revolving credit	14,000,000	10,000,000	-	-	24,000,000
Term loans	116,427,749	(98,035,873)	-	-	18,391,876
Lease liabilities	<u>12,145,998</u>	<u>(4,133,772)</u>	<u>-</u>	<u>280,070</u> ¹	<u>8,292,296</u>
Total liabilities arising from financing activities	<u>329,953,152</u>	<u>(205,875,068)</u>	<u>1,237,181</u>	<u>280,070</u>	<u>125,595,335</u>

Notes:

- ¹ The amount consists of accretion of interest on lease liability.

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

Notes to the Financial Statements

31 December 2024

1. GENERAL INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Pulau Pinang.

The principal place of business of the Company is located at 2005, Tingkat Perusahaan Satu, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors on 23 April 2025.

Principal Activities

The principal activities of the Company consist of investment holding. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

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 applicable MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for certain financial instruments that are measured at fair values at the end of each reporting period as indicated in the material accounting policy information as set out in the notes to the financial statements.

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

Fair Value Measurement

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

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

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

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

Notes to the Financial Statements (Cont'd)

31 December 2024

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of Measurement (Cont'd)

Fair Value Measurement (Cont'd)

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

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

2.3 Functional and Presentation Currency

Ringgit Malaysia ("RM") is the presentation currency of the Group and of the Company.

The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operations have different functional currencies.

2.4 Adoption of Amendments to MFRSs

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

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases - Lease liability in a Sale and Leaseback

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

Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

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

Initial application of the above amendments to MFRSs did not have any material impact to the financial statements.

Notes to the Financial Statements (Cont'd)

31 December 2024

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group and for the Company:

Effective for annual periods beginning on or after 1 January 2025

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

Effective for annual period beginning on or after 1 January 2026

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

Annual Improvements to MFRS Accounting Standards - Volume 11

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

Effective for annual period beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective date yet to be confirmed

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

3.1 Judgements made in applying accounting policies

There are no significant areas of critical judgement in applying accounting policies that have any significant effect on the amount recognised in the financial statements.

Notes to the Financial Statements (Cont'd)

31 December 2024

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

3.2 Key sources of estimation uncertainty

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

(i) Useful life of depreciable assets

The Group's major fixed assets which are subject to key sources of estimation uncertainty are its machinery and equipment. Management estimates the useful life of these assets to be 8 to 25 years. Changes in the expected level of usage and technological developments could impact the economic useful life and residual values of these assets. Therefore, future depreciation charges could be revised.

The carrying amount and depreciation of property, plant and equipment are disclosed in Note 4 to the financial statements.

(ii) Inventories

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

The inventories written down are disclosed in Note 11 to the financial statements.

(iii) Provision for expected credit losses ("ECL") of trade receivables

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

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

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

The information about the ECL on the Group's trade receivables is disclosed in Note 36.3 (iii) to the financial statements.

Notes to the Financial Statements (Cont'd)

31 December 2024

4. PROPERTY, PLANT AND EQUIPMENT**GROUP**

	Leasehold land RM	Buildings RM	Buildings improvements RM	Plant and machinery RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
2024									
At cost									
Balance at beginning	10,210,646	64,888,468	604,013	214,701,351	77,658,247	25,356,334	6,320,000	-	399,739,059
Additions	28,733,271	22,600,777	-	25,602,896	26,286,337	9,428,844	629,593	25,005,687	138,287,405
Disposals	-	-	-	(69,000)	-	-	-	-	(69,000)
Written off	-	(5,100,000)	-	(6,165,992)	(464,519)	(334,935)	-	-	(12,065,446)
Reclassification	-	-	-	1,720,902	(1,720,902)	-	-	-	-
Balance at end	38,943,917	82,389,245	604,013	235,790,157	101,759,163	34,450,243	6,949,593	25,005,687	525,892,018
Accumulated depreciation									
Balance at beginning	1,227,646	5,030,149	169,883	100,604,430	33,052,324	10,617,535	3,477,339	-	154,179,306
Current charge	621,898	1,730,373	21,235	25,418,127	12,058,824	4,633,138	910,741	-	45,394,336
Disposals	-	-	-	(30,906)	-	-	-	-	(30,906)
Written off	-	(92,485)	-	(4,647,259)	(96,188)	(129,549)	-	-	(4,965,481)
Balance at end	1,849,544	6,668,037	191,118	121,344,392	45,014,960	15,121,124	4,388,080	-	194,577,255
Carrying amount	37,094,373	75,721,208	412,895	114,445,765	56,744,203	19,329,119	2,561,513	25,005,687	331,314,763

Notes to the Financial Statements (Cont'd)

31 December 2024

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

	Leasehold land RM	Buildings RM	Buildings improvements RM	Plant and machinery RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Capital work- in-progress RM	Total RM
2023									
At cost									
Balance at beginning	10,210,646	58,530,846	604,013	203,922,966	58,453,359	13,560,780	4,888,558	-	350,171,168
Additions	-	6,357,622	-	10,950,885	19,204,888	11,795,554	1,758,119	-	50,067,068
Disposals	-	-	-	(172,500)	-	-	(326,677)	-	(499,177)
Balance at end	<u>10,210,646</u>	<u>64,888,468</u>	<u>604,013</u>	<u>214,701,351</u>	<u>77,658,247</u>	<u>25,356,334</u>	<u>6,320,000</u>	<u>-</u>	<u>399,739,059</u>
Accumulated depreciation									
Balance at beginning	982,699	3,685,535	148,648	76,523,955	24,366,136	8,003,225	2,914,176	-	116,624,374
Current charge	244,947	1,344,614	21,235	24,125,397	8,686,188	2,614,310	761,264	-	37,797,955
Disposals	-	-	-	(44,922)	-	-	(198,101)	-	(243,023)
Balance at end	<u>1,227,646</u>	<u>5,030,149</u>	<u>169,883</u>	<u>100,604,430</u>	<u>33,052,324</u>	<u>10,617,535</u>	<u>3,477,339</u>	<u>-</u>	<u>154,179,306</u>
Carrying amount	<u>8,983,000</u>	<u>59,858,319</u>	<u>434,130</u>	<u>114,096,921</u>	<u>44,605,923</u>	<u>14,738,799</u>	<u>2,842,661</u>	<u>-</u>	<u>245,559,753</u>

Notes to the Financial Statements (Cont'd)

31 December 2024

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

- (i) The leasehold land and buildings of the Group are pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 22 to the financial statements.
- (ii) The carrying amount of property, plant and equipment acquired under hire purchase as disclosed in Note 22 to the financial statements are as follows:

	GROUP	
	2024 RM	2023 RM
Plant and machinery	27,315,038	41,739,881
Motor vehicles	153,067	384,635
Furniture and fittings	<u>195,824</u>	<u>803,036</u>
	<u><u>27,663,929</u></u>	<u><u>42,927,552</u></u>

- (iii) On 1 August 2023, a subsidiary of the Company, NationGate System Sdn. Bhd. ("NSY") has entered into a Sale and Purchase Agreement with Incline Dynamics Sdn. Bhd. to acquire land and buildings for a purchase consideration of RM23,800,000 which satisfied via cash. The transaction has been completed during the financial year.
- (iv) On 8 February 2024, the Company acquired land and buildings arising from acquisition of a subsidiary for a total consideration of RM25,000,000 as disclosed in Note 7 to the financial statements.
- (v) Included in the property, plant and equipment written off is an amount of **RM5,100,000** (2023: RM Nil) resulted from the demolition of one of the buildings acquired during the financial year as disclose in Note 4 (iii) to the financial statements as the building was not suitable for the Group's operational needs.
- (vi) The information of right-of-use assets included in property, plant and equipment are as follows:

	Carrying amount RM	Additions RM	Current depreciation RM
GROUP			
2024			
Leasehold land	<u>37,094,373</u>	<u>28,733,271</u>	<u>621,898</u>
2023			
Leasehold land	<u>8,983,000</u>	<u>-</u>	<u>244,947</u>

Material accounting policy information

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

Notes to the Financial Statements (Cont'd)

31 December 2024

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

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

Leasehold land and buildings	Amortise over the lease period of 22, 25, 47, 51 and 55 years
Building improvements	Amortise over the lease period of the leasehold land and building
Plant and machinery (including solar photovoltaic "PV" system)	4% - 12.50%
Furniture and fittings	12.50% - 33.33%
Renovation	20%
Motor vehicles	20%

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

5. RIGHT-OF-USE ASSET AND LEASE LIABILITY

Group as a lessee

The Group has lease contract for premise used as warehouse and factory for its operations which generally have lease terms of 1 year with the option to extend the lease for another 3 years. The Group expects that it is reasonably certain that it will exercise the option to extend the lease and has factored the extension options as part of the lease term for the lease of warehouse and factory. The lease contract restricts the Group from assigning and subleasing the leased assets.

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

Right-of-use asset

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

GROUP

	Warehouse and factory	
	2024	2023
	RM	RM
Balance at beginning	8,083,575	11,997,675
Depreciation	(3,880,116)	(3,914,100)
Balance at end	<u>4,203,459</u>	<u>8,083,575</u>

Notes to the Financial Statements (Cont'd)

31 December 2024

5. RIGHT-OF-USE ASSET AND LEASE LIABILITY (CONT'D)**Lease liability**

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

	GROUP		GROUP
	2024	2023	
	RM	RM	
Balance at beginning	8,292,296	12,145,998	
Accretion of interest	175,591	280,070	
Payment	<u>(4,097,772)</u>	<u>(4,133,772)</u>	
Balance at end	<u>4,370,115</u>	<u>8,292,296</u>	
Represented by:			
Non-current liabilities	340,715	4,539,405	
Current liabilities	<u>4,029,400</u>	<u>3,752,891</u>	
	<u>4,370,115</u>	<u>8,292,296</u>	

The maturity analysis of lease liability is disclosed in Note 36.4 to the financial statements.

The following are amounts recognised in profit or loss:

	GROUP		GROUP
	2024	2023	
	RM	RM	
Accretion of interest on lease liability	175,591	280,070	
Depreciation of right-of-use assets	3,880,116	3,914,100	
Lease payments on:			
- low-value assets	62,335	76,618	
- short-term leases	<u>634,634</u>	<u>550,093</u>	
Total amount recognised in profit or loss	<u>4,752,676</u>	<u>4,820,881</u>	

The Group's total cash outflows for leases amounted to **RM4,794,741** (2023: RM4,760,483).

Material accounting policy information**Right-of-use asset**

The Group recognises right-of-use asset at the commencement date of the lease (i.e., the date of the underlying assets are available for use). Right-of-use asset is measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset as follows:

Warehouse and factory	4 years
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If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Notes to the Financial Statements (Cont'd)

31 December 2024

5. RIGHT-OF-USE ASSET AND LEASE LIABILITY (CONT'D)**Short-term leases and leases of low-value assets**

The Group applies recognition exemption for short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. Lease payments on short-term leases and leases of low-value-assets are recognised as expense on a straight-line basis over the lease term.

6. INVESTMENT PROPERTIES**GROUP**

	Leasehold land RM	Building RM	Total RM
2024			
At cost	<u>4,113,615</u>	<u>11,852,035</u>	<u>15,965,650</u>
Accumulated depreciation			
Balance at beginning	250,171	902,807	1,152,978
Current charge	<u>79,235</u>	<u>224,700</u>	<u>303,935</u>
Balance at end	<u>329,406</u>	<u>1,127,507</u>	<u>1,456,913</u>
Carrying amount	<u>3,784,209</u>	<u>10,724,528</u>	<u>14,508,737</u>
2023			
At cost	<u>4,113,615</u>	<u>11,852,035</u>	<u>15,965,650</u>
Accumulated depreciation			
Balance at beginning	170,936	678,107	849,043
Current charge	<u>79,235</u>	<u>224,700</u>	<u>303,935</u>
Balance at end	<u>250,171</u>	<u>902,807</u>	<u>1,152,978</u>
Carrying amount	<u>3,863,444</u>	<u>10,949,228</u>	<u>14,812,672</u>

(i) Group as a lessor

The Group has entered into an operating lease on its investment properties. This lease has a fixed term of 1 year with an automatic extension period of another 3 years.

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

	GROUP	
	2024 RM	2023 RM
Rental income from income generating properties	1,620,000	1,620,000
Direct operating expenses	<u>61,726</u>	<u>60,664</u>

Notes to the Financial Statements (Cont'd)

31 December 2024

6. INVESTMENT PROPERTIES (CONT'D)(i) **Group as a lessor (Cont'd)**

Future minimum rental receivables under a non-cancellable operating lease are as follows:

	2024	2023
	RM	RM
Within one year	1,620,000	1,620,000
More than one year and less than five years	<u>675,000</u>	2,295,000
	<u>2,295,000</u>	<u>3,915,000</u>

- (ii) Investment properties are pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 22 to the financial statements.
- (iii) The fair value of investment properties for disclosure purposes are disclosed in Note 37.2 to the financial statements.

Material accounting policy information

Investment properties are initially measured at cost, including transaction costs. Cost includes expenditures that are directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of investment properties is provided on a straight-line basis to write off the cost of each property to its residual value over its estimated useful life, at the following annual rates:

Leasehold land and building	Amortise over the lease period of 51 years
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7. INVESTMENT IN SUBSIDIARIES

	2024	2023
	RM	RM
Unquoted shares, at cost		
Balance at beginning	154,160,649	143,360,647
Addition	25,000,004	10,800,002
Balance at end	<u>179,160,653</u>	154,160,649
Unquoted redeemable non-cumulative non-convertible preference shares ("RNCNCPS")	517,500,000	-
Employee share grant program ("ESGP") granted to the employees of subsidiaries	<u>1,183,361</u>	-
	<u>697,844,014</u>	<u>154,160,649</u>

Notes to the Financial Statements (Cont'd)

31 December 2024

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries, which was incorporated and its principal place of business in Malaysia, except indicated below, are as follows:

Name of entities	Effective Equity Interest		Principal Activities
	2024	2023	
NationGate Solution (M) Sdn. Bhd. ("NSM")	100%	100%	Assembly and testing of electronic components and products.
NationGate Computing Sdn. Bhd. ("NCS")	60%	60%	Manufacture of server, network switches and other electronic components.
CloudGate Technology Sdn. Bhd. ("CGT")	100%	100%	Dormant. The intended principal activity is in the assembly and testing of electronic components and products.
NationGate Land Sdn. Bhd. ("NLS") (formerly known as Hesechan Industries Sdn. Bhd.)	100%	-	Warehousing, manufacturer, general carriers, agents, importers and exporters, wholesalers and retailers and general trading.
* CloudGate System Pte. Ltd. ("CGS") (Incorporated in Singapore)	100%	-	Dormant. The intended principal activity is sales and trading of electronic devices.
Indirect - held through NSM			
NationGate System Sdn. Bhd. ("NSY")	100%	100%	Assembly and testing of electronic components and products and semiconductor devices.

* Not audited by Grant Thornton Malaysia PLT

(i) Subscriptions of ordinary shares in subsidiaries

2024

- (a) On 8 February 2024, the Company has entered into a Share Sale Agreement with Heap Seong Chan Company Sdn. Berhad to acquire 2,000,000 ordinary shares, representing 100% equity interest of NLS, for a total purchase consideration of RM25,000,000. The acquisition had been completed during the financial year.
- (b) On 14 March 2024, the Company had subscribed to 2 ordinary shares in CGS representing 100% equity interest in CGS for a total cash consideration of RM4.

2023

- (a) On 7 June 2023, the Company had subscribed to 10,000 ordinary shares in NCS representing 100% equity interest in NCS for a total cash consideration of RM10,000. On 15 November 2023, the Company had subscribed to an additional 10,790,000 ordinary shares in NCS for a total cash consideration of RM10,790,000. Arising from the subsequent fund raising of NCS, the equity interest of the Company in NCS had reduced from 100% to 60%.
- (b) On 19 June 2023, the Company had subscribed to 2 ordinary shares in CGT representing 100% equity interest in CGT for a total cash consideration of RM2.

Notes to the Financial Statements (Cont'd)

31 December 2024

7. INVESTMENT IN SUBSIDIARIES (CONT'D)(ii) **Subscriptions of RNCNCPs issued by subsidiaries**

The Company has subscribed the RNCNCPs issued by its subsidiaries by way of offsetting with the amount due from subsidiaries as shown follows:

Subsidiaries	Number of RNCNCPs	Amount of RNCNCPs RM
2024		
NSM	143,700,000	143,700,000
NSY	<u>373,800,000</u>	<u>373,800,000</u>
	<u>517,500,000</u>	<u>517,500,000</u>

(iii) **Subsidiary with material non-controlling interest ("NCI")**

The Group's subsidiary, NCS, has material NCI which is set out as follows.

	NCS	
	2024	2023
Carrying amount of NCI (RM)	24,324,895	7,308,131
Profit allocated to NCI (RM)	19,016,764	114,228
Equity interest held by NCI	<u>40%</u>	<u>40%</u>

The summarised financial information presented below is the amount before intercompany elimination.

	2024	2023
	RM	RM
Assets and liabilities		
Non-current assets	19,156,700	2,826,488
Non-current liabilities	(10,284,350)	(77,000)
Current assets	263,612,761	33,084,709
Current liabilities	<u>(211,649,588)</u>	<u>(17,563,870)</u>
Net assets	<u>60,835,523</u>	<u>18,270,327</u>
Results		
Revenue	<u>1,000,284,363</u>	<u>351,957</u>
Net profit for the financial year/period, representing total comprehensive income for the financial year/period	<u>47,541,909</u>	<u>270,327</u>
Net cash (used in)/from:		
Operating activities	(58,608,759)	(81,772)
Investing activities	(14,013,339)	(2,759,241)
Financing activities	<u>89,014,810</u>	<u>20,884,267</u>
Net change in cash and cash equivalents	<u>16,392,712</u>	<u>18,043,254</u>
Other information		
Dividend paid to NCI	<u>2,000,000</u>	-

Notes to the Financial Statements (Cont'd)

31 December 2024

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(iii) Subsidiary with material non-controlling interest ("NCI") (Cont'd)

Material accounting policy information

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

8. INVESTMENT IN AN ASSOCIATE

	GROUP	
	2024 RM	2023 RM
Unquoted shares, at cost	396,601	396,601
Share of post-acquisition result	<u>695</u>	<u>(1,397)</u>
	<u>397,296</u>	<u>395,204</u>

Details of the associate, which is incorporated and its principal place of business is in Malaysia, is as follows:

Name of entity	Effective Equity		Principal Activities
	Interest 2024	2023	
NationGate Integration (M) Sdn. Bhd. ("NIM")	40%	40%	Dormant. The intended principal activity is the provision of electronics manufacturing services activities.

The following table summarises the financial information of NIM, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate.

	2024 RM	2023 RM
Financial position as at 31 December		
Assets and liabilities		
Current assets	999,350	993,092
Current liabilities	<u>(6,109)</u>	<u>(5,083)</u>
Net assets	<u>993,241</u>	<u>988,009</u>
Summary of financial performance for the financial year ended 31 December		
Profit for the financial year, representing total comprehensive income	<u>5,232</u>	<u>7,448</u>
Reconciliation of net assets to carrying amount		
As at 31 December		
Group's share of net assets, representing carrying amount in the statements of financial position	<u>397,296</u>	<u>395,204</u>
Group's share of results for the financial year ended 31 December		
Group's share of profit	<u>2,092</u>	<u>2,979</u>

Notes to the Financial Statements (Cont'd)

31 December 2024

8. INVESTMENT IN AN ASSOCIATE (CONT'D)**Contingent liabilities and capital commitments**

The associate has no contingent liabilities or capital commitments as at the end of the reporting period.

Material accounting policy information

The Group's investment in an associate is accounted for using the equity method. In the Company's separate financial statements, investment in an associate is measured at cost less any impairment losses.

9. DEFERRED TAX (ASSETS)/LIABILITIES

	GROUP	
	2024 RM	2023 RM
Balance at beginning	9,600,000	8,353,000
Recognised in profit or loss	<u>(12,319,000)</u>	2,020,000
	<u>(2,719,000)</u>	10,373,000
Over provision in prior year	<u>(389,000)</u>	(773,000)
	<u><u>(3,108,000)</u></u>	<u><u>9,600,000</u></u>

The recognised deferred tax (assets)/liabilities, after appropriate offsetting, are as follows:

	GROUP	
	2024 RM	2023 RM
Deferred tax assets	(10,624,000)	-
Deferred tax liabilities	<u>7,516,000</u>	<u>9,600,000</u>
	<u><u>(3,108,000)</u></u>	<u><u>9,600,000</u></u>

The deferred tax (assets)/liabilities as at the end of the reporting period are represented by the temporary differences arising from the following:

	GROUP	
	2024 RM	2023 RM
Property, plant and equipment	11,743,000	12,620,000
Unabsorbed capital allowances	-	(361,000)
Contract assets	106,000	(89,000)
Contract liabilities	(3,929,000)	(143,000)
Others	<u>(11,028,000)</u>	<u>(2,427,000)</u>
	<u><u>(3,108,000)</u></u>	<u><u>9,600,000</u></u>

Notes to the Financial Statements (Cont'd)

31 December 2024

10. AMOUNT DUE FROM SUBSIDIARIES

	COMPANY	
	2024	2023
	RM	RM
Non-current assets		
Amount due from subsidiaries		
- Interest bearing at Nil (2023: 5.48%) per annum	-	<u>147,293,913</u>
Current assets		
Amount due from subsidiaries		
- Interest bearing at 5.13% (2023: 5.48%) per annum	218,015	728,902
- Non-interest bearing	<u>29,000,000</u>	-
	<u>29,218,015</u>	728,902
Total	<u>29,218,015</u>	<u>148,022,815</u>

The amount due from subsidiaries is non-trade related, unsecured, and classified based on the expected timing of realisation.

The currency profile of the amount due from subsidiaries is as follows:

	COMPANY	
	2024	2023
	RM	RM
Ringgit Malaysia		
Singapore Dollar	<u>29,050,000</u>	147,293,913
	<u>168,015</u>	-
	<u>29,218,015</u>	<u>147,293,913</u>

Notes to the Financial Statements (Cont'd)

31 December 2024

11. INVENTORIES

	GROUP 2024 RM	2023 RM
At cost:		
Raw materials	293,167,903	195,544,878
Work-in-progress	220,549,980	132,301
Finished goods	134,485,963	19,205,916
Goods-in-transit	<u>251,743,485</u>	<u>15,340,669</u>
	<u>899,947,331</u>	<u>230,223,764</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	5,014,652,584	530,052,127
Inventories written down:		
- Addition	8,534,348	710,791
- Reversal	<u>(448,182)</u>	<u>(3,776,819)</u>

The reversal of inventories written down was made when the related inventories were consumed in the production of goods or sold.

Material accounting policy information

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

12. TRADE RECEIVABLES

The currency profile of the trade receivables is as follows:

	GROUP 2024 RM	2023 RM
Ringgit Malaysia	182,468,225	9,529,952
United States Dollar ("US Dollar")	<u>311,609,896</u>	<u>123,158,095</u>
	<u>494,078,121</u>	<u>132,688,047</u>

The normal credit terms granted to trade receivables range from **30 to 120 days** (2023: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

Included in the trade receivables is an amount of **RM67,805** (2023: RM Nil) due from a company in which a director of the Company has substantial financial interests.

Notes to the Financial Statements (Cont'd)

31 December 2024

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables	2,154,553	999,442	4,420	1,000
Deposits	4,097,699	6,747,959	1,000	-
Prepayments	18,148,844	10,065,344	1,750	-
	24,401,096	17,812,745	7,170	1,000

(i) Included in the deposits of the Group is an amount of:

- (a) **RM1,050,000** (2023: RM1,050,000) paid to third parties for the acquisition of industrial premises pursuant to the Sale and Purchase Agreement dated 29 May 2023 entered by NSY for a purchase consideration of RM10,500,000. The transaction still in the progress as of the date of this report; and
- (b) **RM Nil** (2023: RM2,380,000) paid to a third party for the acquisition of land and buildings pursuant to the Sales and Purchase Agreement dated 1 August 2023. The transaction has been completed during the financial year.

(ii) Included in the prepayments of the Group is an amount of **RM3,389,900** (2023: RM Nil) being the partial purchase consideration paid for the acquisition of industrial premises as disclosed in Note 13(i)(a) to the financial statements.

The currency profile of the other receivables, deposits and prepayments is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	17,201,785	15,008,207	7,170	1,000
US Dollar	6,856,172	2,721,566	-	-
Japanese Yen	-	78,706	-	-
Chinese Yuan	319,218	3,263	-	-
Singapore Dollar	23,002	-	-	-
Euro	919	1,003	-	-
	24,401,096	17,812,745	7,170	1,000

14. CONTRACT ASSETS

	GROUP	
	2024 RM	2023 RM
Balance at beginning	8,382,311	29,271,330
Increase as a result of recognising revenue	13,095,468	8,382,311
Decrease due to issuance of sales invoices	(8,382,311)	(29,271,330)
Balance at end	13,095,468	8,382,311

Contract assets are in respect of goods delivered but not yet invoiced. Provisions of the contract entered with the customer enable the Group the right to invoice goods delivered to the customer's destination point 60 days from the date of delivery regardless of whether the goods are picked up by the customer. As such, revenue is recognised at point of delivery since the Group has satisfied all its performance obligations.

Notes to the Financial Statements (Cont'd)

31 December 2024

15. DERIVATIVE FINANCIAL ASSETS

The Group enters into foreign currency forward contracts to manage its exposure to purchases transactions that are denominated in US Dollar. Foreign currency forward contracts are recognised as derivatives, categorised as FVTPL and are measured at their fair values with gains or losses recognised in the profit or loss. The foreign currency forward contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure. Such derivatives do not qualify for hedge accounting.

During the financial year, the Group recognised a gain of **RM14,183,082** (2023: RM Nil) arising from fair value changes of derivative assets. The fair value changes are attributable to changes in foreign exchange spot and forward rate. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 37.1 to the financial statements.

Notional amount	Derivative asset amount RM	Settlement date	Terms	Forward rates
2024				
RM405,420,313 (equivalent to USD94,000,000)	14,183,082	10.1.2025 to 5.5.2025	84 to 125 days	RM4.40 to RM4.47/USD

16. INVESTMENT SECURITIES

	GROUP	
	2024 RM	2023 RM
Financial assets at fair value through profit or loss:		
Shares quoted in Malaysia	84,000	174,000
Shares quoted outside Malaysia	1,643	2,786
Quoted warrants in Malaysia	4,200	14,000
Quoted redeemable preference shares in Malaysia	41,400	103,800
 Total investment securities	 131,243	 294,586

The currency profile of the investment securities is as follows:

	GROUP	
	2024 RM	2023 RM
Ringgit Malaysia		
Singapore Dollar	129,600	291,800
	1,643	2,786
 Total	 131,243	 294,586

Material accounting policy information

Investment securities are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

Notes to the Financial Statements (Cont'd)

31 December 2024

17. FIXED DEPOSITS WITH LICENSED BANKS

The currency profile of the fixed deposits with licensed banks is as follows:

	GROUP 2024 RM	2023 RM
Ringgit Malaysia	10,000	18,850,530
US Dollar	-	1,836,600
	<u>10,000</u>	<u>20,687,130</u>

The effective interest rates per annum and maturities of fixed deposits with licensed banks at the end of the reporting period is **3.50%** (2023: 2.00% to 5.00%) per annum and **6 months** (2023: 5 days to 6 months) respectively.

Included in fixed deposits with licensed banks is an amount of **RM Nil** (2023: RM10,740,350) which is pledged as securities for banking facilities granted to the Group as disclosed in Note 22 to the financial statements.

18. CASH AND BANK BALANCES

	GROUP 2024 RM	2023 RM	COMPANY 2024 RM	2023 RM
Cash in hand	65,864	84,833	2	2
Cash at bank	1,884,765,594	45,313,356	7,755,345	3,948,355
Repo	<u>42,839,816</u>	<u>10,515,863</u>	-	-
	<u>1,927,671,274</u>	<u>55,914,052</u>	<u>7,755,347</u>	<u>3,948,357</u>

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

	GROUP 2024 RM	2023 RM	COMPANY 2024 RM	2023 RM
Ringgit Malaysia	244,458,470	41,560,973	7,755,347	3,948,357
US Dollar	1,683,163,661	14,353,079	-	-
Singapore Dollar	<u>49,143</u>	-	-	-
	<u>1,927,671,274</u>	<u>55,914,052</u>	<u>7,755,347</u>	<u>3,948,357</u>

The effective interest rates per annum and maturities of repo at the end of reporting period range from **2.90% to 2.95%** (2023: 2.90% to 2.95%) per annum and **1 day** (2023: 1 day) respectively.

Notes to the Financial Statements (Cont'd)

31 December 2024

19. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2024	2023	2024	2023
Issued and fully paid with no par value:				
Balance at beginning	2,073,933,300	1,638,407,400	304,540,409	143,360,649
Issuance of shares pursuant to:				
- Initial Public Offering ("IPO")	-	435,525,900	-	165,499,842
- Private placement	202,369,310	-	396,643,848	-
- Employee share grant program ("ESGP")	376,900	-	670,882	-
Share issuance expenses	-	-	(3,498,382)	(4,320,082)
Balance at end	2,276,679,510	2,073,933,300	698,356,757	304,540,409

2024

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM304,540,409 to RM698,356,757 by way of issuance of:

- (i) 202,369,310 new ordinary shares through a private placement at an issue price of RM1.96 per ordinary share; and
- (ii) 376,900 new ordinary shares pursuant to ESGP. The related fair value of the ESGP amounting to RM670,882 was transferred from the ESGP reserve to share capital upon vesting of ESGP.

2023

In previous financial year, the Company increased its issued and paid-up ordinary share capital from RM143,360,649 to RM304,540,409 by way of issuance of 435,525,900 new ordinary shares in conjunction with the IPO exercise of the Company.

The new ordinary shares issued ranked *pari passu* in all respects with the existing ordinary shares of the Company.

20. RESERVES

	GROUP		COMPANY	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-distributable:				
ESGP reserve	512,479	-	512,479	-
Foreign currency translation reserve	13,444	-	-	-
Merger reserve	(133,360,647)	(133,360,647)	-	-
	(132,834,724)	(133,360,647)	512,479	-

20.1 ESGP reserve

The ESGP reserve represents the value of equity-settled shares granted to employees of certain subsidiaries. This reserve is made up of the cumulative value of services received from employees recorded on the grant date of shares granted and is reduced by the vesting of share grants.

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20. RESERVES (CONT'D)**20.2 Foreign currency translation reserve**

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operation whose functional currency is different from that of the Group's presentation currency.

20.3 Merger reserve

The merger reserve arose from the difference between the carrying value of the investment and the nominal value of the shares of a subsidiary upon consolidation under the merger accounting principles.

21. RETAINED PROFITS

The franking of dividends is under the single tier system and therefore there is no restriction to distribute dividends subject to the availability of retained profits.

22. BORROWINGS

	GROUP	
	2024 RM	2023 RM
Non-current liabilities		
Secured:		
Hire purchase	6,366,190	22,570,564
Term loans	<u>31,528,047</u>	<u>493,473</u>
	<u>37,894,237</u>	<u>23,064,037</u>
Current liabilities		
Secured:		
Bankers' acceptance	921,821,853	38,089,162
Hire purchase	9,205,105	14,251,437
Revolving credit	24,000,000	24,000,000
Term loans	<u>5,714,572</u>	<u>17,898,403</u>
	<u>960,741,530</u>	<u>94,239,002</u>
Total borrowings	<u>998,635,767</u>	<u>117,303,039</u>

The currency profile of borrowings is as follows:

	GROUP	
	2024 RM	2023 RM
Ringgit Malaysia		
US Dollar		
	<u>121,156,914</u>	<u>97,719,413</u>
	<u>877,478,853</u>	<u>19,583,626</u>
	<u>998,635,767</u>	<u>117,303,039</u>

Notes to the Financial Statements (Cont'd)

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22. BORROWINGS (CONT'D)

The borrowings of the Group, except for hire purchase, are secured by way of:

- (i) Legal charge over certain leasehold land, building and investment properties of the Group as disclosed in Note 4 and 6 to the financial statements respectively;
- (ii) Pledge of fixed deposits with licensed banks of the Group in prior financial year as disclosed in Note 17 to the financial statements;
- (iii) Personal guarantee of a director of the Company;
- (iv) Joint and several guarantee by a director of the Company and his spouse; and
- (v) Corporate guarantees of the Company and third parties.

The hire purchase are secured over the leased assets as disclosed in Note 4 to the financial statements.

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

	Effective interest rates per annum (%)	Total RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM	More than 5 years RM			
GROUP									
2024									
Bankers' acceptance	3.40 to 5.82	921,821,853	921,821,853	-	-	-			
Hire purchase	1.68 to 3.10	15,571,295	9,205,105	5,967,183	399,007	-			
Revolving credit	4.20 to 5.36	24,000,000	24,000,000	-	-	-			
Term loans	4.30 to 5.13	37,242,619	5,714,572	6,394,821	10,237,448	14,895,778			
2023									
Bankers' acceptance	3.73 to 6.62	38,089,162	38,089,162	-	-	-			
Hire purchase	1.68 to 3.10	36,822,001	14,251,437	12,413,471	10,157,093	-			
Revolving credit	4.10 to 5.78	24,000,000	24,000,000	-	-	-			
Term loans	5.05 to 5.29	18,391,876	17,898,403	287,717	205,756	-			

23. CONTRACT LIABILITIES

		GROUP
	2024 RM	2023 RM
Deposits received from customers	18,900,228	594,517
Service-type warranties	16,271,022	-
	<hr/> 35,171,250	<hr/> 594,517
Represented by:		
Non-current liabilities	10,284,350	-
Current liabilities	24,886,900	594,517
	<hr/> 35,171,250	<hr/> 594,517

Notes to the Financial Statements (Cont'd)

31 December 2024

23. CONTRACT LIABILITIES (CONT'D)**23.1 Deposits received from customers**

	GROUP 2024 RM	2023 RM
Balance at beginning	594,517	-
Decrease on recognition of revenue	(492,533)	(778,146)
Increase on receiving deposits for sales orders	<u>18,798,244</u>	1,372,663
Balance at end	<u>18,900,228</u>	594,517

When the Group receives a deposit before production commences, this will give rise to contract liabilities at the start of a contract. The deposit will be reversed and recognised as revenue upon satisfying the performance obligation within the contract.

The performance obligation arising from all deposits received are expected to be satisfied within one year.

23.2 Service-type warranties

	GROUP 2024 RM	2023 RM
Decrease on recognition of revenue	(1,688,994)	-
Increase on receiving payments for the warranties	<u>17,960,016</u>	-
Balance at end	<u>16,271,022</u>	-
Represented by:		
Non-current liabilities	10,284,350	-
Current liabilities	<u>5,986,672</u>	-
	<u>16,271,022</u>	-

Service-type warranties relate to the consideration received from the customers for the provision of warranties for the purchases of the products of the Group, which revenue is recognised over time, which the warranty period is covered.

24. TRADE PAYABLES

The currency profile of trade payables is as follows:

	GROUP 2024 RM	2023 RM
Ringgit Malaysia	3,199,395	26,619,832
US Dollar	1,596,552,521	102,029,310
Japanese Yen	83,252	-
Euro	761,704	583,026
Pound Sterling	<u>18,697</u>	-
	<u>1,600,615,569</u>	129,232,168

The normal credit terms granted by trade payables range from **30 to 120 days** (2023: 30 to 120 days) and they are non-interest bearing.

Notes to the Financial Statements (Cont'd)

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25. OTHER PAYABLES, ACCRUALS AND PROVISION

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables				
- Third parties	32,530,330	17,135,242	1,620,000	10,500
- Related parties	830,610	2,186,389	-	-
Accruals	31,877,214	22,714,235	101,850	41,060
Deposits received	1,055,848	626,100	-	-
Provision for product attrition				
Balance at beginning	2,980,284	7,562,674	-	-
Additions/(Reversal) during the financial year	1,753,141	(4,582,390)	-	-
Balance at end	4,733,425	2,980,284	-	-
	71,027,427	45,642,250	1,721,850	51,560

The currency profile of other payables, accruals and provision is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	57,015,734	39,347,022	1,721,850	51,560
US Dollar	12,623,462	6,295,228	-	-
Japanese Yen	1,318,044	-	-	-
Singapore Dollar	55,586	-	-	-
Euro	7,747	-	-	-
Chinese Yuan	6,854	-	-	-
	71,027,427	45,642,250	1,721,850	51,560

Related parties refers to companies in which a director of the Company has substantial financial interests. The amount is unsecured, non-interest bearing and with credit term range from **30 to 90 days** (2023: 30 to 90 days).

Notes to the Financial Statements (Cont'd)

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26. REVENUE**26.1 Disaggregation revenue information**

	GROUP 2024 RM	2023 RM	COMPANY 2024 RM	2023 RM
Type of goods and services:				
Provision of assembly and testing of electronic components and products	5,268,842,442	638,296,483	-	-
Sales of service-type warranties	1,688,994	-	-	-
Total revenue from contracts with customers	5,270,531,436	638,296,483	-	-
Dividend income from subsidiaries	-	-	57,000,000	9,300,000
Rental income	221,552	-	-	-
Total other revenue	221,552	-	57,000,000	9,300,000
Total revenue	5,270,752,988	638,296,483	57,000,000	9,300,000
	GROUP 2024 RM	2023 RM		
Timing of revenue recognition:				
At point in time	5,268,842,442	638,296,483		
Over time	1,688,994	-		
Total revenue from contracts with customers	5,270,531,436	638,296,483		
Geographical markets of revenue:				
Malaysia	3,044,112,474	376,260,766		
Singapore	1,760,649,747	102,323,915		
Other Asia Pacific countries	322,117,533	72,063,419		
United States of America ("US")	61,096,461	27,823,180		
Germany	43,311,395	42,850,655		
Seychelles	20,861,447	-		
Canada	5,920,103	133,340		
France	5,912,634	14,081,935		
Denmark	3,722,910	1,165,694		
United Kingdom	2,252,030	129,209		
Others	574,702	1,464,370		
Total revenue from contracts with customers	5,270,531,436	638,296,483		

Notes to the Financial Statements (Cont'd)

31 December 2024

26. REVENUE (CONT'D)**26.2 Contract balances**

	GROUP	
	2024 RM	2023 RM
Trade receivables (Note 12)	494,078,121	132,688,047
Contract assets (Note 14)	13,095,468	8,382,311
Contract liabilities (Note 23)	<u>(35,171,250)</u>	<u>(594,517)</u>

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially satisfied) at the end of the reporting date, is as follow:

GROUP	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM	Total RM
2024				
Contract liabilities	<u>5,986,672</u>	<u>5,986,672</u>	<u>4,297,678</u>	<u>16,271,022</u>

26.3 Performance obligation

The performance obligations of the Group for each type of goods or services have been disclosed in the material accounting policy information below.

Material accounting policy information**(i) Provision of assembly and testing of electronic components and products**

Revenue from provision of assembly and testing of electronic components and products includes the manufacturing and assembling of electronic components and revenue is recognised at a point in time upon shipment or delivery to a dedicated destination point.

(ii) Sale of service-type warranties

The Group provides a warranty beyond fixing defects that existed at the time of sale of goods. These service-type warranties are sold together with the sale of goods. Contracts for bundled sales of goods and service-type warranties comprise two performance obligations because the goods and service-type warranties are both sold on a stand-alone basis and are distinct within the context of the contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranties and recognised as a contract liability in the statements of financial position. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

Notes to the Financial Statements (Cont'd)

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27. FINANCE INCOME

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income from:				
- Subsidiaries	-	-	2,032,434	7,146,064
- Fixed deposits with licensed banks and repo	18,641,057	2,682,092	71,899	607,513
	18,641,057	2,682,092	2,104,333	7,753,577

28. FINANCE COSTS

	GROUP	
	2024 RM	2023 RM
Accretion of interest on lease liability	175,591	280,070
Interest expenses on:		
- Bankers' acceptance	21,259,638	2,901,745
- Bank overdraft	22,812	24,380
- Hire purchase	1,829,455	3,009,693
- Revolving credit	1,135,054	354,341
- Term loan	835,073	3,611,029
	25,257,623	10,181,258

29. PROFIT BEFORE TAXATION

This is arrived at:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
After charging:				
Fees for statutory audit:				
- Grant Thornton Malaysia PLT				
- Current year	248,000	159,000	40,000	40,000
- Under provision in prior year	2,500	6,800	-	-
- Other auditor	8,586	-	-	-
Fees for assurance related and non-audit services:				
- Grant Thornton Malaysia PLT (#)	43,000	247,900	43,000	247,900
- Affiliate of Grant Thornton Malaysia PLT	53,000	30,000	5,000	4,000
- Other auditor	1,030	-	-	-
Depreciation of:				
- investment properties	303,935	303,935	-	-
- property, plant and equipment	45,394,336	37,797,955	-	-
- right-of-use asset	3,880,116	3,914,100	-	-

Notes to the Financial Statements (Cont'd)

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29. PROFIT BEFORE TAXATION (CONT'D)

This is arrived at: (Cont'd)

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors' fee	195,000	158,000	195,000	158,000
IPO expenses	-	3,701,800	-	3,701,800
Inventories written down:				
- addition	8,534,348	710,791	-	-
- reversal	(448,182)	(3,776,819)	-	-
Fair value loss on investment securities	163,242	90,191	-	-
Property, plant and equipment written off	7,099,965	-	-	-
Lease payments for:				
- low-value assets	62,335	76,618	-	-
- short-term leases	634,634	550,093	-	-
Loss on disposal of property, plant and equipment	10,094	-	-	-
Unrealised loss on foreign exchange	26,514,674	-	11,234	-
* Staff costs	122,290,579	105,283,600	54,900	55,900

And crediting:

Dividend income	2,992	5,984	-	-
Fair value gain on derivative financial assets	14,183,082	-	-	-
Fair value gain on short term investment	16,471	-	16,471	-
Gain on disposal of property, plant and equipment	-	86,259	-	-
Gain on foreign exchange:				
- realised	68,266,164	4,230,923	927	-
- unrealised	-	1,174,683	-	-
Rental income	1,761,452	1,797,046	-	-

(#) In prior financial year, the reporting accountants fee of the Group and of the Company paid in relation to the IPO exercise, amounted to RM310,000. Out of this amount, RM65,100 was set-off against the share capital and the remaining balance of RM244,900 was charged to profit or loss.

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
* Staff costs				
- Salaries, overtime, allowances, bonus and other related expenses	112,917,370	98,247,921	54,900	55,900
- Contributions to defined contribution plans ("EPF")	6,585,695	5,895,569	-	-
- Social security contributions ("SOCSO")	1,528,562	1,069,231	-	-
- Employment insurance scheme ("EIS")	75,591	70,879	-	-
- ESGP expenses	1,183,361	-	-	-
	122,290,579	105,283,600	54,900	55,900

Notes to the Financial Statements (Cont'd)

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29. PROFIT BEFORE TAXATION (CONT'D)

Included in the staff costs of the Group and of the Company are executive and non-executive directors' emoluments as shown below:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive directors:				
Directors of the Company				
- Salaries and bonus	1,168,000	1,157,000	-	-
- EPF	233,600	231,400	-	-
- ESGP expenses	31,228	-	-	-
	1,432,828	1,388,400	-	-
Directors of a subsidiary				
- Salaries and bonus	705,300	1,076,300	-	-
- EPF	174,160	187,260	-	-
- ESGP expenses	49,072	-	-	-
	928,532	1,263,560	-	-
Total executive directors' remuneration	2,361,360	2,651,960	-	-
Non-executive directors:				
Directors of the Company				
- Allowances	54,900	55,900	54,900	55,900
Total executive and non-executive directors' remuneration	2,416,260	2,707,860	54,900	55,900

The estimated money value of benefits-in-kind received or receivable by the directors of the Company and the director of a subsidiary during the financial year amounted to **RM35,625** (2023: RM35,625) and **RM15,000** (2023: RM48,750) respectively.

30. TAXATION

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysian income tax:				
Based on results for the financial year				
- Current tax	(64,384,589)	(8,574,621)	(586,786)	(1,850,093)
- Deferred tax relating to the origination and reversal of temporary differences	12,319,000	(2,020,000)	-	-
	(52,065,589)	(10,594,621)	(586,786)	(1,850,093)
Over provision in prior year				
- Current tax	178,791	208,093	-	-
- Deferred tax	389,000	773,000	-	-
	567,791	981,093	-	-
	(51,497,798)	(9,613,528)	(586,786)	(1,850,093)

Notes to the Financial Statements (Cont'd)

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30. TAXATION (CONT'D)

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

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before taxation	230,704,586	70,538,425	56,248,824	12,560,481
Share of profit of an associate	(2,092)	(2,979)	-	-
	230,702,494	70,535,446	56,248,824	12,560,481
Income tax at Malaysian statutory tax rate of 24%	(55,368,599)	(16,928,507)	(13,499,718)	(3,014,515)
Income not subject to tax	3,414,733	295,575	13,681,061	2,233,436
Expenses not deductible for tax purpose	(4,199,629)	(1,746,007)	(768,129)	(1,069,014)
Pioneer income not subject to tax ^	85,712	2,462,777	-	-
Utilisation of reinvestment allowance	4,002,194	5,321,541	-	-
	(52,065,589)	(10,594,621)	(586,786)	(1,850,093)
Over provision in prior year	567,791	981,093	-	-
	(51,497,798)	(9,613,528)	(586,786)	(1,850,093)

^ NSY has been granted pioneer status under the Promotion of Investments Act, 1986 by the Malaysian Industrial Development Authority which exempts 70% of statutory income in relation to the production of its products.

31. EARNINGS PER SHARE(i) **Basic earnings per share**

Basic earnings per share is calculated by dividing the Group's profit attributable to the owners of the Company by the weighted average number of shares in issue at the end of the financial year as follows:

	GROUP	
	2024	2023
Profit attributable to the owners of the Company (RM)	160,190,024	60,810,669
Weighted average number of shares in issue*	2,153,648,750	2,060,807,860
Basic earnings per share (sen)	7.44	2.95

* In prior year, the calculation of weighted average number of shares has taken into account the issued share capital pursuant to IPO.

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31. EARNINGS PER SHARE (CONT'D)(ii) **Diluted earnings per share**

The diluted earnings per share is calculated by dividing the profit for the financial year by the weighted average number of ordinary shares in issue during the financial year after adjusting for the dilutive effects of all potential ordinary shares as follows:

	GROUP	
	2024	2023
Profit attributable to the owners of the Company (RM)	<u>160,190,024</u>	<u>60,810,669</u>
Weighted average number of shares in issue*	<u>2,153,648,750</u>	2,060,807,860
Adjustment for conversion of ESGP	<u>8,436</u>	-
	<u>2,153,657,186</u>	<u>2,060,807,860</u>
Basic earnings per share (sen)	<u>7.44</u>	<u>2.95</u>

* In prior year, the calculation of weighted average number of shares has taken into account the issued share capital pursuant to IPO.

32. DIVIDENDS

	COMPANY	
	2024	2023
	RM	RM
In respect of the financial year ended 31 December 2022		
- An interim single tier dividend of 1.00 sen per ordinary share	-	20,739,334
In respect of the financial year ended 31 December 2023		
- First interim single tier dividend of 0.25 sen per ordinary share	-	5,184,833
- Second interim single tier dividend of 0.25 sen per ordinary share	-	5,184,833
- Third interim single tier dividend of 0.25 sen per ordinary share	-	5,184,833
- Final single tier dividend of 0.25 sen per ordinary share	<u>5,184,833</u>	-
In respect of the financial year ended 31 December 2024		
- First interim single tier dividend of 0.25 sen per ordinary share	<u>5,184,833</u>	-
- Second interim single tier dividend of 0.25 sen per ordinary share	<u>5,690,756</u>	-
- Third interim single tier dividend of 0.25 sen per ordinary share	<u>5,691,698</u>	-
	<u>21,752,120</u>	<u>36,293,833</u>

On 19 March 2025, the Company has declared a final single tier dividend of 0.25 sen per ordinary share amounting to RM5,691,698 and special dividend of 1.0 sen per ordinary share amounting to RM22,766,795 in respect of the financial year ended 31 December 2024 which are payable on 18 April 2025. The current financial statements do not reflect this declared dividend. Such declared dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

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33. OPERATING SEGMENT

The management determines the business segments based on the reports reviewed and used by the directors for strategic decisions making and resources allocation.

The Group has only one reportable business segment of manufacturing, which relates principally to the provision of electronic manufacturing services ("EMS"). This segment mainly comprises the assembly and testing of electronic components and products to produce completed printed circuit boards, semi-finished sub-assemblies, fully assembled electronic products (under NSM, NSY and NCS) and semiconductor devices (under NSY). Accordingly, no business segmental information is presented.

Geographical segments

Revenue of the Group based on geographical location of its customers are disclosed in Note 26 to the financial statements. The Group's non-current assets are entirely located in Malaysia.

Major customer

There is no single customer that contributed to 10% or more of the Group's revenue during the financial year.

34. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group has related party relationship with its subsidiaries, key management personnel and the following parties:

<u>Related parties</u>	<u>Relationship</u>
SkyGate Precision (M) Sdn. Bhd.	Companies in which a director of the Company has substantial financial interests.
SkyGate Sciences Sdn. Bhd.	
VS Solution Services Sdn. Bhd	

(ii) Related party transactions

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

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Purchase from:				
- VS Solution Services Sdn. Bhd.	557,424	667,815	-	-
- SkyGate Precision (M) Sdn. Bhd.	-	3,499	-	-
Purchase of property, plant and equipment:				
- VS Solution Services Sdn. Bhd.	1,526,811	1,239,678	-	-
Rental payment to:				
- SkyGate Sciences Sdn. Bhd.	3,338,253	4,097,772	-	-
Dividend received from subsidiaries	-	-	57,000,000	9,300,000
Interest receivable/received from subsidiaries	-	-	2,032,434	7,146,064
Advances to subsidiaries	-	-	218,015	140,877,016

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

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly and entity that provides key management personnel services to the Group and the Company.

Key management personnel includes all the directors of the Company and its subsidiaries and certain members of senior management of the Group.

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors' fee	195,000	158,000	195,000	158,000
Salaries, allowances and bonus	2,721,170	2,854,240	54,900	55,900
EPF	494,411	503,654	-	-
ESGP expenses	119,558	-	-	-
	3,530,139	3,515,894	249,900	213,900
Analysed as:				
- Directors	2,611,260	2,865,860	249,900	213,900
- Key management personnel	918,879	650,034	-	-
	3,530,139	3,515,894	249,900	213,900

The key management personnel have been granted with the following number of share grants:

	GROUP	Number of ESGP	
	2024		2023
Granted	268,000		-
Vested	(40,200)		-
Forfeited	(51,000)		-
Balance at end	176,800		-

The ESGP were granted on the same terms and conditions as those offered to other employees of the Group, as disclosed in Note 39 to the financial statements.

35. CAPITAL COMMITMENT

	GROUP	
	2024 RM	2023 RM
Contracted but not provided for:		
- Land and building	42,924,705	30,870,000
- Building improvement	-	826,635
- Plant and machinery	24,056,608	16,447,731
- Renovation	109,560	1,092,707
- Factory equipment	4,979,769	1,347,197
- Furniture and fitting	2,580,125	2,972,374
	74,650,767	53,556,644

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36. FINANCIAL INSTRUMENTS**36.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2024			
Financial assets			
Trade receivables	494,078,121	494,078,121	-
Other receivables and refundable deposits	5,202,252	5,202,252	-
Investment securities	131,243	-	131,243
Derivative financial assets	14,183,082	-	14,183,082
Fixed deposits with licensed banks	10,000	10,000	-
Cash and bank balances	<u>1,927,671,274</u>	<u>1,927,671,274</u>	-
	<u>2,441,275,972</u>	<u>2,426,961,647</u>	<u>14,314,325</u>
Financial liabilities			
Trade payables	1,600,615,569	1,600,615,569	-
Other payables and accruals	66,294,002	66,294,002	-
Borrowings	<u>998,635,767</u>	<u>998,635,767</u>	-
	<u>2,665,545,338</u>	<u>2,665,545,338</u>	-
2023			
Financial assets			
Trade receivables	132,688,047	132,688,047	-
Other receivables and refundable deposits	3,375,474	3,375,474	-
Investment securities	294,586	-	294,586
Fixed deposits with licensed banks	20,687,130	20,687,130	-
Cash and bank balances	<u>55,914,052</u>	<u>55,914,052</u>	-
	<u>212,959,289</u>	<u>212,664,703</u>	<u>294,586</u>
Financial liabilities			
Trade payables	129,232,168	129,232,168	-
Other payables and accruals	42,661,966	42,661,966	-
Borrowings	<u>117,303,039</u>	<u>117,303,039</u>	-
	<u>289,197,173</u>	<u>289,197,173</u>	-

Notes to the Financial Statements (Cont'd)

31 December 2024

36. FINANCIAL INSTRUMENTS (CONT'D)**36.1 Categories of financial instruments (Cont'd)**

	Carrying amount RM	AC RM	FVTPL RM
COMPANY			
2024			
Financial assets			
Other receivables and refundable deposits	5,420	5,420	-
Amount due from subsidiaries	<u>29,218,015</u>	<u>29,218,015</u>	-
Cash and bank balances	<u>7,755,347</u>	<u>7,755,347</u>	-
	<u><u>36,978,782</u></u>	<u><u>36,978,782</u></u>	-
Financial liabilities			
Other payables and accruals	<u>1,721,850</u>	<u>1,721,850</u>	-
2023			
Financial assets			
Other receivables and refundable deposits	1,000	1,000	-
Amount due from subsidiaries	<u>148,022,815</u>	<u>148,022,815</u>	-
Cash and bank balances	<u>3,948,357</u>	<u>3,948,357</u>	-
	<u><u>151,972,172</u></u>	<u><u>151,972,172</u></u>	-
Financial liabilities			
Other payables and accruals	<u>51,560</u>	<u>51,560</u>	-

36.2 Financial risk management

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

36.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises principally from its trade receivables.

Notes to the Financial Statements (Cont'd)

31 December 2024

36. FINANCIAL INSTRUMENTS (CONT'D)

36.3 Credit risk (Cont'd)

(i) Credit risk concentration profile

The Group's major concentration of credit risk that accounted for 10% or more of total trade receivables at the end of reporting period is as follows:

	GROUP	
	2024	2023
Number of customers	1	4
Percentage of trade receivables	<u>35%</u>	<u>62%</u>

(ii) Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group after deducting any allowance for expected credit losses ("ECL").

(iii) Assessment of allowance for ECL

(a) Trade receivables

Credit risk arising from trade customers is addressed by the application of credit evaluation and close monitoring procedures by the management. The Group typically gives the existing customers credit terms of **30 to 120 days** (2023: 30 to 120 days). In deciding whether credit terms shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness.

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

In addition, as set out in Note 2.6.2 (iii), the Group assesses allowance for ECL under MFRS 9 on trade receivables based on a provision matrix, the expected loss rates are based on the payment profile for sales in the past as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

The ageing of trade receivables of the Group is as follows:

	GROUP	
	2024	2023
	RM	RM
Not past due	393,438,038	84,526,221
1 to 30 days past due	52,659,741	12,426,533
31 to 60 days past due	17,690,630	8,078,584
61 to 90 days past due	3,220,478	3,173,108
Past due more than 90 days	27,069,234	24,483,601
	100,640,083	48,161,826
	<u>494,078,121</u>	<u>132,688,047</u>

Notes to the Financial Statements (Cont'd)

31 December 2024

36. FINANCIAL INSTRUMENTS (CONT'D)

36.3 Credit risk (Cont'd)

(iii) Assessment of allowance for ECL (Cont'd)

(a) Trade receivables (Cont'd)

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

The Group has trade receivables amounting to **RM99,023,395** (2023: RM48,161,826) that are past due at the end of the reporting period but not impaired as the management is of the view that these past due amounts will be collected in due course.

(b) Intercompany balances

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

The maximum exposure to credit risk is represented by the carrying amount in the Company's statement of financial position.

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of these advances.

(c) Financial guarantees

The Company had issued unsecured financial guarantees to licensed banks for banking facilities granted as follows:

	COMPANY	
	2024 RM	2023 RM
Corporate guarantee given to licensed banks for banking facilities granted to a subsidiary		
- Limit	<u>1,456,615,000</u>	<u>92,251,000</u>
- Utilisation	<u>855,120,288</u>	<u>18,067,511</u>

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

36.4 Liquidity risk

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

Notes to the Financial Statements (Cont'd)

31 December 2024

36. FINANCIAL INSTRUMENTS (CONT'D)**36.4 Liquidity risk (Cont'd)**

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

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
GROUP						
2024						
Non-derivative financial liabilities						
Trade payables	1,600,615,569	1,600,615,569	1,600,615,569	-	-	-
Other payables and accruals	66,294,002	66,294,002	66,294,002	-	-	-
Borrowings	998,635,767	1,009,656,340	963,319,402	13,817,011	14,405,869	18,114,058
Lease liabilities	4,370,115	4,439,253	4,097,772	341,481	-	-
Financial guarantee*	-	855,120,288	855,120,288	-	-	-
	2,669,915,453	3,536,125,452	3,489,447,033	14,158,492	14,405,869	18,114,058
2023						
Non-derivative financial liabilities						
Trade payables	129,232,168	129,232,168	129,232,168	-	-	-
Other payables and accruals	42,661,966	42,661,966	42,661,966	-	-	-
Borrowings	117,303,039	122,415,095	95,912,157	13,672,355	12,830,583	-
Lease liabilities	8,292,296	8,537,025	4,097,772	4,097,772	341,481	-
Financial guarantee*	-	18,067,511	18,067,511	-	-	-
	297,489,469	320,913,765	289,971,574	17,770,127	13,172,064	-

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

The financial liabilities of the Company as at the end of the reporting period will mature in less than one year based on the carrying amounts reflected in the financial statements.

36.5 Interest rate risk

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

Notes to the Financial Statements (Cont'd)

31 December 2024

36. FINANCIAL INSTRUMENTS (CONT'D)**36.5 Interest rate risk (Cont'd)**

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

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed rate instruments				
Financial assets	42,849,816	31,202,993	-	-
Financial liabilities	<u>937,393,148</u>	<u>74,911,163</u>	-	-
Floating rate instruments				
Financial assets	-	-	218,015	148,022,815
Financial liabilities	<u>61,242,619</u>	<u>42,391,876</u>	-	-

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss nor designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point would have decreased profit before taxation and equity by the amount shown below and a corresponding decrease would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
(Decrease)/Increase in profit before taxation	<u>(104,476)</u>	<u>(192,547)</u>	-	<u>326,007</u>
(Decrease)/Increase in equity	<u>(79,402)</u>	<u>(146,336)</u>	-	<u>247,765</u>

36.6 Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the Group's functional currency. The currency giving rise to this risk is primarily the US Dollar. The Group also maintains US Dollar denominated bank account to facilitate the deposits of the Group's revenue denominated in US Dollar as well as to pay for purchases denominated in US Dollar. The Group mitigates the exposure to this risk by entering into foreign currency forward contracts.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonable possible change in the foreign currencies exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before taxation and equity. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have affected profit before taxation and equity by the amount shown below and a corresponding weakening of the RM would have an equal but opposite effect.

Notes to the Financial Statements (Cont'd)

31 December 2024

36. FINANCIAL INSTRUMENTS (CONT'D)**36.6 Foreign currency risk (Cont'd)****Sensitivity analysis for foreign currency risk (Cont'd)**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
US Dollar	48,502,511	(1,416,118)	-	-
Other currencies	185,796	49,727	16,802	-
Increase/(Decrease) in profit before taxation	<u>48,688,307</u>	<u>(1,366,391)</u>	<u>16,802</u>	<u>-</u>
Increase/(Decrease) in equity	<u>37,003,113</u>	<u>(1,038,457)</u>	<u>12,769</u>	<u>-</u>

36.7 Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's other investments which are the quoted equity securities.

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the executive directors of the Company.

Sensitivity analysis for equity price risk

A 5% increase in share prices of the quoted equity securities at the end of the reporting period, with all other variables held constant, would have impacted on the Group's profit before taxation and equity by the amount shown below, and a decrease would have an equal but opposite effect, arising as a result of higher/lower fair value gain on investment securities.

	GROUP	
	2024 RM	2023 RM
Increase in profit before taxation and equity	<u>6,562</u>	<u>14,729</u>

37. FAIR VALUE MEASUREMENT**37.1 Fair value measurement of financial instruments**

The carrying amounts of financial assets and financial liabilities (other than investments in quoted financial instruments and derivative financial assets) of the Group and of the Company as at the end of the reporting period approximate their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the non-current portion of hire purchase are reasonable approximation of fair values due to their insignificant impact of discounting.

Notes to the Financial Statements (Cont'd)

31 December 2024

37. FAIR VALUE MEASUREMENT (CONT'D)**37.1 Fair value measurement of financial instruments (Cont'd)**

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

GROUP	Fair value of financial instruments			Total RM	Carrying amount RM		
	Level 1 RM	Level 2 RM	Level 3 RM				
2024							
Financial assets							
Investment securities	131,243	-	-	131,243	131,243		
Derivative financial assets	-	14,183,082	-	14,183,082	14,183,082		
	131,243	14,183,082		14,314,325	14,314,325		
2023							
Financial assets							
Investment securities	294,586	-	-	294,586	294,586		

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

Fair value measurement**Investment securities**

The investments in quoted securities are quoted in an active market which are carried at fair value by reference to their quoted closing bid price at the end of the reporting period.

Derivative financial assets

The derivative financial assets arising from the fair value changes on the foreign currency forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the current contract using a risk-free interest rate.

Notes to the Financial Statements (Cont'd)

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37. FAIR VALUE MEASUREMENT (CONT'D)**37.2 Fair value measurement of non-financial assets**

The following table shows the levels within the hierarchy of non-financial assets for which fair value is disclosed as at the end of the reporting period:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Carrying amount RM
GROUP					
2024					
Investment properties	-	-	13,600,000	13,600,000	14,508,737
2023					
Investment properties	-	-	13,600,000	13,600,000	14,812,672

The fair value for investment properties for disclosure purposes is categorised under Level 3 of the fair value hierarchy (refer to Note 2.2 to the financial statements for definition of fair value hierarchy). The fair value is derived based on appraisal performed by independent professional valuers using the Comparison Approach for its existing use. The Comparison Approach entails comparing the land with similar properties that were sold recently and is adjusted for positive and negative factors of time (market improvement), location, size and tenure of the property.

The building is valued by taking into consideration of the estimated cost to construct a new similar building based on market prices for materials, labour and contractor's overhead. From this total, depreciation is then deducted using an appropriate rate to take into consideration the age of the building, physical deterioration, obsolesce and economic factors. The most significant input into this valuation approach is price per square foot of comparable properties.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

38. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy remain unchanged and are to maintain a strong capital base to support its businesses and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust its capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts.

The Group considers its total equity and total loans and borrowings to be the key components of its capital structure and monitor capital using a debt-to-equity ratio, which is calculated as total borrowings divided by total equity as follows:

	2024 RM	2023 RM	GROUP
Total borrowings	<u>998,635,767</u>	<u>117,303,039</u>	
Total equity	<u>971,853,869</u>	<u>422,056,930</u>	
Gearing ratio (times)	<u>1.03</u>	<u>0.28</u>	

Notes to the Financial Statements (Cont'd)

31 December 2024

39. EMPLOYEE SHARE GRANT PROGRAM ("ESGP")

The establishment of ESGP under Long Term Incentive Plan ("LTIP") of up to 15% of the Company's total number of issued shares for eligible directors and employees of the Group was approved by the shareholders of the Company at an Extraordinary General Meeting held on 20 July 2023. The LTIP is governed by the By-Laws and it shall be in force for a period of 5 years from 1 December 2023. The directors may, if the directors deem fit and upon the recommendation of the LTIP committee, extend the LTIP for a period of up to a maximum of 5 years immediately from the expiry of the first 5 years, provided that the LTIP does not exceed a maximum period of 10 years in its entirety.

The salient features of the LTIP are as follows:

- (i) The total number of new ordinary shares which are available to be issued under the LTIP shall not exceed 15% of the total issued and fully paid-up share capital of the Company (excluding treasure shares) at any time throughout the duration of the ESGP.
- (ii) The number of new ordinary shares of the Company allocated to any employee or director ("Eligible Persons") of the Group, either singly or collectively through persons connected with such Eligible Persons who holds 20% or more of the issued and paid-up share capital of the Company (excluding any treasury shares) does not exceed 10% of the total number of new ordinary shares to be issued under the ESGP.
- (iii) The new ordinary shares of the Company allocated to the directors and senior management of the Company and of its subsidiaries shall not exceed 70% of the total number of new ordinary shares to be issued under the ESGP.
- (iv) The director and senior management of the Group shall not participate in the deliberation or discussion of their respective allocation.
- (v) Eligible Persons of the Group, as at the date of award, must be at least 18 years of age and is not an undischarged bankrupt; employed by the Group on full-time basis or serving in a specific designation under an employment contract and has not served a notice of resignation or received notice of termination; been in employment of the Group for a period of at least 6 months prior to the date of award and must be a confirmed employee. LTIP Committee may determine any other criteria for the Eligible Persons from time to time.
- (vi) A grantee shall not be entitled to any dividends, rights and/or other distributions on his/her unvested ESGP.
- (vii) The shares arising upon vesting of ESGP shall, upon allotment and issuance, rank *pari passu* in all respects with the existing shares of the Company.
- (viii) The shares arising upon vesting of ESGP will not be subjected to any retention period or restriction on transfer unless otherwise as stated in the LTIP Awards as determined by the LTIP Committee. An eligible director who is a non-executive director shall not sell, transfer or assign the ESGP granted to him within 1 year from the date of award.
- (ix) The number of ESGP may be adjusted as a result of any alteration in capital structure of the Company by way of a capitalisation of profits or reserves, rights issue, bonus issue or subdivision of the share capital of the Company or reduction in share capital, if any, made by the Company.
- (x) The ESGP price shall be determined by the LTIP Committee based on the fair value of the ESGP, which will take into account, amongst others, the market price of the shares of the Company as at or prior to the award date of ESGP.
- (xi) The ESGP may be terminated by the Company at any time before the date of expiry without obtaining the approvals or consents from the Eligible Persons or shareholders.

Notes to the Financial Statements (Cont'd)

31 December 2024

40. MATERIAL LITIGATION

Dispute over ownership of consigned machines

By a manufacturing agreement dated 15 July 2020, NSY was appointed by Lumileds Malaysia Sdn. Bhd. ("Lumileds") to manufacture products using machines consigned by Lumileds ("Consigned Machines"). These Consigned Machines were previously in possession of a former supplier of Lumileds, Optotronics Semiconductors Sdn. Bhd. ("Optotronics") for which hire purchase arrangement was obtained by Optotronics to lease this Consigned Machines through BMW Credit (Malaysia) Sdn. Bhd. ("BMW Credit").

Following a default in repayment by Optotronics, BMW Credit attempted to retrieve the Consigned Machines through a court order but was denied by NSY since NSY does not have ownership over the Consigned Machines and cannot release the Consigned Machines without permission of Lumileds. Arising from this, BMW Credit filed a civil suit with the Kuala Lumpur High Court against Lumileds as the 1st defendant and NSY as the 2nd defendant for recovery of the Consigned Machine. The civil suit is fixed for trial on 27 to 31 May 2024.

During the financial year, all the parties involved in this case agreed for amicable settlement and the Settlement Agreement is signed on 19 July 2024. Hence, no contingent liabilities is noted.

41. SIGNIFICANT EVENT

On 24 May 2024, the Company had completed the transfer of the listing of and quotation for the entire issued share capital of the Company from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad via the accelerated transfer process pursuant to Chapter 8 of the Equity Guidelines issued by the Securities Commission Malaysia.

42. EVENTS AFTER THE REPORTING PERIOD

- (i) On 13 January 2025, the Company has disposed of 1,620,000 ordinary shares, representing 9% equity interest in NCS, to a minority shareholder of NCS for a cash consideration of RM1,620,000. Subsequent to the disposal, the equity interest held by the Company in NCS reduced from 60% to 51%.
- (ii) On 2 April 2025, the US government announced a reciprocal tariff on imported goods from all countries. The reciprocal tariff imposed a baseline of 10% tariff on all imports from countries worldwide effective 5 April 2025 whilst higher tariffs were imposed on specific countries whereby Malaysia was imposed a tariff rate of 24%, which will take effect from 9 April 2025. On 9 April 2025, the US government has announced that the higher tariffs imposed will be temporarily suspended for 90 days for all countries except China, though the 10% baseline tariff remains.

At this juncture, the management does not expect the reciprocal tariff to have a material impact on the Group's business operations or financial performance as the Group's direct export to US is negligible. However, the imposition of the reciprocal tariff by the US and retaliation tariffs by certain countries may lead to dysfunctional global trade environment such as supply chain disruptions, increase of operational costs and other global macroeconomic conditions such as rising inflation, higher unemployment rates, lower disposable income and etc. These put adverse implications on the global economy and may have a material adverse impact on the business and financial performance of businesses worldwide.

The management is aware that any future development to this event may have a direct or indirect implication to its business operations and will continue to monitor the situation closely and take appropriate and timely measures to address the potential implications that may arise from this reciprocal tariff.

List of Properties

No.	Postal address / Title details	Description / Existing use	Land area (Sq Ft)	Tenure	Approximate Age of Building (Years)	Carrying Amount (RM'000)	Date of Acquisition
(a) Plant 1							
	PT 76 held under HSD 44452 ("PT 76") & Lot 9168 held under PN 10342 ("Lot 9168"), all in Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang bearing the postal address of 1413, Solok Perusahaan 1, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with a single storey detached factory annexed with a single storey factory office	59,910	PT 76: Leasehold 99 years (expiring on 27 November 2073)	32 years	6,548	18 November 2019
		Industrial land with office, storage space and manufacturing facilities for NSM		Lot 9168: Leasehold 60 years (expiring on 07 September 2070)			
(b) Plant 2							
	PT 1076, Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang held under HSD 44098 bearing the postal address of 2422, Solok Perusahaan 1, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with a double-storey office block annexed with 1½-storey detached factory Office, storage space and manufacturing facilities for NSM	43,727	Leasehold 60 years (expiring on 21 February 2042)	32 years	7,692	18 November 2019
(c) Plant 3							
	Lot 683, Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang held under PN 1338, bearing the postal address of 1415, Lorong Perusahaan 1, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with A double-storey detached factory cum office block	84,798	Leasehold 99 years (expiring on 22 August 2072)	51 years	14,509	12 October 2020
(d) Plant 5							
	Plot 44, Plot 45, 46 & 47, Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang held under HSD 44436 bearing the postal address of 2005, Tingkat Perusahaan 1, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with a three-storey detached office block annexed with double-storey detached factory, doublestorey detached guard house and single-storey guard house, pump house, chemical house and TNB sub-station Leasehold Office, storage space and manufacturing facilities for NSM	124,712	Leasehold 99 years (expiring on 14 May 2072)	52 years	53,567	09 June 2017

List of Properties (Cont'd)

No.	Postal address / Title details	Description / Existing use	Land area (Sq Ft)	Tenure	Approximate Age of Building (Years)	Carrying Amount (RM'000)	Date of Acquisition
(e)	Plant 9 PT 2995, Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang held under HSD 30937 bearing the postal address of 2496, Lorong Perusahaan Baru 2, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with a single-storey detached factory, office-cum-warehouse, warehouse, guard house, TNB sub-station, pump house, car & motorcycle shed	188,385	Leasehold 60 years (expiring on 18 September 2049)	23 years	20,684	1 August 2023
(f)	Plant 10 Plot 49, 50, 51, 52, 53 & 54, Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang held under HSD 44396 bearing the postal address of 1400, Solok Perusahaan 1, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with single-storey detached office block, single-storey detached factory with mezzanine floor, single-story detached with factory, guard house, pump house, TNB sub-station and car porch	272,905	Leasehold 99 years (expiring on 26 August 2070)	53 years	23,744	21 June 2024

Analysis of Shareholdings

As At 2 April 2025

Issued Share Capital : RM701,855,138,600 comprising 2,276,679,510 ordinary shares
 Class of Shares : Ordinary shares
 Total Number of Holders : 15,528
 Voting right : One vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS

Holdings	No. of Holders	%	No. of Shares	%
1 - 99	144	0.927	2,420	0.000
100 - 1,000	3,263	21.013	1,956,093	0.085
1,001 - 10,000	7,707	49.632	36,771,475	1.615
10,001 - 100,000	3,633	23.396	115,349,979	5.066
100,001 - 113,833,974 (*)	779	5.016	876,209,143	38.486
113,833,974 and above (**)	2	0.012	1,246,390,400	54.745
Total	<u>15,528</u>	<u>100.00</u>	<u>2,276,679,510</u>	<u>100.00</u>

* Less than 5% of the issued shares

** 5% and above of the issued shares

LIST OF TOP THIRTY (30) HOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder)

Name of Shareholders	Shareholding	%
1. OOI ENG LEONG	1,098,804,300	48.263
2. TAN AH GEOK	147,586,100	6.482
3. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 - WAWASAN	32,780,700	1.439
4. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 3 - DIDIK	29,575,000	1.299
5. HSBC NOMINEES (ASING) SDN BHD MORGAN STANLEY & CO. INTERNATIONAL PLC (FIRM A/C)	23,686,041	1.040
6. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3	23,102,084	1.014
7. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	22,986,900	1.009
8. CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	22,317,452	0.980
9. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	16,990,900	0.746
10. HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	13,730,200	0.603
11. LEE KIM SAN	13,000,500	0.571
12. PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	12,870,200	0.565
13. AMANAHRAYA TRUSTEES BERHAD ASN UMBRELLA FOR ASN EQUITY 3	12,500,000	0.549
14. HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	12,295,459	0.540

Analysis of Shareholdings (Cont'd)

As At 2 April 2025

LIST OF TOP THIRTY (30) HOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder)

Name of Shareholders	Shareholding	%
15. HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND	11,000,000	0.483
16. HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	10,557,910	0.463
17. PERMODALAN NASIONAL BERHAD	10,400,000	0.456
18. AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT TREASURES FUND	10,334,100	0.453
19. HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG YONG YIN	10,285,100	0.451
20. DAVINDRA SINGH GENDEH	10,250,000	0.450
21. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	10,000,000	0.439
22. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM NASIONAL	9,000,000	0.395
23. LEMBAGA TABUNG ANGKATAN TENTERA	8,455,900	0.371
24. AMANAHRAYA TRUSTEES BERHAD PUBLIC INDEX FUND	7,911,000	0.347
25. HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR NEXT GENERATION SEMICONDUCTOR ASIA FUND	7,808,500	0.342
26. AMANAHRAYA TRUSTEES BERHAD ASN UMBRELLA FOR ASN SARA (MIXED ASSET CONSERVATIVE) 1	7,732,500	0.339
27. DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	7,306,600	0.320
28. HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	7,165,184	0.314
29. CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	7,004,500	0.307
30. CITIGROUP NOMINEES (ASING) SDN BHD UBS EUR SE FOR UBS (LUX) EQUITY SICAV - ASIAN SMALLER COMPANIES (USD)	6,764,100	0.297
TOTAL	1,624,201,230	71.340

SUBSTANTIAL SHAREHOLDERS

In accordance with the Register of Substantial Shareholders, the Substantial Shareholders and their shareholdings as at 2 April 2025 are as follows:-

Name of Shareholders	Direct	%	Indirect	%
Dato' Ooi Eng Leong	1,098,804,300	48.263	147,586,100*	6.482
Datin Tan Ah Geok	147,586,100	6.482	1,098,804,300*	48.263

* Deemed interested by virtue of his/her spouse's interest in the Company pursuant to Section 8(4) of the Companies Act 2016 ("the Act")

Analysis of Shareholdings (Cont'd)

As At 2 April 2025

DIRECTORS AND THEIR SHAREHOLDINGS

In accordance with the Register of Directors' Shareholdings, the Directors and their shareholdings as at 2 April 2025 are as follows:-

Name of Directors	No. of shares			
	Direct	%	Indirect	%
Dato' Seri Wong Siew Hai	4,600,000	0.202	942,800*	0.041
Dato' Ooi Eng Leong	1,097,804,300	48.263	147,587,300^	6.483
Lee Kim San	13,000,500	0.571	-	-
Dato' Seri Lee Kah Choon	1,500,000	0.066	-	-
Dato' Faiza Binti Zulkifli	-	-	-	-
Ju Siew Lee	-	-	-	-

* Deemed interested by virtue of Section 59(11)(c) of the Companies Act, 2016 via children

^ Deemed interested by virtue of Section 8 of the Companies Act, 2016 via spouse (147,586,100) and Section 59(11)(c) of the Companies Act, 2016 via children (1,200)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 4th Annual General Meeting ("AGM" or "4th AGM") of the Company will be held at Straits 1, Level 9, Crowne Plaza Penang Straits City, Jalan Bagan Luar, Bandar Selat, 12000 Butterworth, Pulau Pinang on Thursday, 29 May 2025 at 11.00 a.m. for the following purposes:-

A G E N D A

As Ordinary Business:

- | | |
|---|--|
| 1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon. | Please refer to the Explanatory Notes |
| 2. To re-elect Dato' Seri Lee Kah Choon who retires in accordance with Article 76(3) of the Company's Constitution. | Ordinary Resolution 1 |
| 3. To re-elect Ms Ju Siew Lee who retires in accordance with Article 76(3) of the Company's Constitution. | Ordinary Resolution 2 |
| 4. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. | Ordinary Resolution 3 |
| 5. To approve the payment of Directors' fees of up to an amount of RM195,000.00 for the financial year ending 31 December 2025. | Ordinary Resolution 4 |
| 6. To approve the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM168,000.00 from 29 May 2025 until the next Annual General Meeting of the Company. | Ordinary Resolution 5 |

As Special Business :

To consider and if thought fit, to pass with or without modifications the following resolutions:-

- | | |
|--|------------------------------|
| 7. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Ordinary Resolution 6 |
|--|------------------------------|

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (the "Act"), Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and subject always to the approval of all the relevant regulatory authorities, the Board of Directors of the Company be and is hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

THAT such approval on the Proposed General Mandate shall be in force until:

- a. the conclusion of the next Annual General Meeting ("AGM") of the Company held after the approval was given;
- b. the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting; whichever is the earlier.

Notice of Annual General Meeting (Cont'd)

7. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (CONT'D)

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

8. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Ordinary
Resolution 7

"THAT subject always to the provisions of the Act, the Company's Constitution, Listing Requirements or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions with the related parties as set out in Appendix I of the Circular to Shareholders dated 30 April 2025 ("the Circular"), which are necessary for the day to day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders as set out in the Circular ("Mandate").

THAT the Directors be empowered to do all such acts and things be considered necessary or expedient to give full effect to the Mandate with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities.

THAT such Mandate shall commence upon passing this ordinary resolution and to be in force until:

- (a) the conclusion of the next AGM of the Company at which time the authority shall lapse unless the authority is renewed by a resolution passed at the meeting; or
- (b) the expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting; whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

Notice of Annual General Meeting (Cont'd)

9. PROPOSED AWARDING OF SHARE GRANT PLAN ("SGP") AWARDS AND/ OR SHARE OPTION PLAN ("SOP") OPTIONS (COLLECTIVELY, "OFFER") UNDER THE LONG TERM INCENTIVE PLAN ("LTIP")

"THAT the Board of Directors of the Company be and is hereby authorised at any time and from time to time throughout the duration of the LTIP, to award such number of Offer to the following persons, being person(s) connected with the Director(s), subject to the provisions of the By-Laws:

- (a) Ooi Xin Ying⁽¹⁾, Senior Officer
- (b) Lee See Lun⁽²⁾, Acting Chief Technology Officer

Ordinary
Resolution 8
Ordinary
Resolution 9

Note:

- (1) Ooi Xin Ying is the daughter of Dato' Ooi Eng Leong, the Managing Director.
- (2) Lee See Lun is the son of Lee Kim San, the Executive Director cum Chief Operating Officer

provided always that:

- (i) the abovementioned persons must not participate in the deliberation and/or discussion of their own respective allocation, as well as that of the persons connected with them, under the LTIP; and;
- (ii) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued shares of the Company made available under the LTIP shall be allocated to them, if they, either singly or collectively through persons connected (as defined in the Listing Requirements) with them, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any);

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the LTIP and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

AND THAT the Board be further authorised to issue such number of shares pursuant to the LTIP, from time to time, to the abovementioned persons."

10. AUTHORITY TO PURCHASE ITS OWN SHARES

Ordinary
Resolution 10

"THAT subject to the Act, provisions of the Company's Constitution and the requirements of the Bursa Securities and other relevant governmental and regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to purchase its own shares through Bursa Securities, subject to the following:-

- i. The maximum aggregate number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares in the ordinary share capital of the Company at any point in time;
- ii. The maximum fund to be allocated by the Company for the purpose of purchasing the Company's shares shall not exceed the retained profits of the Company. As at the latest financial year ended 31 December 2024, the audited retained profits of the Company stood at RM34,275,677;
- iii. The authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next AGM of the Company, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions or the expiration of the period within which the next AGM is required by law to be held or unless revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever occurs first;

Notice of Annual General Meeting (Cont'd)

10. AUTHORITY TO PURCHASE ITS OWN SHARES (CONT'D)

Ordinary
Resolution 10

iv. Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:-

- to cancel the shares so purchased; or
- to retain the shares so purchased as treasury; or
- retain part of the shares so purchased as treasury shares and cancel the remainder; or
- in any other manner as may be prescribed by the Act, the Listing Requirements and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluation, variations and/or amendments, if any, as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares in accordance with the Act, provisions of the Company's Constitution, the requirements of the Bursa Securities and any other regulatory authorities, and other relevant approvals."

11. To transact any other business for which due notices shall have been given in accordance with the Companies Act 2016.

By Order of the Board,

HING POE PYNG (MAICSA 7053526)
SSM Practicing No: 202008001322
Company Secretary

Date: 30 April 2025

Notes :

- (1) A member entitled to attend and vote at this Annual General Meeting ("AGM") is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (2) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (3) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (4) Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy are specified in the instrument appointing the proxies.
- (5) For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 21 May 2025. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM or appoint proxy to participate, speak and vote on his/her/its behalf.

Notice of Annual General Meeting (Cont'd)

Notes : (Cont'd)

- (6) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
- (i) In hard copy form
In the case of an appointment made in hard copy form, this proxy form must be deposited at the registered office of the Company situated at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Pulau Pinang.
 - (ii) By electronic means
The Proxy Form can be electronically lodged via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the 4th AGM on the procedures for electronic lodgement of the Proxy Form.
- (7) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Pulau Pinang not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (8) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- (9) Last date and time for lodging the proxy form is on Wednesday, 28 May 2025 at 11.00 a.m.
- (10) All resolutions as set out in this notice of 4th AGM are to be voted by poll.

Explanatory Note on Ordinary Business

Item 1 of the Agenda

To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.

This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

Ordinary Resolution 1 and 2 – Re-election of retiring Directors

The details and profile of the retiring Directors, Dato' Seri Lee Kah Choon and Ms Ju Siew Lee who are standing for re-election at the AGM is set out in the Directors' profile on pages 8 and 10 of the Annual Report 2024. The Board through the Nomination Committee ("NC") had conducted an annual assessment on the performance and contribution of the individual Directors including the retiring Directors for the financial year ended 31 December 2024 based on a set of prescribed criteria. Based on the results of the annual assessment, the performance of each individual Director was found to be satisfactory and the NC has assessed that each individual Director was fit and proper to continue to hold the position as a Director of the Company.

Premised on the satisfactory outcome of the assessments, the Board endorsed the recommendation of the NC to seek members' approval for the re-election of Dato' Seri Lee Kah Choon and Ms Ju Siew Lee as Directors of the Company.

Ordinary Resolution 4 – Directors' Fees

The proposed Ordinary Resolution 4 is to facilitate the payment of Directors' fees on current financial year ending 31 December 2025 and assuming that all Directors will hold office until the end of the financial year. In the event the Directors' fees proposed is insufficient (e.g. due to enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

Ordinary Resolution 5 – Directors' Benefits

The proposed Ordinary Resolution 5 is to facilitate the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 from 29 May 2025 until the next AGM of the Company up to an aggregate amount of RM168,000.00.

Notice of Annual General Meeting (Cont'd)

Explanatory Note on Special Business

Ordinary Resolution 6 – Authority to Allot and Issue Shares pursuant to Section 75 and 76 of the Companies Act 2016

The Board is desirous of seeking a renewal of the general mandate for issuance of shares at the 4th AGM. The proposed Ordinary Resolution 6, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's current and/or future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of the issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company ("Proposed General Mandate").

As at the date of this Notice, the Company had issued 202,369,310 ordinary shares at an issue price of RM1.96 per ordinary share, pursuant to the mandate granted to the directors at the last AGM held on 28 June 2024 which will lapse at the conclusion of the 4th AGM. The details of the status of utilisation of proceeds for the private placement is as set out in the Annual Report 2024.

Ordinary Resolution 7 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 7, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. This Authority will, unless revoked or varied by the Company in general meeting, will expire at the next AGM of the Company. Please refer to the Circular to Shareholders dated 30 April 2025 for more information.

Ordinary Resolution 8-9 – Proposed Awarding of Offer under the LTIP

The LTIP of the Company which comprises a SGP and SOP of up to 15% of the total number of issued shares in the Company (excluding treasury shares, if any) for eligible Directors and employees of the Company and its non-dormant subsidiaries, who fulfill the eligibility criteria as set out in the By-Laws of the LTIP was implemented on 1 December 2023.

Ms. Ooi Xin Ying and Mr. Lee See Lun are persons eligible to participate in the LTIP and are deemed interested in the resolutions to the extent of their respective allocation of Offer under the LTIP and accordingly have abstained and shall continue to abstain from deliberation and voting in respect of their direct and indirect interest in the Company in the allocation to them.

They shall also ensure that person connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the resolutions approving the Proposed Awarding of Offer under the LTIP to be tabled at this AGM.

Ordinary Resolution 10 – Authority to Purchase its own Shares

The proposed Ordinary Resolution 10, if passed, will give the Directors of the Company authority to purchase its own shares up to ten per centum (10%) of the total number of issued shares of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM.

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming AGM.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the explanatory note on the proposed Ordinary Resolution 6 as stated in the Notice of AGM of the Company for details.



PROXY FORM

NATIONGATE HOLDINGS BERHAD
Registration No. 202101004230 (1404529-K)

CDS Account No.

No. of shares held

I / We _____
[Full name in Block, NRIC/Passport/Company No.]
 of _____
(Full Address)

being member(s) of **NATIONGATE HOLDINGS BERHAD**, hereby appoint:

Full Name (in block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (delete as appropriate)

Full Name (in block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him*, the Chairman of the Meeting, as *my/our proxy to vote for me/us and on my/our behalf at the 4th Annual General Meeting ("AGM" or "4th AGM") of the Company to be held at Straits 1, Level 9, Crowne Plaza Penang Straits City, Jalan Bagan Luar, Bandar Selat, 12000 Butterworth, Pulau Pinang on Thursday, 29 May 2025 at 11.00 a.m. or any adjournment thereof, and to vote as indicated below:

AGENDA

To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon			
		For	Against
Ordinary Resolution			
1.	Re-election of Dato' Seri Lee Kah Choon as Director		
2.	Re-election of Ms Ju Siew Lee as Director		
3.	Re-appointment of Grant Thornton Malaysia PLT as Auditors		
4.	Approval of payment of Directors' fees		
5.	Approval of payment of Directors' benefits		
6.	Authority to allot and issue shares		
7.	Renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature		
8.	Proposed awarding of Offer to Ooi Xin Ying		
9.	Proposed awarding of Offer to Lee See Lun		
10.	Authority to purchase its own shares		

Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____

Signature*
Member

*Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the Constitution of your corporation.
- (c) If you are corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes :

- (1) A member entitled to attend and vote at this Annual General Meeting ("AGM") is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (2) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (3) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (4) Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy are specified in the instrument appointing the proxies.



- (5) For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 21 May 2025. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM or appoint proxy to participate, speak and vote on his/her/its behalf.
- (6) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, this proxy form must be deposited at the registered office of the Company situated at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 Penang.
 - (ii) By electronic means
The Proxy Form can be electronically lodged via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the 4th AGM on the procedures for electronic lodgement of the Proxy Form.
- (7) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Pulau Pinang not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (8) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- (9) Last date and time for lodging the proxy form is on Wednesday, 28 May 2025 at 11.00 a.m..

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

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The Secretaries
NATIONGATE HOLDINGS BERHAD
 202101004230 (1404529-K)

51-8-A Menara BHL,
 Jalan Sultan Ahmad Shah,
 10050 Georgetown,
 Pulau Pinang, Malaysia

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www.nationgate.com.my

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