



ENG KAH CORPORATION BERHAD

199701020152 (435649-H)

ANNUAL REPORT 2023





TABLE OF CONTENTS

02 - 04	Notice Of Annual General Meeting
05	Statement Accompanying Notice Of Annual General Meeting
06	Corporate Information
07 - 08	Corporate Structure
09	Group Financial Highlights
10	Chairman's Statement
11 - 12	Management Discussion & Analysis Statement
13 - 18	Sustainability Statement
19 - 20	Directors' Profile
21	Profile Of Key Senior Management
22 - 30	Corporate Governance Overview Statement
30	Directors' Responsibility Statement
31 - 33	Statement On Risk Management And Internal Control
34 - 37	Audit Committee Report
38	Additional Compliance Information
39 - 42	Shareholdings & Warrant Holdings Statistic
43 - 101	Financial Statements
102 -103	List Of Properties
	Form Of Proxy

27TH Annual General Meeting

Kapur Room, Eastin Hotel Penang,
1, Solok Bayan Indah, Queensbay,
11900 Bayan Lepas, Penang

Friday, 21 June 2024
11.00 a.m.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 27th Annual General Meeting (“AGM”) of the Company will be held at Kapur Room, Eastin Hotel Penang, 1, Solok Bayan Indah, Queensbay, 11900 Bayan Lepas, Penang on Friday, **21 June 2024** at 11.00 a.m. for the following purposes: -

ORDINARY BUSINESS

1. To receive the Directors’ Report and Audited Financial Statements for the year ended 31 December 2023.
2. To re-elect the following Directors who retired in accordance with Article 88 of the Constitution of the Company, and being eligible have offered themselves for re-election: -
 - (i) Mr. Ewe Wei Ting (Resolution 1)
 - (ii) En. Mohd Farid Bin Azahari (Resolution 2)
3. To approve payment of the Directors’ Fees of up to RM100,000 per annum in respect of the financial year ending 31 December 2024. (Resolution 3)
4. To approve payment of benefits payable to Non-Executive Directors up to an amount of RM24,000 from 22 June 2024 until the next AGM of the Company. (Resolution 4)
5. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. (Resolution 5)

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications: -

6. **Authority to issue shares and allot share pursuant to Section 76 of the Companies Act 2016 (“Act”)**

“THAT, subject always to the Act, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Constitution of the Company and approvals of any relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and are hereby empowered pursuant to Section 76 of the Act, to issue and allot shares in the capital of the Company, at any time upon such terms and conditions and for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of the shares issued pursuant to this resolution does not exceed ten (10) per centum of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued and THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

THAT pursuant to Section 85 of the Act read together with Article 10 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company in respect of the allotment and issuance of new Shares pursuant to the Mandate AND THAT such new Shares when allotted shall rank pari passu in all respects with the existing class of ordinary shares;

AND FURTHER THAT the Board is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the allotment and issuance of new Shares pursuant to the Mandate.” (Resolution 6)

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. **Proposed Renewal of Share Buy-Back Authority**

"THAT, subject always to the provisions of the Act, rules, regulations and orders made pursuant to the Act, provisions of the Constitution of the Company, Bursa Securities' Main Market Listing Requirements and approvals of any relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and are hereby authorised to utilise an amount not exceeding the Company's retained profits, to purchase such number of ordinary shares of the Company provided the ordinary shares so purchased shall [in aggregate with the treasury shares as defined under Section 127 of the Act ("Treasury Shares") then still held by the Company] not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being AND THAT such authority shall commence upon the passing of this resolution until the conclusion of the next AGM of the Company unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting AND THAT the Directors may cancel the ordinary shares so purchased or to retain same as Treasury Shares and may distribute the Treasury Shares as share dividend or may resell the same in a manner they deem fit and expedient as prescribed by the Act and the applicable regulations and guidelines of Bursa Securities and any other relevant authorities for the time being in force AND THAT authority be and is hereby given to the Directors to take such steps as are necessary or expedient to implement, finalise and to give effect to the aforesaid transactions with full power to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things and upon such terms and conditions as the Directors may in their discretion deem fit and expedient in the best interest of the Company in accordance with the Act, regulations and guidelines."

(Resolution 7)

8. **Proposed Renewal Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT, subject always to the provisions of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries ("Eng Kah Group") to enter into any of the category of recurrent related party transactions of a revenue or trading nature as set out in Paragraph 2.4 of the Circular/Statement to Shareholders dated 30 April 2024 with the specific related parties mentioned therein which are necessary for Eng Kah Group's day-to-day operations on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until: -

- (a) the conclusion of the next AGM of the Company following the AGM, at which time the Proposed Mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or
- (c) revoked or varied by resolution passed by shareholders in general meeting; whichever is earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions contemplated and/or authorised by this Ordinary Resolution."

(Resolution 8)

9. To transact any other ordinary business for which due notice has been given.

Further notice is also hereby given that for purpose of determining a member who shall be entitled to attend this

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

27th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 13 June 2024. Only a depositor whose name appears on the Record of Depositors as at 13 June 2024 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

Ch'ng Lay Hoon
SSM PC No.: 20198000494
MAICSA 0818580
Company Secretary

Penang

30 April 2024

Notes:

1. A member of the Company entitled to attend, speak and vote at this meeting is entitled to appoint a proxy to attend and vote in his place.
2. Where a member appoints more than one (1) proxy [but not more than two (2)], the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
4. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. All forms of proxy must be deposited at the Company's registered office at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown Penang, not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjournment thereof.

Explanatory Note On Special Business

i) Authority to Issue Shares (Resolution 6)

The proposed resolution is in relation to authority to allot shares pursuant to Section 76 of the Act, and if passed, will give a renewed mandate to the Directors of the Company, from the date of above AGM, authority to issue and allot shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being, for such purposes as the Directors consider would be in the interest of the Company ("General Mandate"). This General Mandate, unless revoked or varied at a general meeting of the Company, will expire at the conclusion of the next AGM of the Company or the period within which the next AGM of the Company is required by law to be held whichever is the earlier.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors of the Company at the 26th AGM held on 16 June 2023 and which will lapse at the conclusion of the 27th AGM.

At this juncture, there is no decision to issue new shares. However, should the need arise to issue new shares the General Mandate would avoid any delay and costs in convening a general meeting of the Company to specifically approve such issue of share. If there should be a decision to issue new shares after the General Mandate is obtained, the Company would make an announcement in respect of the purpose and utilization of the proceeds arising from such issue.

ii) Proposed Renewal of Share Buy-Back (Resolution 7)

The proposed resolution, if passed, will provide the mandate for the Company to buy back its own shares up to a limit 10% of the total issued and paid-up share capital of the Company. The explanatory notes on Resolution 7 are set out in Circular/Statement dated 30 April 2024.

iii) Proposed Renewal for Recurrent Related Party Transaction (Resolution 8)

The proposed resolution, if approved, will enable Eng Kah's Group to enter into recurrent related party transactions of a revenue or trading nature with related parties in accordance with paragraph 10.09 of Bursa Securities' Main Market Listing Requirements. The explanatory notes on Resolution 8 are set out in the Circular/Statement to Shareholders dated 30 April 2024.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27 (2) of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad

- 1) Save for re-election of the retiring Directors, there were no directors standing for election at the 27th AGM.

The retiring Directors have confirmed that they do not have any conflict of interest or potential conflict of interest that arise, or might arise, where they have interest, whether direct or indirect financial interest as well as non-financial interest or competing loyalties or interests which are in conflict with the Company or its subsidiaries.

- 2) The proposed Ordinary Resolution 6 for the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors of the Company at last AGM held on 16 June 2023.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ewe Eng Kah
(Executive Chairman)

Ewe Wei Ru
(Chief Executive Officer)

Ewe Wee Ting
(Executive Director)

Muttaqin Bin Othman
(Non-Independent
Non-Executive Director)

Ong Kim Nam
(Independent Non-Executive Director)

Mohd Farid Bin Azahari
(Independent Non-Executive Director)

Chua It Chit
(Independent Non-Executive Director)

AUDIT COMMITTEE

Chairman

Ong Kim Nam

Member

Mohd Farid Bin Azahari

Chua It Chit

Muttaqin Bin Othman

AUDITORS

**Grant Thornton Malaysia PLT
(AF0737)**

Level 11, Sheraton Imperial Court
Jalan Sultan Ismail

50250 Kuala Lumpur

Tel. : +603 2692 4022

Fax. : +603 2732 1010

REGISTERED OFFICE

Suite 12-A, Level 12, Menara Northam,
No. 55 Jalan Sultan Ahmad Shah,
10050 George Town,
Penang.

Tel. : +604 228 0511

Fax. : +604 228 0518

Email : general@enetcorpsb.com

NOMINATION COMMITTEE

Chairman

Chua It Chit

Member

Ong Kim Nam

Mohd Farid Bin Azahari

Muttaqin Bin Othman

BANKERS

CIMB Bank Berhad

Hong Leong Bank Berhad

Malayan Banking Berhad

RHB Bank Berhad

United Overseas Bank (Malaysia) Bhd

SHARE REGISTRAR

Plantation Agencies Sdn. Berhad

195501000033 (2603-D)

3rd Floor, 2, Lebuhr Pantai,

10300 Georgetown,

Penang.

Tel. : +604 262 5333

Fax. : +604 262 2018

Email : sharereg@plantationagencies.com.my

REMUNERATION COMMITTEE

Chairman

Mohd Farid Bin Azahari

Member

Muttaqin Bin Othman

Ong Kim Nam

Chua It Chit

BUSINESS ADDRESS

Plot 95 & 97, Hala Kampung Jawa 2,
Kawasan Perindustrian Bayan
Lepas,

11900 Bayan Lepas, Penang.

Tel. : +604 643 5180

Fax. : +604 644 2101

WEBSITE

www.engkah.com

SOLICITORS

JB Lim & Associates

STOCK EXCHANGE

Main Market of Bursa Malaysia Securities
Berhad

Stock Name : ENGAH

Stock Code : 7149

Sector : Consumer Products & Services

COMPANY SECRETARY

Ch'ng Lay Hoon

SSM PC No.: 201908000494

(MAICSA 0818580)

CORPORATE STRUCTURE

Eng Kah Corporation Berhad was incorporated in Malaysia under the Companies Act, 1965 on 19 June 1997 as a public limited company under its present name. The company is an investment holding company whilst the principal activities of its subsidiary and joint venture companies are as follows: -

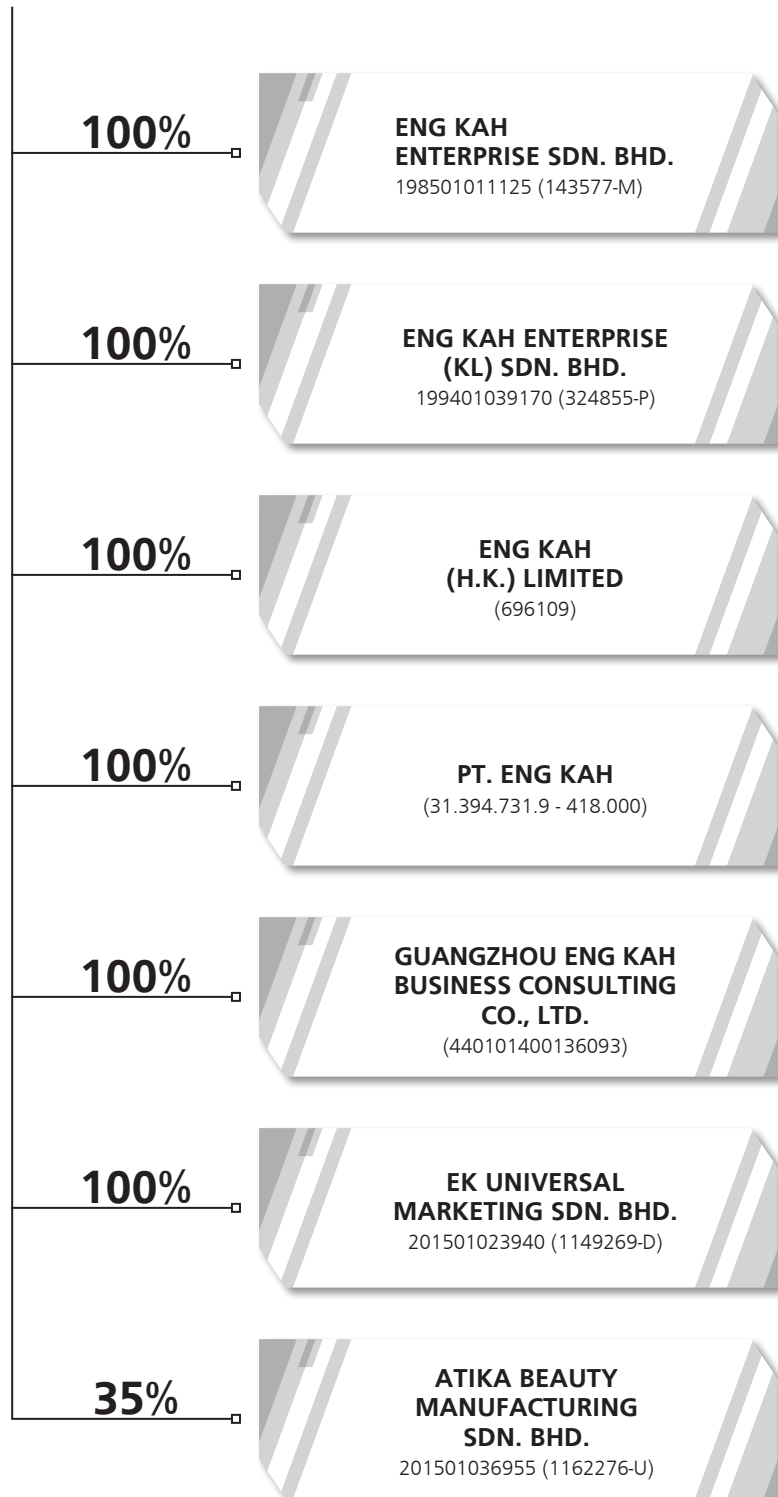
Name of Subsidiary Companies	Date/Place of Incorporation	Issued and Paid-up Share Capital	Effective Equity Interest held by Eng Kah Corporation Berhad (%)	Principal Activities
Eng Kah Enterprise Sdn. Bhd. 198501011125 (143577-M)	14.08.1985/ Malaysia	RM22,399,997	100.00	Manufacturing and sale of personal care, household and perfume products
Eng Kah Enterprise (KL) Sdn. Bhd. 199401039170 (324855-P)	28.11.1994/ Malaysia	RM11,000,000	100.00	Manufacturing and sale of personal care and household products
Eng Kah (H.K.) Limited (696109)	29.11.1999/ Hong Kong	HK\$1,000	100.00	Dormant
PT. Eng Kah (31.394.731.9-418.000)	14.03.2012/ Republic of Indonesia	IDR14,698,485	100.00	Inactive
Guangzhou Eng Kah Business Consulting Co., Ltd. (440101400136093)	17.07.2013/ People's Republic of China	RMB3,500,000	100.00	Investment holding
EK Universal Marketing Sdn. Bhd. 201501023940 (1149269-D)	22.06.2015/ Malaysia	RM2	100.00	Marketing and distributing of perfumery, personal care, home fragrance and aromatherapy souvenir collections
Name of Joint Venture Company				
Atika Beauty Manufacturing Sdn. Bhd. 201501036955 (1162276-U)	15.10.2015/ Malaysia	RM6,000,000	35.00	Selling of halal cosmetic products

CORPORATE STRUCTURE (CONT'D)



ENG KAH CORPORATION BERHAD

199701020152 (435649-H)



GROUP FINANCIAL HIGHLIGHTS

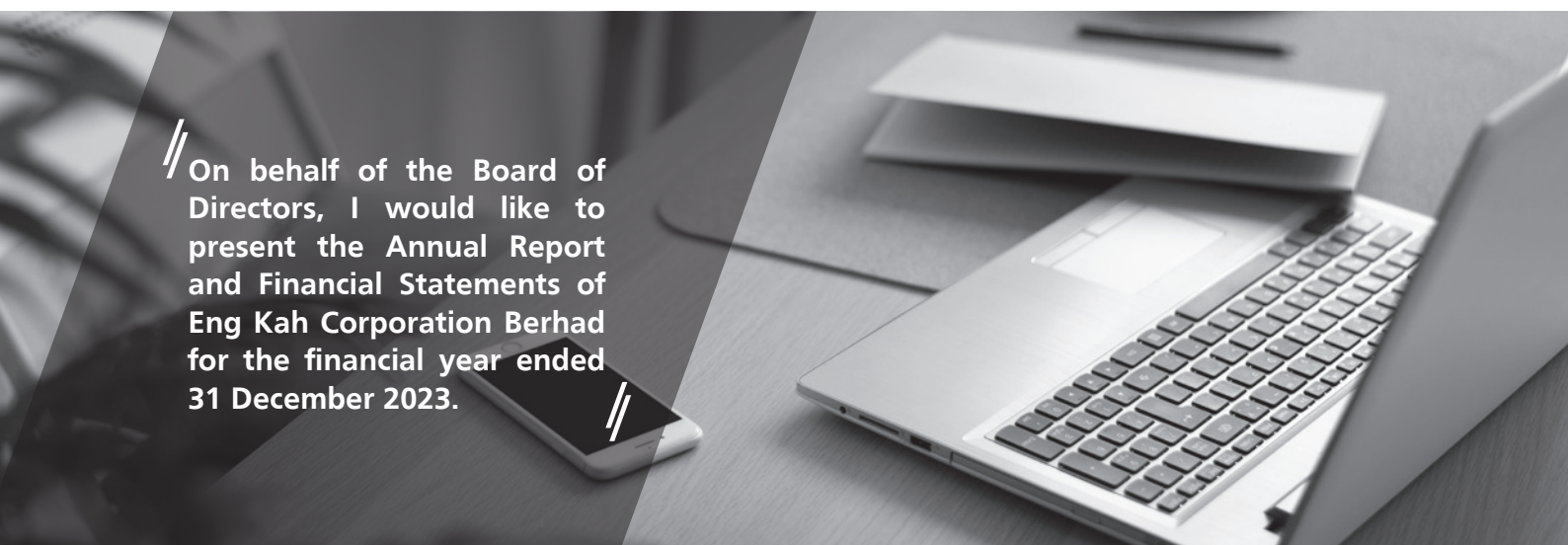
Year Ended 31 December	2019	2020	2021	2022	2023
Basic Earnings/(Loss) Per Share (Sen)	1.10	2.24*	(4.83)	(3.16)	(3.13)
Diluted Earnings/(Loss) Per Share (Sen)	1.10	2.24*	(4.81)	(3.15)	(3.13)
Cash and Cash Equivalents (RM'000)	25,531	23,935	17,086	13,041	15,500
Dividend Per Share (Sen) #	3.00	-	3.50	-	-
Debt/Equity Ratios	0.001	0.0004	0.004	0.012	0.003
EBITDA (RM'000)	1,525	4,233	705	(2,188)	(2,372)
Net Asset Per Share (RM)	1.00	1.04	0.56	0.53	0.50
Profit/(Loss) After Tax (RM'000)	778	2,647	(5,705)	(3,728)	(3,700)
Profit/(Loss) Before Tax (RM'000)	799	3,415	(285)	(3,242)	(3,456)
Revenue (RM'000)	49,079	51,306	48,477	50,153	48,739
Share Capital (RM'000)	68,638	68,638	68,741	68,741	68,741
Shareholders' Equity (RM'000)	70,868	73,864	66,347	62,374	59,046
Total Assets (RM'000)	80,292	86,779	77,995	76,875	69,869
Total Borrowings (RM'000)	137	33	285	756	161
Total Liabilities (RM'000)	9,424	12,916	11,648	14,501	10,824

Note :

Single-tier dividend.

* The weighted average number of ordinary shares in issue of the previous financial year was restated to reflect the retrospective adjustments arising from the issuance of the bonus shares during the financial year.

CHAIRMAN'S STATEMENT



// On behalf of the Board of Directors, I would like to present the Annual Report and Financial Statements of Eng Kah Corporation Berhad for the financial year ended 31 December 2023.

Financial Performance

In the challenging year of 2023, the Group endeavored to implement cost reduction measures and enhance operational efficiency. The company successfully acquired new customers throughout this year. Despite encountering mixed financial outcomes, revenue experienced a decline to RM48.73 million, accompanied by an increase in the loss before tax to RM3.45 million. However, the net loss after tax amounted to RM3.70 million, while the EBITDA witnessed a negative decline to RM2.37 million. Notably, the debt/equity ratio decreased to 0.003, while cash and cash equivalents saw an increase to RM15.50 million. Amidst these challenges, the Group remained steadfast in undertaking necessary actions to bolster its financial performance and optimize its capital structure, aiming for long-term sustainable growth. Moreover, the Group pursued exploration of new revenue streams and potential collaborations to diversify its business portfolio and enhance shareholder value.

Performance Review and Prospects

The Group is principally involved in the contract manufacturing of perfumery, colour cosmetic, skin care, toiletry, household products and personal care products.

The performance review and prospects are disclosed in detail in the Management Discussion & Analysis Statement appearing on pages from 11 to 12 of the annual report.

Appreciation

On behalf of the Board of Directors, I would like to extend my sincere gratitude to all our management and staff for their hard work and dedication in navigating through these challenging times.

I also like to extend my thanks to our shareholders, customers, government authorities, bankers, suppliers and business associates for their continued support and cooperation. Your faith in us has been a source of strength and inspiration.

Finally, I would like to thank my fellow Board members for their support, advice, and guidance over the past year. Together, we will continue to steer the Group towards greater success.

EWE ENG KAH
Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

Group's Performance Review

Despite the adversities encountered in the past year, Eng Kah Corporation Berhad persisted in delivering quality products and services to its customers, steadfast in its dedication to innovation, sustainability, and resilience.

As compared to the year ended 31 December 2022, the Group's performance for the year ended 31 December 2023 was affected by several factors.

Company Profile

The Group, structured into two business segments encompassing personal care and household, is a contract manufacturer primarily involved in the production of perfumery, colour cosmetics, skin care, toiletries, household products, and personal care products. The Group operates three major manufacturing plants, two of which are situated in Penang and one in Nilai, Negeri Sembilan. In the financial year 2023, approximately 36% of the Group's products were exported to overseas countries, with major markets in the Asia Pacific region, including but not limited to China, Hong Kong, Indonesia, Taiwan, Thailand, Myanmar, and Singapore.

Revenue

The Group's financial year ended on 31 December 2023 recorded a revenue of RM48.739 million, representing a decline from RM50.153 million in the previous year. Despite this marginal decrease in revenue, it is noteworthy that the personal care segment demonstrated growth, increasing from RM32.694 million to RM34.279 million, which marks a 4.84% rise. Conversely, the household segment experienced a decrease of 17.18%, declining from RM17.459 million to RM14.459 million.

The Group's strategy of focusing on research and development activities has led to the successful acquisition of new customers. The Group remains committed in enhancing its technical know-how and product development capability to achieve sustainable growth and become one of the leading contract manufacturers in the industry.

Loss Before Taxation

The Group experienced a loss before tax (LBT) of RM3.456 million, an increase from the previous year's LBT of RM3.242 million, primarily driven by inventory written down of RM1.509 million. This overall loss reflects the collective performance of the Group's business segments.

Within the personal care segment, the LBT decreased from RM2.878 million in the financial year ended 31 December 2022 to RM2.452 million in the current financial year ended. Despite this reduction, the segment continued to face challenges, contributing to the Group's overall loss. Similarly, the household segment experienced an increase in LBT, rising from RM0.168 million to RM0.383 million in the financial year ended 31 December 2023. The investment holding segment also saw an increase in LBT, climbing from RM0.196 million in previous year to RM0.621 million in the current financial year ended. The Group remains committed to investing in growth opportunities that will bring long-term benefits and profitability.

Inventories

The total value of our inventory figures for the financial year ended 31 December 2023 amounted to RM23.256 million, which was a significant decrease from RM28.522 million reported in the previous year. This decrease was a result of our strategic efforts to improve supply chain management. Enhancements in the supply chain, including optimized procurement processes and faster production cycles.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT (CONT'D)

Trade Receivables

The Group's trade receivables decreased by 23.87% from RM11.623 million in the previous year to RM8.848 million in the financial year ended 31 December 2023. Trade receivables that are neither past due nor impaired are creditworthy customers with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Cash and Cash Equivalents

Our cash and cash equivalents balance at the financial year ended 31 December 2023 was RM15.5 million, reflecting a net increase of RM2.459 million from the previous year. This increase was primarily driven by net cash inflows from operating activities of RM3.867 million.

Trade Payables

In the current financial year 2023, our trade payables decreased by 50.73% to reach RM4.076 million, compared to RM8.272 million in the previous year. We ensure that our outstanding trade payables are paid in accordance with the agreed credit terms, reflecting our commitment to maintaining positive relationships with our suppliers.

Prospects

In the face of the current economic challenges, including disruptions in the supply chain, intensifying geopolitical tensions, high commodity prices, rising operational costs and fluctuating foreign currency exchange rates, the Group's margins are under pressure. Despite this, the Group remains dedicated to improve efficiency in its manufacturing operations and boosting product research and development to better meet the needs of its customers.

Exploring avenues for growth and broadening its customer base stands as a promising strategy for the Group's expansion. While the Group has effectively nurtured enduring relationships with its existing clientele, there lies untapped potential in diversifying its reach and targeting fresh demographics. This approach holds the key to unlocking novel revenue streams and bolstering its foothold in the market. To realize this vision, the Group envisages active participation in premier international beauty trade fairs across Asia. Through these platforms, the Group aims to spotlight its product offerings and remain attuned to the dynamic shifts in the beauty landscape.

An additional avenue for the Group's growth lies in venturing into new territories. Through the strategic expansion of its geographical reach and the exploration of uncharted markets, the Group stands poised to elevate its visibility and broaden its revenue streams. To realize this objective, the Group is committed to conducting thorough market analyses, pinpointing high-growth markets, formulating robust entry tactics, and forging strategic alliances with indigenous distributors and suppliers. This multifaceted approach is primed to facilitate a seamless and prosperous entry into new markets, propelling the Group toward sustained expansion and prosperity.

Finally, the Group is set to embark on a transformative journey towards sustainability, underpinned by investments in green technology to mitigate its carbon footprint and enhance environmental stewardship. With consumers increasingly prioritizing eco-conscious choices, the Group sees an opportunity to distinguish itself by championing sustainability as a core value. Moreover, the Group envisions forging collaborative ties with both local and international entities to extend the reach of its sustainable product offerings and unlock new market segments. Through these concerted efforts, the Group aims to fortify its market standing while upholding its commitment to delivering enduring value to customers and stakeholders alike.

With the above strategies, the Group remains confident in delivering satisfactory results for the following financial year.

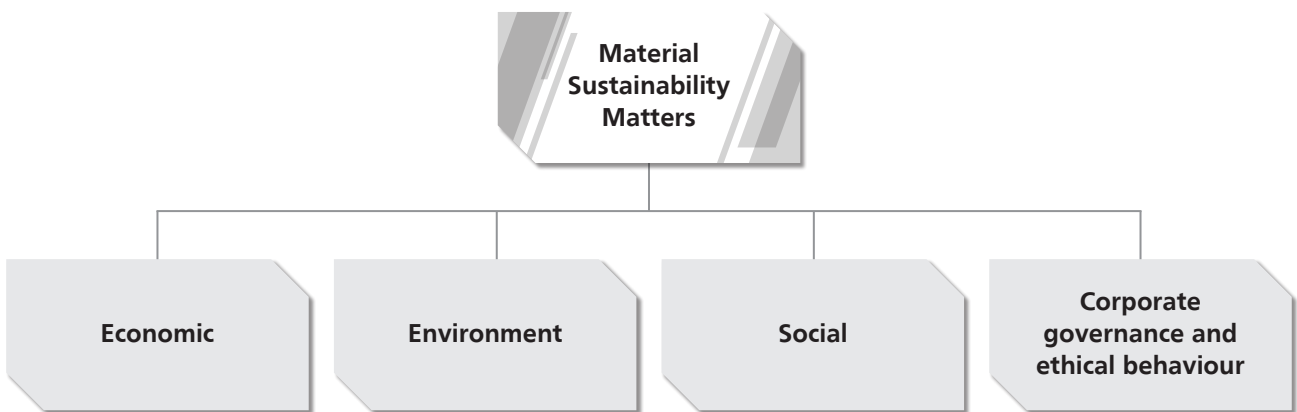
SUSTAINABILITY STATEMENT

The Group takes great pride in presenting its sustainability statement, which emphasizes the organization's unwavering commitment and approach towards sustainability across all facets of its operations, including economic, environmental, and social considerations. The scope of this report extends to all sustainability-related matters that arise from the Group's manufacturing and sale of personal care, household and perfume products, as well as its marketing and distribution of perfumery, personal care, home fragrance, and aromatherapy souvenir collections. This Statement has been prepared on a best effort basis to ensure that it accurately reflects the Group's stance on sustainability and its associated practices.

The Board recognizes that the foremost priority is not only to develop but also to sustain the momentum of our sustainability practices at all times and across all levels of our operations. The Board understands that any plans put in place or to be implemented to drive the Group's sustainability practices must be both realistic and achievable. In order to accomplish this, the Group must cultivate a sustainability mindset and culture that permeates every level of the organization, starting with the establishment of the necessary foundation to drive this initiative holistically.

The Group firmly believes that building a sustainable business requires more than just achieving its corporate objectives; it is crucial to demonstrate the Group's commitment to economic, environmental, social, and corporate governance aspects. Therefore, the Group remains steadfast in its dedication to promoting sustainability through its business practices, as well as through collaborations with like-minded stakeholders to maximize the positive impact on society and the environment.

Those material sustainability matters which are identified by the Group are as the following: -



ECONOMIC

The Group is committed to generating profits while utilizing its resources efficiently and responsibly, ensuring that its core business can operate indefinitely. In order to achieve economic sustainability, the Group offers the best value proposition to its customers, building long-lasting relationships based on reliability, loyalty, and the delivery of high-quality products. The Group also exercises ethical professional judgment in its decision-making processes, taking into account the interests of all stakeholders, while remaining cost-effective and competitive in the marketplace.

Effective communication with customers is crucial for the Group, and it places a high emphasis on it. As such, the Group regularly conducts surveys to gather feedback from its customers on various aspects of its services, including delivery, product quality, technical support, and cost management. The Group values its customers' opinions and feedback, which are collected through customer satisfaction survey forms sent out annually to all customers. The results of these surveys are analyzed and reported at management meetings, where issues are discussed, and improvement plans are formulated and subsequently implemented.

The Group's commitment to economic sustainability is underpinned by its focus on operational efficiency, cost management, and value creation for customers. The Group continuously seeks to optimize its operations by streamlining its supply chain and production processes, reducing waste and minimizing its environmental footprint. By doing so, the Group not only creates value for its customers but also for the wider community by contributing to a more sustainable future.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

In addition, the Group believes that transparency and accountability are essential for promoting economic sustainability, and therefore it maintains open and honest communication with all stakeholders, including investors, customers, employees, and the wider community. The Group's financial performance is regularly reported and disclosed to all stakeholders, ensuring that they are kept informed of the Group's operations and financial health.

Overall, the Group's approach to economic sustainability is driven by its commitment to responsible and ethical business practices, its focus on customer value creation, and its dedication to operational efficiency and cost management. By staying true to these principles, the Group aims to build a sustainable business that can withstand the test of time and continue to deliver value to all stakeholders, while contributing to a more sustainable future for generations to come.

ENVIRONMENTAL

The Group places a great deal of emphasis on optimizing resource usage, minimizing waste, and continuously improving its environmental performance across all aspects of its business operations. In line with this commitment, the Group ensures that all materials used and products produced are compliant with relevant authorities' regulations and requirements.

To further safeguard the well-being of its employees, the Group provides a safe and supportive work environment. The Group is keenly aware of its responsibility to care for the environment while conducting business operations and makes decisions with safety and environmental factors in mind.

The Group is also dedicated to environmentally friendly activities that prevent pollution, save energy, and reduce greenhouse gas emissions, such as the adoption of the 3R concept - Reduce, Recycle, and Reuse. In addition, the Group is actively exploring the use of renewable energy resources to achieve carbon neutrality and reduce its carbon footprint.

As a testament to its commitment to environmental sustainability, the Group has been granted ISO 14001:2015 certification for its effective Environmental Management System, which serves to protect the environment.

In line with the Group's commitment to renewable energy, one of our plants has recently installed a solar system to further reduce its carbon footprint and increase its reliance on sustainable energy sources. This initiative demonstrates the Group's continued efforts to promote sustainable practices and reduce its impact on the environment.

SOCIAL

The Group is committed to promoting the professional and personal growth of our employees, recognizing them as our greatest asset. We believe that the development of our human capital is integral to the success of our business, and we have implemented various initiatives to achieve this goal. These include in-house cross training, productivity improvement programs, and workplace diversity initiatives, with the ultimate aim of fostering a sense of unity among employees and achieving sustainable growth in terms of economic, environmental, and social development.

In addition to prioritizing the development of our workforce, the Group remains dedicated to enhancing the work satisfaction, productivity, and well-being of our employees. We recognize the importance of equipping our employees with the necessary skills and mindset to navigate the challenges of our industry and collective future. To achieve this, we have established support systems that include career discussions, performance appraisals, assignment plans, transfer and promotion plans, and mentoring programs that provide informal support and guidance, in addition to coaching and training provided by each employee's direct manager.

Furthermore, the Group has developed robust guidelines to safeguard the health and safety of our employees across all of our business operations. We are committed to ensuring that our employees are equipped with the knowledge and values essential to a safe and healthy workplace. The Group continuously undertakes first aid training, fire drills, and plant evacuation exercises to instill safety practices and maintain a secure work environment. At our manufacturing location, we prioritize the proper functioning and maintenance of safety equipment and systems to ensure the well-being of our employees.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Moreover, the Group is dedicated to supporting community initiatives that have a positive social impact in our local communities. We believe that it is important to give back to the communities that support our business operations. The Group is particularly focused on providing support to the handicapped community, who may face additional barriers to employment. To this end, the Group has taken an initiative to hire handicapped employees who are keen to seek employment in our factory, recognizing the value of a diverse and inclusive workforce.

CORPORATE GOVERNANCE & ETHICAL BEHAVIOUR

The Group recognizes the importance of having a robust corporate governance framework and ethical practices to ensure transparency, accountability, and responsible business conduct. This framework enables the Group to build and maintain a sustainable business, while earning the trust and confidence of all its stakeholders, including customers, suppliers, business partners, employees and shareholders.

The Group's Board is committed to upholding high standards of corporate governance, and has established a comprehensive set of policies and procedures to guide the Group's operations. These include the Code of Conduct and Ethics, which sets out the Group's values, principles and standards of behavior, as well as Whistle Blowing Policies and Procedures to encourage employees to report any unethical behavior they observe. In addition, the Group has developed Anti-Bribery and Corruption Policies to ensure that the Group's business dealings are conducted in an ethical and transparent manner.

The Group's commitment to corporate governance and ethical practices extends beyond its policies and procedures. The Board ensures that the Group's management team and employees understand the importance of these principles and how they apply to their work. This is achieved through regular training and communication programs, which aim to raise awareness and understanding of the Group's policies and procedures, as well as its values and principles.

The Group also engages with its stakeholders to understand their expectations and concerns, and to incorporate their feedback into its decision-making processes. This enables the Group to continuously improve its corporate governance and ethical practices, and to remain responsive to the evolving needs and expectations of its stakeholders.

Overall, the Group's strong corporate governance culture and ethical practices are integral to its success, and the Board remains committed to upholding these principles and ensuring that they are embedded throughout the Group's operations. The Group's Code of Conduct and Ethics, Whistle Blowing Policies and Procedures, and Anti-Bribery and Corruption Policies are available for public viewing on the Group's website at www.engkah.com.

Code of Conduct and Ethics

The Group remains committed to upholding high standards of ethics and integrity in all its business operations. In order to achieve this, the Code of Conduct and Ethics, Whistle Blowing Policies and Procedures, and Anti-Bribery and Corruption Policies are enforced across all levels of the organization. This ensures that all directors, officers and employees are aware of their ethical responsibilities and are equipped with the necessary knowledge and tools to recognize and deal with ethical issues.

The Group recognizes that maintaining a culture of honesty and accountability is crucial for building and maintaining trust with stakeholders. As such, the Code of Conduct and Ethics is regularly reviewed and updated to reflect changes in ethical standards and emerging risks. The Board and management are committed to focusing on areas of ethical risk and providing guidance to personnel to help them make informed decisions that align with the Group's values.

To further reinforce its commitment to ethical practices, the Group has put in place mechanisms for reporting unethical conduct. These mechanisms enable employees to report any instances of misconduct, including those involving gifts, gratuities, bribes and corruption, insider trading and money laundering. The Group takes all reports of misconduct seriously and has a zero-tolerance policy towards unethical behavior.

In line with the Group's commitment to ethical practices, there were no reported incidents of corruption or bribery in the year 2023. The Group will continue to uphold its high standards of ethics and integrity, and work towards building a sustainable business that earns the trust and confidence of all its stakeholders.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE GOVERNANCE & ETHICAL BEHAVIOUR (CONT'D)

Whistle Blowing Policies and Procedures

The Group recognizes the importance of promoting a culture of integrity and ethical behaviour in all its business dealings. As such, the Group has established Whistle Blowing Policies and Procedures (“WBPP”) to provide a safe and confidential avenue for employees or external parties to report any suspected or actual breaches of laws, regulations, or the Group’s policies and guidelines. The WBPP is an important mechanism to ensure that the Group’s business practices align with its core values and ethical principles, and to maintain the trust of all stakeholders, including customers, suppliers, business partners, employees and shareholders.

Under the WBPP, any complaint received, whether material or otherwise, will be carefully reviewed by the Board to ensure that appropriate actions are taken to address the issue. The Group understands the importance of confidentiality in protecting the identity of the Whistle Blower, and has therefore included provisions in the WBPP to safeguard the anonymity of the person making the report. The Group’s commitment to ethical conduct and transparency is further demonstrated by the fact that there have been no instances of retaliation against any employee who has made a good faith report under the WBPP.

Anti-Bribery and Corruption Policies

At the Group, we strongly believe in upholding the highest ethical standards and practices in all aspects of our business operations. We recognize that good corporate governance is critical in maintaining the trust and confidence of our stakeholders, and as such, we have placed a strong emphasis on promoting a culture of integrity within the organization. Our Board of Directors takes an active role in ensuring that the Group’s policies and procedures effectively manage bribery and corruption risks, and comply with relevant laws and regulations.

To further strengthen our commitment towards anti-bribery and corruption, we have formalized our Anti-Bribery and Corruption Policy (“Policy”), which has been developed in accordance with the Malaysian Anti-Corruption Commission (“MACC”) Act 2009 (Amendment 2018) (“Act”). The Policy serves as a guide for all employees of the Group in ensuring compliance with relevant laws and regulations on anti-bribery and corruption. Our Head of Human Resources Department has been appointed as the Compliance Officer, and is responsible for overseeing the implementation and monitoring of the Policy.

As part of our commitment to promoting a culture of integrity, we also ensure that our policies and commitments on anti-bribery and corruption are effectively communicated to both internal and external parties. This includes regular training sessions and awareness programs for our employees, as well as ongoing engagement with our business partners and stakeholders to reinforce our commitment towards ethical business practices. Through these efforts, we aim to foster a culture of transparency, honesty and accountability across all levels of the organization.

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA (BURSA MALAYSIA ESG REPORTING PLATFORM)

Indicator	Measurement Unit	2023
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	78.65
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	1,536.61
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	30.290000
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	10,200.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	50.00
Senior Management Above 50	Percentage	50.00
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	33.33
Management Above 50	Percentage	66.67
Executive Under 30	Percentage	12.50
Executive Between 30-50	Percentage	82.50
Executive Above 50	Percentage	5.00
Non-executive Under 30	Percentage	24.33
Non-executive Between 30-50	Percentage	50.90
Non-executive Above 50	Percentage	24.77
Gender Group by Employee Category		
Senior Management Male	Percentage	66.67
Senior Management Female	Percentage	33.33
Management Male	Percentage	0.00
Management Female	Percentage	100.00
Executive Male	Percentage	20.00
Executive Female	Percentage	80.00
Non-executive Male	Percentage	35.59
Non-executive Female	Percentage	64.41
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	85.72
Female	Percentage	14.28
Under 30	Percentage	0.00
Between 30-50	Percentage	42.86
Above 50	Percentage	57.14
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.17
Bursa C5(c) Number of employees trained on health and safety standards	Number	55
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	56
Management	Hours	0
Executive	Hours	19
Non-executive	Hours	36
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	8.49
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	1
Management	Number	0
Executive	Number	7
Non-executive	Number	88
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0

Internal assurance External assurance No assurance

(*)Restated

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA (BURSA MALAYSIA ESG REPORTING PLATFORM) (CONT'D)

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

STATEMENT OF ASSURANCE

This Sustainability Statement has not been subjected to an assurance process.

Internal assurance External assurance No assurance (*)Restated

DIRECTORS' PROFILE

EWE ENG KAH

- ◆ Malaysian ◆ 78 ◆ Male
- ◆ Executive Chairman

A Malaysian aged 78, male, was appointed as the Chairman and Managing Director of the Company on 2 May 2002. He was subsequently re-designated from Chairman and Managing Director to Executive Chairman on 29 May 2019. He is the founder of the Eng Kah Group. He has more than 55 years of experience and expertise in the manufacturing of perfumery, cosmetic, skin care, toiletry and household products. He has in-depth knowledge in research & development as well as wide exposure in designing and packaging of products, which he gained his experience from both the local and international markets.

He graduated with a Diploma in Chemistry from Kaoshiung Industrial Institute, Taiwan in 1967.

He attended all the five (5) Board meetings of the Company duly held for the financial year ended 31 December 2023.

EWE WEE TING

- ◆ Malaysian ◆ 39 ◆ Male
- ◆ Executive Director

A Malaysian aged 39, male, was appointed as an Executive Director of the Company on 25 August 2011. He obtained his Bachelor of Art, Animation & Interactive Media degree from Royal Melbourne Institute of Technology (RMIT) Melbourne, Australia in 2009. He joined Eng Kah Enterprise Sdn. Bhd. as Personal Assistant to the Group Managing Director in 2010 and was appointed as an Executive Director of the Company in 2011.

He attended all the five (5) Board meetings of the Company duly held for the financial year ended 31 December 2023.

EWE WEI RU

- ◆ Malaysian ◆ 37 ◆ Female
- ◆ Chief Executive Officer

A Malaysian aged 37, female, was appointed as an Executive Director of the Company on 25 August 2011. She was subsequently re-designated from Executive Director to Managing Director on 29 May 2019. She was re-designated as a Chief Executive Officer of the Company on 5 October 2023. She obtained her Bachelor of Commerce degree majoring in Finance & Psychology from University of Melbourne, Australia in 2008 and Postgraduate Diploma of Psychology from Monash University, Australia in 2009. She joined Eng Kah Enterprise Sdn. Bhd. in 2010 as the Head of Costing department and was subsequently appointed as an Executive Director of the Company in 2011.

She attended all the five (5) Board meetings of the Company duly held for the financial year ended 31 December 2023.

MUTTAQIN BIN OTHMAN

- ◆ Malaysian ◆ 52 ◆ Male
- ◆ Non-Independent Non-Executive Director

A Malaysian aged 52, male, was appointed as a Non-Executive Director of the Company on 2 May 2002 and re-designated as Independent Non-Executive Director of the Company on 1 July 2011. He was subsequently appointed as a Senior Independent Non-Executive Director of the Company on 26 February 2016. He was re-designated as Non-Independent Non-Executive Director of the Company on 14 April 2023. Presently, he is a Director of Ana Edar Sdn. Bhd.. He has years of experience in the marketing of perfumery, cosmetic, skin care, toiletry and household products. He holds a bachelor degree in Accountancy with Honours from the International Islamic University, Malaysia, where he graduated in 1995.

He is a member of the Audit Committee, Nominating Committee and Remuneration Committee.

He attended all the five (5) Board meetings of the Company duly held for the financial year ended 31 December 2023.

DIRECTORS' PROFILE (CONT'D)

ONG KIM NAM

- ◆ Malaysian ◆ 68 ◆ Male
- ◆ Independent Non-Executive Director

A Malaysian aged 68, male, was appointed as an Independent Non-Executive Director of the Company on 2 May 2002. He was subsequently re-designated from Senior Independent Non-Executive Director to Non-Independent Non-Executive Director on 19 September 2015. He was re-designated as an Independent Non-Executive Director of the Company on 6 April 2018. A Chartered Accountant by profession, he is a member of the Malaysian Institute of Accountants and the Association of Chartered Certified Accountants (United Kingdom). He has over 40 years of experience in the field of auditing, accounting, company secretarial and taxation. Presently, he is the sole practitioner of O.K. Nam Associates, a firm of Chartered Accountants, which is based in Penang.

He is a Chairman of the Audit Committee as well as a member of Remuneration Committee and Nominating Committee.

He attended all the five (5) Board meetings of the Company duly held for the financial year ended 31 December 2023.

CHUA IT CHIT

- ◆ Malaysian ◆ 40 ◆ Male
- ◆ Independent Non-Executive Director

A Malaysian aged 40, male, was appointed as an Independent Non-Executive Director of the Company on 28 November 2022. He has 18 years of valuable experience in the Internet industry and has developed critical competency and strong skills in Internet Marketing and Research. In 2004 he founded World Market, an e-Commerce Portal and then co-founded YeahHost, a Server Farm in 2006. In 2009, he founded Game Pro, a game publishing company, through equity financing. After that, he co-founded eJoy land, a new media company in 2014 as well as founded Vilor Berhad in 2016, which invested 23 companies and possessed high potential to succeed within ten months, proving its shrewdness and competitiveness in the business world.

He is a Chairman of Nominating Committee as well as a member of the Audit Committee and Remuneration Committee.

He attended all the five (5) Board meetings of the Company duly held for the financial year ended 31 December 2023.

MOHD FARID BIN AZAHARI

- ◆ Malaysian ◆ 52 ◆ Male
- ◆ Independent Non-Executive Director

A Malaysian aged 52, male, was appointed as an Independent Non-Executive Director of the Company on 9 October 2014. He obtained his Bachelor of Law (LLB)(Hons) and Master of Science (Islamic Banking & Finance) from International Islamic University, Malaysia. A lawyer by profession, he was admitted as an advocate and solicitor at the High Court of Malaya in 1997. He is a partner in JB Lim & Associates, a legal firm based in Penang. He has more than 25 years of experience in the field of banking and corporate law, and has been practicing since the date of admission.

He is the Chairman of the Remuneration Committee and a member of the Audit Committee. He is also a member of the Nominating Committee.

He attended all the five (5) Board meetings of the Company duly held for the financial year ended 31 December 2023.

Notes:

1. All the Directors do not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries.
2. All the Directors have not been convicted for any offences within the past five years other than traffic offences, if any.
3. Mr. Ewe Eng Kah is the husband of Madam Neoh Lay Hwa, the substantial shareholder of the Company, and Mr. Ewe Wee Ting and Ms Ewe Wei Ru are the children of Mr. Ewe Eng Kah and Madam Neoh Lay Hwa.
4. The Directors' shareholdings are as disclosed in page 39 and 40 of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

LEONG YEW WING

- ◆ Malaysian ◆ 52 ◆ Male
- ◆ Senior Vice President

A Malaysian aged 52, male, he joined the Eng Kah Group in November 2019 as the Chief Operating Officer. He was subsequently re-designated as a Senior Vice President of the Company on 5 October 2023. He has more than 20 years of management experience in Fast Moving Consumer Goods ("FMCG") industry and Global Strategic Procurement in Fortune 500. He involves closely in R&D, products development and engineering related projects.

He graduated with a Bachelor of Engineering (Hons) in Mechanical Engineering and holding a MBA (Finance) from University of Leeds, United Kingdom.

LEE JUI HONG

- ◆ Malaysian ◆ 40 ◆ Male
- ◆ Chief Financial Officer

A Malaysian aged 40, male, he joined the Eng Kah Group in October 2020 as the Finance Advisor. In March 2021, he was appointed as the Chief Financial Officer. He has more than 10 years working experience in accounting, auditing and taxation for various industries ranging from trading, property development, construction, manufacturing, food & beverage to retails. His working experience includes supporting clients during tax investigation, provision of GST implementation and various advisory activities.

He graduated with a Bachelor of Accounting (Hons) from University Utara Malaysia in 2009 and he is a Member of the Malaysian Institute of Accountants (MIA) since 2013.

WILCHARD BAH WEE CIAT

- ◆ Malaysian ◆ 39 ◆ Male
- ◆ Chief Marketing Officer

A Malaysian aged 39, male, he joined the Eng Kah Group in October 2022 as the Chief Marketing Officer. He has more than 18 years experiences in logistics and retail industry. He has worked in various roles such as operations, customer service and sales, and has been recognized with multiple top sales awards. He is responsible for the development and execution of marketing strategies to increase brand awareness, drive prospects and enhance customer engagement.

With his vast experience, he has developed a deep understanding of the importance of data-driven insights which has helped him gained valuable insights into customer behavior, product positioning and marketing strategies. His knowledge of both industries enables him to approach challenges from a unique perspective. He priorities to motivate and inspire teams to achieve their goals as a purpose driven, objective oriented and humility in order to build strong relationships with stakeholders, from customers to suppliers and partners. He is committed to staying current with emerging marketing trends and technologies by constantly learning and exploring new ways to leverage emerging technologies and marketing platforms to drive results.

Notes:

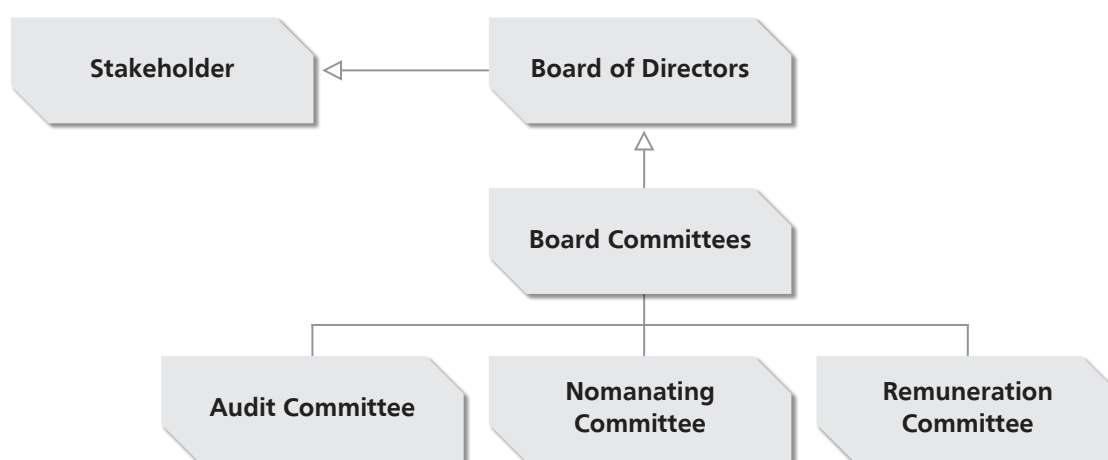
1. All the Key Senior Management do not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries.
2. All the Key Senior Management have not been convicted for any offences within the past five (5) years other than traffic offences, is any.
3. None of the Key Senior Management have any family relationship with the Directors/major shareholders of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors is fully committed to ensure that the highest standards of corporate governance are practiced throughout the Group, in order to protect and enhance shareholders' value. The Board fully supports the recommendations of the Malaysian Code on Corporate Governance ("MCCG") and believes that good corporate governance is essential to attain the Group's business and social objectives.

The Board is pleased to disclose the extent to which the Company has complied with the principles and best practices as set out in the MCCG during the financial year ended 31 December 2023. A Corporate Governance Report ("CG Report") in the prescribed format reports on the compliance with MCCG by the Group throughout the financial year ended 31 December 2023 and reasons thereof if there are inconsistencies. The CG Report is disclosed to Bursa Malaysia Securities Berhad ("Bursa Securities") together with the Annual Report and may be viewed via the Company's website at www.engkah.com or Bursa Securities' listed company announcement page at www.bursamalaysia.com.

GOVERNANCE FRAMEWORK



THE BOARD

Roles and Responsibilities of the Board

The Group is led and directed by an experienced Board who has the overall responsibilities to oversee its business matters. The Board includes members with a wide range of experience and expertise in business, financial, legal and technical aspects, which are relevant for managing the Group professionally and effectively. The Board assumes, amongst others, the following responsibilities: -

- Setting strategic aims and managing relevant resources for the Group to achieve its objectives;
- Evaluating and adopting relevant strategic plans and focus on sustainability of the business of the Group;
- Evaluating, overseeing and managing major business matters of the Group;
- Evaluating and identifying principal business risk and implementing appropriate systems to manage and mitigate these risks;
- Evaluating and approving relevant business ventures as well as acquisitions and disposal of assets of the Group;
- Evaluating and implementing succession plan, including employing and training of relevant key personnel of the Group and reviewing management performance;
- Evaluating the adequacy and integrity of the Group's internal control mechanism and management information systems;
- Evaluating, developing and implementing relevant investor relation programmes and shareholders' communication policy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

THE BOARD (CONT'D)

Roles and Responsibilities of the Board (Cont'd)

The Group's Executive Chairman and Chief Executive Officer are assigned with the authorities and responsibilities to implement policies as approved by the Board, as well as to oversee the Group's day-to-day business operations, and to monitor the aspects of good corporate governance, leadership and effectiveness of the Board. Executive Directors are assigned with the responsibilities to oversee the sales & marketing, production and administrative functions of the Group.

The Group's Independent Directors are assigned with the responsibilities to provide independent views, judgments and advices in order to safeguard the interest of shareholders.

The Board has also set-up Audit Committee, Nominating Committee and Remuneration Committee with clearly defined responsibilities to assist the Board in carrying out its functions and responsibilities effectively. The Independent Directors sit in Board Committees of the Company as the followings: -

Designation	Audit Committee	Nominating Committee	Remuneration Committee
Chairman	Ong Kim Nam	Chua It Chit	Mohd Farid Bin Azahari
Members	Muttaqin Bin Othman Mohd Farid Bin Azahari Chua It Chit	Muttaqin Bin Othman Mohd Farid Bin Azahari Ong Kim Nam	Muttaqin Bin Othman Ong Kim Nam Chua It Chit

Formalised Ethical Standards Through Code of Conduct and Ethics

The Board has formalised a Code of Conduct and ethics for Directors. The Code shall provide proper guidance for Directors with regard to ethical standards to be complied with when carrying out their duties and responsibilities.

A copy of the Code of Conduct is available for reference at the Company's website at www.engkah.com.

Access to Information and Advice

All the Directors have direct access to professional services of the Company Secretary as well as other professional advisors to assist Directors in carrying out their duties.

Prior to Board meetings, all the Directors are furnished with agenda and Board's papers on matters requiring considerations and discussions. All the Directors have full access to information on issues to be discussed in meetings. The Management provides further information, when necessary, during meetings to facilitate the Directors in decision making and carry out their duties and responsibilities.

Company Secretary

The Board is supported by a qualified and competent Company Secretary who is responsible to provide sound governance advice to the Board, ensure proper Board procedures are followed and in compliance with relevant rules and regulations, as well as adoption of corporate governance practices.

The Company Secretary plays an advisory role in all the Board meetings and ensures that all the meetings are properly convened and conducted. Meeting materials are distributed to Directors, which are complete and accurate within a reasonable time period prior to the meetings. All the minutes of Board meetings are properly recorded, maintained and circulated in a timely manner.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

THE BOARD (CONT'D)

Board Charter

The Board has adopted a Board Charter which sets out the principles of good corporate governance governing the Company's Board of Directors, clearly defines the roles and responsibilities of its Board members, as well as to adopt the practice in accordance to applicable laws, rules and regulations. The Board will periodically review the Board Charter and make relevant amendments as and when necessary.

A copy of the Board Charter is available at the Company's website at www.engkah.com.

Whistle-Blowing Policy

The Group is committed to maintaining a high standard of integrity, accountability and ethical behavior in conducting its business operations. Employees and stakeholders are encouraged to report genuine concerns about malpractices, unethical behavior and illegal acts on failure to comply with regulatory requirements, provided that the report is made in good faith. All cases shall be investigated independently and appropriate actions shall be taken if necessary.

A copy of the Whistle-Blowing Policy is available for reference at the Company's website at www.engkah.com.

Anti-Bribery and Corruption Policy

The Board of Directors believes that honesty, integrity and transparency are the core values of good corporate governance. The Board is responsible to ensure that the Group has in place policies and procedures that adequately address and manage bribery and corruption risks, promote a culture of integrity within the organisation, the organisation's policies and commitments on anti-bribery and corruption is being communicated to both internal and external parties as well as comply to laws and regulatory requirements on anti-bribery and corruption.

Based on recommendation by the Audit Committee, the Board has formalised its Anti-Bribery and Corruption Policy ("Policy") to comply with the Malaysian Anti-Corruption Commission ("MACC") Act 2009 (Amendment 2018). The Head of Human Resources Department is the Compliance Officer.

A copy of the Anti-Bribery and Corruption Policy is available for reference at the Company's website at www.engkah.com.

Conflict of Interest Policy

The Group is committed to ensuring that all Directors, Key Senior Management and all employees of the Group, act with integrity and uphold the highest standards of ethical conduct. This Conflict of Interest Policy (the "Policy") is an integral part of the Group's commitment to promoting transparency, accountability, and fair business practices.

The Policy is established to be read in conjunction with the Company's existing Code of Conduct and Ethics, Related Party Transactions Policy and Anti-Bribery and Corruption Policy. Together, these policies form a comprehensive framework that guides the behavior of all Directors, Key Senior Management and all employees within the Group and helps maintain the Group's reputation for ethical business practices.

The Board has adopted the Conflict of Interest Policy. A copy of the Policy is available for reference at the Company's website at www.engkah.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

BOARD COMMITTEES

The Board has set up three committees namely Audit Committee, Nominating Committee and Remuneration Committee to assist the Board in carrying out its roles and responsibilities.

Nominating Committee

The Nominating Committee consists of the following members:-

Chairman : Chua It Chit
Members : Muttaqin Bin Othman
Mohd Farid Bin Azahari
Ong Kim Nam

The Nominating Committee was established to assist the Board, amongst others, on the following functions:

1. To identify suitable candidates with the relevant expertise and experience and recommend to the Board as candidates for directorships;
2. To nominate Directors for re-election purposes;
3. To recommend candidates to fill the seats for Board's committees;
4. To review the Board's structure, size and composition in order to establish an effective Board; and
5. To develop, maintain and review criteria for recruitment purposes and annual assessment of Directors.

During the financial year, the Nominating Committee deliberated on the following matters: -

- recommending to the Board of Directors based on the assessment conducted for the re-election of the Directors who were retiring by rotation and seeking for re-election at the forthcoming AGM;
- assessment of the independence of the Independent Directors based on the criteria set out in the Main Market Listing Requirements ("MMLR") of Bursa Securities;
- evaluation of the current Board structure, size and composition and effectiveness of the Board as a whole and the Board Committee as well as the contribution and performance of each individual Director;
- evaluation of the character, experience, integrity and competence of the Executive Chairman, Chief Executive Officer, Executive Director and Key Senior Management and to ensure they have the time to discharge their respective roles; and
- reviewed and assessed the effectiveness of the Audit Committee in carrying out its duties as set out in the terms of reference.

The Board is to make final decisions on appointments recommended by the Nominating Committee.

Re-election of Directors

The Constitution of the Company has stated that all the Directors are subjected to retirement from office and at least one third of the Board shall retire once every three years by rotation at each Annual General Meeting ("AGM") but shall be eligible for re-election.

The Company Secretary shall ensure that all the relevant information is obtained and all the legal and regulatory requirements are met by the Company before the appointments of directors are made.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

BOARD COMMITTEES (CONT'D)

Remuneration Committee

The members of the Remuneration Committee are:-

Chairman : Mohd Farid Bin Azahari
Members : Muttaqin Bin Othman
Ong Kim Nam
Chua It Chit

The Remuneration Committee is responsible for establishing a formal and transparent remuneration policies and procedures to attract and retain Directors and Key Senior Management. The Committee takes into account the qualification, experience and level of responsibilities when making recommendation to the Board.

Directors' Remuneration

Details of the Directors' remuneration for the financial year ended 31 December 2023 are as follows:-

Category	Fees RM'000	Benefits in-kind RM'000	Allowance RM'000	Salaries RM'000	Bonuses RM'000	Total RM'000
Executive Directors						
Ewe Eng Kah	-	15	-	933	-	948
Ewe Wei Ru	-	-	-	300	-	300
Ewe Wee Ting	-	10	-	180	-	190
Non-Executive Directors						
Ong Kim Nam	28	-	5	-	-	33
Muttaqin Bin Othman	24	-	5	-	-	29
Mohd Farid Bin Azahari	24	-	5	-	-	29
Chua It Chit	24	-	5	-	-	29
Total	100	25	20	1,413	-	1,558

It is inconvenient for the Group to disclose salary, bonus, benefits in-kind and other emoluments of Key Senior Management on a named basis, as the Group is of the view that the disclosure would create negative impact amongst employees due to the sensitivity of the information.

REINFORCE INDEPENDENCE

Annual Assessment of Independent Directors

Independent Directors of the Company are being assessed by the Board annually, with the objective of ensuring the Independent Directors are in the position to provide independent views, judgments and advices to the Board in order to safeguard the interest of shareholders.

The Independent Directors of the Company have fulfilled the criteria as independence as prescribed in the MMLR of Bursa Securities. The composition of the Board has also complied with the MMLR which requires that one third (1/3) of the Board to be Independent Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

REINFORCE INDEPENDENCE (CONT'D)

Tenure of Independent Directors

MCCG has recommended that the tenure of independent director should not exceed a cumulative term of nine years. If a person who has served in the capacity as independent director for more than nine years, the Board must justify and seek shareholders' approval to retain that person as independent director.

Separation of Positions of Chairman and Chief Executive Officer

MCCG recommends that the positions of Chairman and Chief Executive Officer should be held by different individuals.

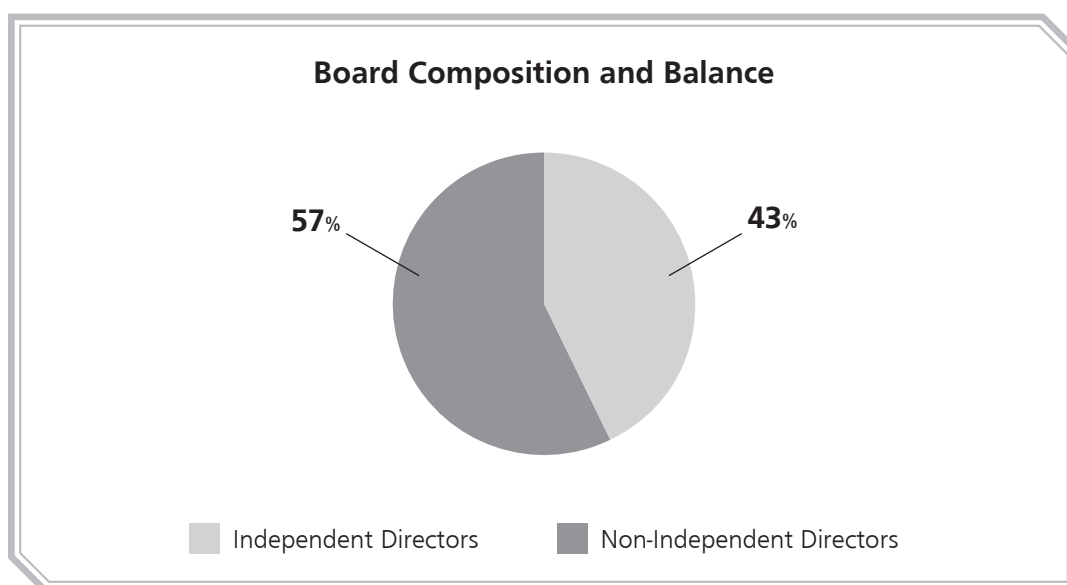
The positions of Chairman and Chief Executive Officer are not held by the same Director.

Board Composition and Balance

Currently the Board has seven (7) Directors comprising three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. More than one-third of the Board comprises Independent Non-Executive Directors. Independent Non-Executive Directors are equal Board members and provide a balanced and independent views as well as unbiased judgments to the Board in order to safeguard the interest of shareholders.

The Board reviews annually its performance, as well as the performance of Board Committees and individual Directors based on a set of predetermined criteria that is facilitated by the Company Secretary. The Board is satisfied that the composition of the Board and its Board Committees have satisfied the criteria required and Board members possess the relevant knowledge, experience and skills in carrying out their duties and responsibilities.

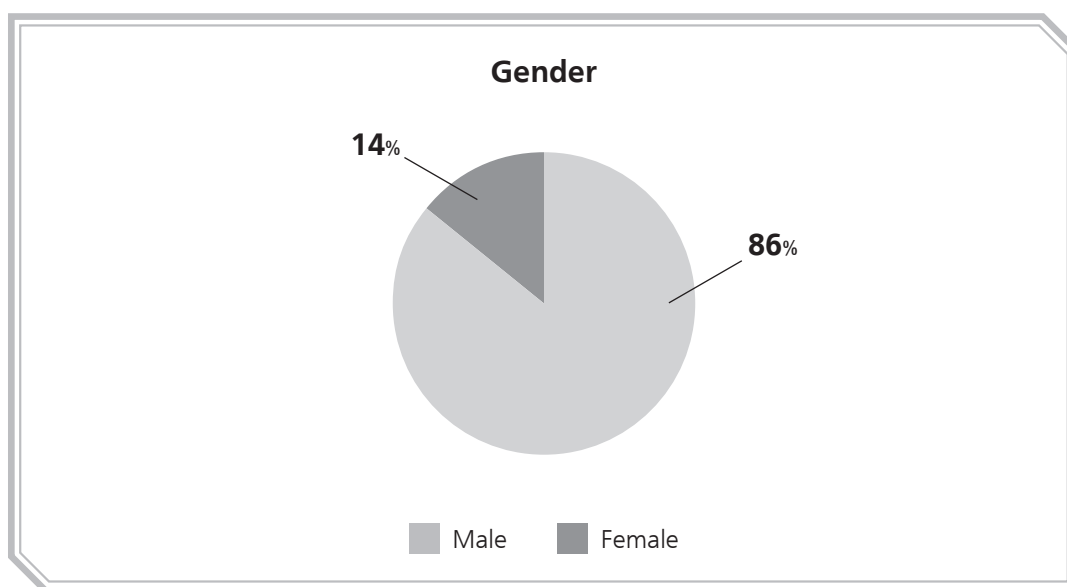
The Board has also reviewed its size and composition and is satisfied that its current size and composition is effective for proper functioning of the Group.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Gender Diversity

The Board is supportive of gender diversity in its Board composition and key senior management team. At present, there is one woman Director on the Board out of seven Directors. The Board via the recommendation from the Nominating Committee may evaluate more women participation as and when it deems fit.



FOSTER COMMITMENT

Time Commitment

The Board is satisfied with the level of time committed by Directors in carrying out their respective roles and responsibilities. The Board is scheduled to meet at least four times a year with additional meetings to be convened as and when necessary. All major issues and decisions are discussed and made at formal Board meetings. The Board held five meetings during the financial year ended 31 December 2023.

The following is the record of attendance of the Board members:-

Directors	Number of meetings attended
1. Ewe Eng Kah	5/5
2. Ewe Wei Ru	5/5
3. Ewe Wee Ting	5/5
4. Ong Kim Nam	5/5
5. Muttaqin Bin Othman	5/5
6. Mohd Farid Bin Azahari	5/5
7. Chua It Chit	5/5

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

FOSTER COMMITMENT (CONT'D)

Directors' Training

Besides attending the Mandatory Accreditation Programme as required by Bursa Securities, the Company has been conducting In-House Training Programme ("IHTP") for Directors. The purpose of the IHTP is for all the Directors to have better understanding on the business operations of the Group. The IHTP covers the functions of accounting & finance; production; internal control; research & development and other aspects with regard to the group's business operations and functions. The IHTP is a programme to facilitate the Board in decision making as well as formulating strategic policy for the Group. If necessary, Directors will also attend other relevant training programmes to further enhance their knowledge and skills.

The Company Secretary also ensures that all the Directors are provided with information pertaining to their scope of responsibilities under the rules and regulations, and are kept informed by any changes in relevant rules and regulations with regard to the responsibilities of Directors.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

Financial Reporting

The Board has the responsibility to present a clear and understandable assessment of the Group's position and prospects in its quarterly reports to Bursa Securities and annual reports to shareholders.

The Audit Committee assists the Board in reviewing the information to be disclosed to ensure its accuracy, adequacy and completeness as well as to comply with applicable approved accounting standards in Malaysia.

Directors' Responsibility Statement

The Board is responsible for ensuring that the Group's financial statements give a true and fair view of the state of affairs of the Group, as well as its financial results and cash flow positions for the financial year.

In preparing the Group's financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016 have been complied, and supported by reasonable and prudent judgments and estimates when necessary.

The Directors have general responsibilities to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Assessment of Suitability and Independence of External Auditors

The Audit Committee has always maintained a transparent relationship with the external auditors in seeking professional advice and ensuring that the financial statements of the Group are prepared in accordance with the applicable approved accounting standards in Malaysia.

The Audit Committee has set the criteria to assess the suitability and independence of external auditors. The Audit Committee has reviewed and assessed the external auditors in terms of independence, performance, competency and integrity, and recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the AGM.

RECOGNISE AND MANAGE RISKS

Sound Framework to Manage Risks

The Board acknowledges the importance of good practice of corporate governance and is committed to maintain a sound system of internal control in order to safeguard the Group's assets.

The Board has established a risk management framework and the Audit Committee continuously reviews the adequacy and effectiveness of the risk management processes within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

RECOGNISE AND MANAGE RISKS (CONT'D)

Internal Audit Function

The Board has appointed an established external professional Internal Audit firm, namely JWC Consulting Sdn Bhd, to report to the Audit Committee. Its role is to provide the Audit Committee with much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control.

The internal audit function adopts a risk-based approach in developing its audit plan which addresses the core business processes of the Group based on their risk profile. Scheduled internal audits are carried out by the internal auditors based on the audit plan presented to and approved by the Audit Committee.

The Statement on Risk Management and Internal Control which is set out on pages from 31 to 33 of the annual report, provides an overview on the state of internal control system within the Group.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Company recognizes the importance of keeping shareholders informed on all material business matters affecting the Group. As such, the Company always makes necessary announcements and timely release of quarterly financial results and other relevant information through Bursa-Link, Company's website, annual reports, press releases or other channel of communications.

STRENGTHEN THE RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The AGM is a platform for dialogue and interaction with shareholders. The Company has always taken the initiative to communicate and engage with shareholders especially during AGM. Shareholders are always encouraged to enquire issues and discuss matters which are relevant to the business operations of the Group at the AGM.

Notice of AGM together with the Company's annual report are served to shareholders of the Company at least 28 days before the meeting and shareholders who are unable to attend will have the right to appoint proxy to attend and vote on their behalf.

The Company also organizes analysts briefing as well as meetings with fund managers and investors in response to requests from institutional investors, analysts and public investors.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is required under paragraph 15.26(a) of the MMLR of Bursa Securities to issue a statement explaining its responsibility for preparing the annual audited financial statements.

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and the Company as at the financial year end and of their results and cash flows for the financial year then ended.

The Directors consider that, in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2023, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates. The Directors also consider that all applicable Financial Reporting Standards in Malaysia have been complied with and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company maintain proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and the Company, and that the financial statements comply with the regulatory requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance requires public listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investments and company's assets. Under the provisions of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Main Listing Requirements"), paragraph 15.26(b), Directors of public listed companies are required to produce a statement on the state of the company's internal control in their Annual Report.

The Board of Directors ("Board") continues with its commitment to maintain sound systems of risk management and internal control throughout Eng Kah Corporation Berhad and its subsidiaries ("Group") and in compliance with the Main Listing Requirements and the Statement of Risk Management and Internal Control (Guidelines for Directors of Listed Issuers) ("Internal Control Guidelines"), the Board is pleased to provide the following statement which outlines the nature and scope of risk management and internal control of the Group during the financial year in review.

BOARD RESPONSIBILITY

The Board acknowledges the importance of sound risk management and internal control being embedded into the culture, processes and structures of the Group. The systems of internal control cover risk management and financial, organisational, operational, project and compliance controls. The Board affirms its overall responsibility for the Group's systems of internal control and for reviewing the effectiveness and efficiency of those systems to ensure its viability and robustness. It should be noted, however, that such systems are designed to manage, rather than eliminate, risks of failure to achieve corporate objectives. Inherently, it can only provide reasonable and not absolute assurance against material misstatement or loss.

CONTROL STRUCTURE AND ENVIRONMENT

In furtherance to the Board's commitment to maintain sound systems of risk management and internal control, the Board continues to maintain and implement a structure and environment for the proper conduct of the Group's business operations as follows:

- The Board meets at least quarterly and has set a schedule of matters which is required to be brought to its attention for discussion, thus ensuring that it maintains full and effective supervision over appropriate controls. The Chief Executive Officer leads the presentation of board papers and provides explanation of pertinent issues. In addition, the Board is kept updated on the Group's activities and its operations on a regular basis;
- An organisation structure with well-defined scopes of responsibility, clear lines of accountability, and levels of delegated authority;
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability;
- A set of documented internal policies and procedures for operational and human resource management, which is subject to review and improvement. A documented delegation of authority with clear lines of accountability and responsibility serves as a tool of reference in identifying the approving authority for various transactions including matters that require Board's approval;
- Regular and relevant information provided by management, covering financial and operational performance and key business indicators, for effective monitoring and decision making; and
- Regular visits to operating units by members of the Board and senior management.

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

RISK MANAGEMENT

The Group has established risk management practices to safeguard the Group's business interest from risk events that may impede the achievement of business strategy and provide assurance to the Groups' various stakeholders. The Chief Executive Officer and Chief Financial Officer have provided the Board the assurance that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, to ensure achievement of corporate objectives.

The main components of the Group's risk governance and structure consists of the Board, the Senior Management and the key personnel of the Group. The structure allows for strategic risk discussions to take place between the Board and the Senior Management on a periodical basis, where necessary. The summary of the accountabilities of the Board, the Senior Management and the key personnel under the risk governance structure are as follows:

a. Board of Directors

- Overall risk oversight responsibility;
- Determines that the principal risks are identified, and appropriate as well as robust systems are implemented to manage these risks;
- Reviews the adequacy and the integrity of the Group's internal control systems and information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

b. Senior Management and key personnel of the Group

- Oversees the effective implementation of risk policies and guidelines, and cultivation of risk management culture within the organisation;
- Reviews and monitors periodically the status of the Group's principal risks and their mitigation actions and update the Board accordingly, where necessary.

Regular project-based discussions are conducted and attended by the Group's senior and middle management and key employees. This is part of the ongoing initiative to sustain risk awareness and risk management capabilities.

In essence, Risk Management is conducted through an ongoing process between the Board, the Management and employees in the Group. The Group believes that the risk management framework and guidelines adopted and implemented have strengthened the risk ownership and risk management culture amongst the employees.

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

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and has engaged the services of an independent professional and consulting firm, to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control.

The internal audit adopts a risk-based approach in developing its audit plan which addresses the core business processes of the Group based on their risk profile. Scheduled internal audits are carried out by the internal auditors based on the audit plan presented to and approved by the Audit Committee.

The Audit Committee has full and direct access to the internal auditors and the Audit Committee receives reports on all internal audits performed. The Internal Auditors continue to independently and objectively monitor compliance with regard to policies and procedures, and the effectiveness of the internal controls systems. Significant findings and recommendations for improvement are highlighted to Management and the Audit Committee, with periodic follow-up of the implementation of action plans. The Management is responsible for ensuring that corrective actions were implemented accordingly.

Based on the internal auditors' report for the financial year ended 31 December 2023, the Board has reasonable assurance that the Group's systems of internal control are generally adequate and appear to be working satisfactorily. A number of minor internal control weaknesses were identified during the financial year, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The Board continues to review and implement measures to strengthen the internal control environment of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

As required under Paragraph 15.23 of the Listing Requirements, the external auditor has reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Company for the financial year ended 31 December 2023 and reported to the Board that nothing has come to their attention which causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control of the Group.

This statement is issued in accordance with a resolution of the Directors dated 16 April 2024.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the report of the Audit Committee for the financial year ended 31 December 2023.

MEMBERS AND ATTENDANCE

The present members of the Audit Committee and details of their attendance of meetings during the financial year ended 31 December 2023 are as follows:-

Name	Designation	Attendance
Ong Kim Nam	Chairman/Independent Non-Executive Director	5/5
Muttaqin Bin Othman	Non-Independent Non-Executive Director	5/5
Mohd Farid bin Azahari	Independent Non-Executive Director	5/5
Chua It Chit	Independent Non-Executive Director	5/5

ROLE OF THE AUDIT COMMITTEE

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling the following objectives:-

- assess the Group's process relating to its risks and control environment;
- oversee the Group's financial reporting; and
- evaluate the Group's internal and external audit processes.

COMPOSITION

The Audit Committee members shall be appointed by the Board of Directors amongst the members of the Board. The Committee shall comprise no fewer than three Directors, and all the members must be Non-Executive Directors.

The Board shall at all times ensure that at least one (1) member of the Committee shall be:

- a member of the Malaysian Institute of Accountants ('MIA'); or
- if the Director is not a member of MIA, the Director must have at least three (3) years of working experience and:-
 - the Director must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967, or
 - the Director must be a member of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967 or
- fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

If a member of the Committee resigns, dies or for any reason ceases to be a member and as a result the number of members is reduced to below three (3), the Board shall within three (3) months of the event, appoints such number of new members as may be required to fill the vacancy.

The Chairman of the Committee shall be an Independent Non-Executive Director. No alternate Director of the Board shall be appointed as a member of the Committee.

The Board shall review the terms of reference and performance of the Committee as well as its members at least once every three (3) years, in order to determine whether the Committee and its members have carried out their duties in accordance with the terms of reference.

AUDIT COMMITTEE REPORT (CONT'D)

QUORUM AND COMMITTEE'S PROCEDURES

Meetings shall be conducted at least four (4) times a year or more frequently as circumstances dictates.

In order to form a quorum for the meeting, the majority of the members' present must be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting amongst the members present.

The Company Secretary shall be the Secretary of the Committee. The Secretary together with the Chairman, shall draw up an agenda and circulate together with relevant supporting documents, at least seven (7) days prior to each meeting to the members of the Committee. The minutes shall be kept and distributed to members of the Committee as well as the Board of Directors.

The Committee may, as and when deemed necessary, invite other Board members and key senior management members to attend the meeting.

The Chairman shall submit an annual report to the Board summarising the Committee's activities during the year and the related significant results and findings.

The Committee shall meet with the management as and when necessary, and at least twice a year with the internal auditors and external auditors in separate sessions to discuss any matters without the presence of any Executive Directors of the Board.

The Committee shall regulate the manner of proceedings of its meetings, having regard to normal convention on such matter.

AUTHORITY

The Committee is authorised to seek any information it requires from employees, who are required to cooperate with any requests made by the Committee.

The Committee shall have full and unrestricted access to any information pertaining to the Group.

The Committee shall have direct communication channels with the internal audit function and external auditors as well as key senior management of the Group, and shall be able to convene meetings with the external auditors, the internal audit function or both, without the presence of other Directors and employees of the Company, whenever deemed necessary.

The Committee has the necessary resources which are required to perform its duties. The Committee shall also be able to obtain independent professional or other advices it considers necessary at the expense of the Group.

Whenever the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of Listing Requirements of Bursa Securities, the Committee shall promptly report such matter to Bursa Securities.

DUTIES AND RESPONSIBILITIES

In fulfilling its primary objectives, the Committee shall undertake the following duties and responsibilities:-

- Review with the external auditors, the audit scopes and plans, including any changes to the scopes of the audit plans.
- Review the adequacy of the internal scopes and plans, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.

AUDIT COMMITTEE REPORT (CONT'D)

DUTIES AND RESPONSIBILITIES (CONT'D)

In fulfilling its primary objectives, the Committee shall undertake the following duties and responsibilities (Cont'd):-

- Review the external and internal audit reports to ensure that appropriate and prompt remedial action is taken by management on major deficiencies in control system or procedures that are identified.
- Review major audit findings and the management's response during the year with management, external auditors and internal audit function, including the status of previous audit recommendations.
- Review the independence and objectivity of the external auditors, the audit fees and any question of resignation or dismissal before making recommendation to the Board.
- Review the internal audit programmes and results of the internal audit findings and if necessary, ensure that appropriate action is taken on the recommendations of the internal audit function.
- Review the adequacy and integrity of the internal control system, including risk management and the internal audit function and/or external auditors' evaluation on the control system.
- Review and consider investigation reports on any major defalcations, frauds and thefts as well as actions taken by management in response to audit findings.
- Review the quarterly announcement to Bursa Securities and year-end financial statements of the Company and the Group before submission to the Board, focusing particularly on:-
 1. changes in or implementation of major accounting policies and practices;
 2. significant and unusual events or adjustments arising from the audits;
 3. the going concern assumption; and
 4. compliance with accounting standards and other legal requirements.
- Review and monitor any related party transactions entered by the Group on a quarterly basis and ensure all transactions are carried out on an arm's length basis.
- Review conflict of interest or potential conflict of interest situations that may arise and the measures identified to resolve, eliminate, or mitigate the conflict of interest in compliance with the MMLR.
- To verify the allocation of options pursuant to Employees Share Option Scheme ("ESOS"), if any.
- To consider other functions or assignments as may be authorised by the Committee and the Board.

REPORTING PROCEDURES AND ACTIVITIES OF AUDIT COMMITTEE

The Chairman of the Committee shall report on each meeting to the Board. The Committee shall prepare reports, at least once a year, to the Board summarizing the Committee's activities during the year in discharging of its duties and responsibilities as well as the related significant results and findings,

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the year under review, the Audit Committee has carried out the following activities:-

1. Financial Reporting

Reviewed unaudited quarterly financial results of the Group for presentation to the Board for approval and thereafter for the announcement to Bursa Securities. The review focused on any change in accounting policies, materiality, any significant or unusual transactions, and compliance with accounting standard as well as other requirements.

AUDIT COMMITTEE REPORT (CONT'D)

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

During the year under review, the Audit Committee has carried out the following activities (Cont'd):-

2. Internal Audit

Reviewed the internal audit reports and to ensure that the internal audit function has the necessary authority to carry out its works, and the internal audit function is effective and able to function independently. The Audit Committee also reviewed the findings and area of concern as mentioned in the internal audit reports and meetings were held with the internal audit function to discuss on the recommendations for improvement as proposed by the internal audit function.

The Audit Committee is satisfied that the internal audit function is carried out in accordance with a recognized framework.

3. External Auditors

Reviewed with the external auditors the results of the audit and audit report as well as the financial statements for the financial year ended 31 December 2023. The Audit Committee also reviewed the external auditors' scope of work and audit plans, and the independence of external auditors in carrying out their works. After evaluating the performance of the external auditors, the Audit Committee will recommend its re-appointment and recommendation to the Board.

4. ESOS

Reviewed and verified the allocations of options pursuant to ESOS offered.

5. Recurrent Related Party Transactions

Reviewed the recurrent related party transactions to ensure that these transactions are undertaken at arm's length and on normal commercial terms consistent with the Group's business practices and policies, and are not detrimental to the interest of minority shareholders.

6. Conflict of Interest

Reviewed conflict of interest or potential conflict of interest situations that may arise and the measures taken to resolve, eliminate or mitigate such conflict.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to a professional service firm, Messrs JWC Consulting Sdn Bhd, whose primary responsibility is to independently assess and report to Audit Committee on the system of internal control of the Group. The internal audit function reports to the Audit Committee and assists the Board in monitoring and managing risks and reviewing internal control mechanism, with the objective of providing reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.

During the financial year ended 31 December 2023, the internal audit function has carried out the following activities:-

1. Reviewed and appraised the soundness, adequacy and application of control system for the financial functions of the Group;
2. Reviewed current system and certain risk areas in order to ensure that assets are properly safeguarded;
3. Performed follow-up reviews to ensure appropriate actions are taken to mitigate certain risk areas;
4. Assisted in identifying risks and developing appropriate action plans to mitigate those risks;
5. Identified areas for improvements with recommendation on appropriate actions to be taken.

During the financial year ended 31 December 2023, the internal audit function conducted two (2) audit visits and subsequently presented the Internal Audit Report to the Audit Committee in accordance with their internal audit review as approved by the Audit Committee.

No material weaknesses were detected by the internal audit function, and suggestions for enhancing internal controls were communicated to the relevant department heads for further action and implementation.

ADDITIONAL COMPLIANCE INFORMATION

1. MATERIAL CONTRACTS

The Company and its subsidiaries do not have any material contracts involving Directors and major shareholders.

2. AUDIT NON-AUDIT FEES

During the financial year, the audit fees and non-audit fees paid/payable to the Company's external auditors by the Company and by the Group incurred for services rendered are as follows:

Type of Fees	Company (RM)	Group (RM)
Audit Fees	40,000	119,000
Non-Audit Fees	2,000	2,000

3. EMPLOYEES SHARE OPTION SCHEME ("ESOS")

Details of the ESOS are disclosed in the Directors' Report and Note 14 of the Notes to the Financial Statements for the financial year ended 31 December 2023. The aggregate maximum allocation applicable to each Director and Key Senior Management shall not more than 10% of the total Shares made available under this Scheme and 42.08% and 3.21% has been granted to them during the financial year and since commencement of the scheme respectively.

4. INTERNAL AUDIT FUNCTION

The internal audit function was outsourced and the cost incurred for the internal audit function in respect of the financial year ended 31 December 2023 was RM11,369.

5. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

Details of the recurrent related party transactions of revenue nature or trading nature have been duly disclosed in Note 26 of the Notes to the Financial Statements for the year ended 31 December 2023.

The Company is proposing to seek a renewal shareholders' mandate at its forthcoming Annual General Meeting pursuant to paragraph 10.09 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements for recurrent related party transactions of a revenue or trading nature. Details of the proposals are being disclosed in the Circular to Shareholders dated 30 April 2024.

SHAREHOLDINGS & WARRANT HOLDINGS STATISTIC

AS AT 5 APRIL 2024

Total Number of Issued Shares	:	118,121,967
Class of Shares	:	Ordinary shares
Voting Right	:	One vote per share

LIST OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Name	Direct	% of Shares	Deemed	% of Shares
Ewe Eng Kah	56,658,546	47.97	1,412,605 ⁽ⁱ⁾	1.20
Neoh Lay Hwa	1,412,605	1.20	56,658,546 ⁽ⁱ⁾	47.97
Ewe Wei Ru	6,467,750	5.48	-	-
Ewe Wee Ting	6,467,750	5.48	50,600 ⁽ⁱ⁾	0.04

Notes: -

(i) Deemed interested by virtue of shares held by spouse

LIST OF SUBSTANTIAL WARRANT-HOLDERS OF THE COMPANY

Name	Direct	% of Shares	Deemed	% of Shares
Ewe Eng Kah	15,526,323	43.81	423,781 ⁽ⁱ⁾	1.20
Neoh Lay Hwa	423,781	1.20	15,526,323 ⁽ⁱ⁾	43.81

Notes: -

(i) Deemed interested by virtue of warrants held by spouse

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

Name	Direct	% of Shares	Deemed	% of Shares
Ewe Eng Kah	56,658,546	47.97	1,412,605 ⁽ⁱ⁾	1.20
Ewe Wee Ru	6,467,750	5.48	-	-
Ewe Wee Ting	6,467,750	5.48	50,600 ⁽ⁱ⁾	0.04
Muttaqin Bin Othman	33,166	0.03	-	-
Ong Kim Nam	11,000	0.01	36,666 ⁽ⁱ⁾	0.03
Mohd Farid Bin Azahari	-	-	-	-
Chua It Chit	-	-	661,600 ⁽ⁱⁱ⁾	0.56

Notes: -

(i) Deemed interested by virtue of securities held by spouse

(ii) Deemed interested by virtue of Section 8(4) of the Companies Act 2016

SHAREHOLDINGS & WARRANT HOLDINGS STATISTIC (CONT'D)

AS AT 5 APRIL 2024

DIRECTORS' WARRANT HOLDINGS IN THE COMPANY

Name	Direct	% of Warrants	Deemed	% of Shares
Ewe Eng Kah	15,526,323	43.81	423,781 ⁽ⁱ⁾	1.20
Ewe Wei Ru	1,560,950	4.40	-	-
Ewe Wee Ting	1,560,950	4.40	-	-
Muttaqin Bin Othman	9,950	0.03	-	-
Ong Kim Nam	3,300	0.01	11,000 ⁽ⁱ⁾	0.03
Mohd Farid Bin Azahari	-	-	-	-
Chua It Chit	-	-	-	-

Notes: -

(i) Deemed interested by virtue of securities held by spouse

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS

No. of Holders	Size of Holdings	Total Holdings	%
140	less than 100 shares	6,463	0.01
198	100 to 1,000 shares	79,080	0.07
735	1,001 to 10,000 shares	3,559,403	3.01
357	10,001 to 100,000 shares	11,468,185	9.71
61	100,001 to less than 5% of issued shares	39,058,123	33.06
4	5% and above of issued shares	63,950,713	54.14
1,495		118,121,967	100.00

DISTRIBUTION SCHEDULE OF WARRANT HOLDINGS

No. of Holders	Size of Holdings	Total Holdings	%
201	less than 100 warrants	9,217	0.03
329	100 to 1,000 warrants	206,047	0.58
457	1,001 to 10,000 warrants	1,627,082	4.59
134	10,001 to 100,000 warrants	4,597,866	12.98
31	100,001 to less than 5% of issued warrants	13,286,459	37.49
3	5% and above of issued warrants	15,710,023	44.33
1,155		35,436,694	100.00

SHAREHOLDINGS & WARRANT HOLDINGS STATISTIC (CONT'D)

AS AT 5 APRIL 2024

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

	NAME	NO. OF SHARES HELD	%
1.	EWE ENG KAH	32,453,025	27.47
2.	EWE ENG KAH	18,562,188	15.71
3.	EWE WEE TING	6,467,750	5.48
4.	EWE WEI RU	6,467,750	5.48
5.	EWE KIM SIANG	5,751,568	4.87
6.	EWE ENG KAH	5,643,333	4.78
7.	TAN HUN YAM	3,000,000	2.54
8.	LIM EWE TATT	2,500,000	2.12
9.	CHEONG SIEW CHYUAN	2,000,000	1.69
10.	NEOH LEE LUAN	2,000,000	1.69
11.	THUM PI YEE	1,470,632	1.25
12.	NEOH LAY HWA	1,409,855	1.19
13.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR RHB PRIVATE FUND - SERIES 3	1,116,666	0.95
14.	LIM MEI NING	1,033,333	0.87
15.	LONG KUAI HONG	900,000	0.76
16.	TAN YAU LAM	889,700	0.75
17.	THAM YEN THIM	834,995	0.71
18.	CHOI KIM JOO	743,866	0.63
19.	TAN TIANG HUAT	718,500	0.61
20.	VILOR PARTNERS BERHAD	661,600	0.56
21.	HO KIONG CHAN	641,000	0.54
22.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES FOR LIM GHIM CHAI	559,000	0.47
23.	WOON MEE KIN	387,416	0.33
24.	LIM SOON HUAT	276,650	0.23
25.	GOH LI PENG	266,300	0.23
26.	YIK PHOOI HAR	258,400	0.22
27.	BOEY MEI KEAT	251,666	0.21
28.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE KEAN LAM	218,333	0.18
29.	MAZNAH BINTI ABDUL JALIL	215,091	0.18
30.	YOON WENG TIM	211,200	0.18

SHAREHOLDINGS & WARRANT HOLDINGS STATISTIC (CONT'D)

AS AT 5 APRIL 2024

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

	NAME	NO. OF WARRANTS HELD	%
1.	EWE ENG KAH	9,735,907	27.47
2.	EWE ENG KAH	4,097,416	11.56
3.	LONG KUAI HONG	1,876,700	5.30
4.	EWE KIM SIANG	1,697,330	4.79
5.	EWE ENG KAH	1,693,000	4.78
6.	EWE WEE TING	1,560,950	4.40
7.	EWE WEI RU	1,560,950	4.40
8.	KAW KENG WAI	767,000	2.16
9.	CHEONG SIEW CHYUAN	600,000	1.69
10.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VINCENT PHUA CHEE EE	500,000	1.41
11.	NEOH LAY HWA	422,956	1.19
12.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BOON KIM YU (CCTS)	337,000	0.95
13.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR RHB PRIVATE FUND - SERIES 3	335,000	0.95
14.	LIM MEI NING	310,000	0.87
15.	TOO CHIN KIONG	270,000	0.76
16.	THAM YEN THIM	250,498	0.71
17.	TAN TIANG HUAT	245,850	0.69
18.	TAN YAU LAM	228,000	0.64
19.	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR HUONG CHIONG HEE	218,500	0.62
20.	TAM BEE YOOK	215,100	0.61
21.	CH'NG SIEW SUAN	204,950	0.58
22.	LEE HE YAM	200,000	0.56
23.	EWE HONG KHOON	192,900	0.54
24.	HO KIONG CHAN	192,300	0.54
25.	AZLI BIN MD NASIR	154,500	0.44
26.	SIM KEAN HEE	145,600	0.41
27.	NG CHING SOONG	141,500	0.40
28.	SEOW LIAN SOON	135,500	0.38
29.	TAY KA KEON @ TAY KAH TAIT	134,350	0.38
30.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE ENG MIN (CCTS)	129,900	0.37

FINANCIAL STATEMENTS

- 44-48** Directors' Report
 - 49** Directors' Statement
 - 50** Statutory Declaration
- 51 - 54** Independent Auditors' Report To The Members
 - 55** Statements Of Financial Position
 - 56** Statements Of Comprehensive Income
 - 57** Consolidated Statement Of Changes In Equity
 - 58** Statement Of Changes In Equity
- 59 - 61** Statements Of Cash Flows
- 62 - 101** Notes To The Financial Statements



DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended **31 December 2023**.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
(Loss)/Profit for the financial year	<u>(3,700,493)</u>	<u>6,309,264</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

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

RESERVES AND PROVISIONS

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

The details and salient terms of warrant are disclosed in Note 12 to the financial statements.

ISSUE OF SHARE CAPITAL AND DEBENTURE

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

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the By-Laws which were approved by the shareholders at an Extraordinary General Meeting held on 7 January 2015. The ESOS shall be in force for a period of ten years commencing from 2 February 2015 and will expire on 1 February 2025.

DIRECTORS' REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The movement of the share options during the financial year is as follows:

Grant date	Exercise price RM	Number of share options over ordinary shares				Balance at 31.12.2023
		Balance at 1.1.2023	Granted	Exercised	Forfeited	
6.5.15	1.09	11,536,626	-	-	(463,326)	11,073,300
29.5.15	1.09	229,992	-	-	(34,999)	194,993
1.12.15	1.03	33,332	-	-	-	33,332
24.8.20	0.38	923,330	-	-	(249,999)	673,331
24.5.21	0.74	500,000	-	-	-	500,000

The salient features of the ESOS are disclosed in Note 14 to the financial statements.

Details of options granted to Directors are disclosed in the section of Directors' Interests in this report.

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:

Ewe Eng Kah*
Ewe Wei Ru*
Ewe Wee Ting*
Ong Kim Nam
Muttaqin Bin Othman
Mohd Farid Bin Azahari
Chua It Chit

* Directors of the Company and subsidiaries

Directors of the subsidiaries:

Ewe Kim Siang
Neoh Lay Hwa

DIRECTORS' REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares			Balance at 31.12.2023
	Balance at 1.1.2023	Bought	Sold	
Direct interest:				
Ewe Eng Kah	54,360,113	2,298,433	-	56,658,546
Ewe Wei Ru	5,907,750	560,000	-	6,467,750
Ewe Wee Ting	5,907,750	560,000	-	6,467,750
Muttaqin Bin Othman	33,166	-	-	33,166
Ong Kim Nam	11,000	-	-	11,000
Deemed Interest:				
¹ Ewe Eng Kah	1,412,605	-	-	1,412,605
¹ Ong Kim Nam	36,666	-	-	36,666
¹ Ewe Wee Ting	50,600	-	-	50,600
² Chua It Chit	322,600	339,000	-	661,600

	Number of options over ordinary shares			Balance at 31.12.2023
	Balance at 1.1.2023	Bought	Exercised	
Direct interest:				
Ewe Eng Kah	1,750,000	-	-	1,750,000
Ewe Wei Ru	1,750,000	-	-	1,750,000
Ewe Wee Ting	1,750,000	-	-	1,750,000
Deemed Interest:				
¹ Ewe Eng Kah	1,750,000	-	-	1,750,000

	Number of Warrants			Balance at 31.12.2023
	Balance at 1.1.2023	Granted	Exercised	
Direct interest:				
Ewe Eng Kah	15,526,323	-	-	15,526,323
Ewe Wei Ru	1,560,950	-	-	1,560,950
Ewe Wee Ting	1,560,950	-	-	1,560,950
Muttaqin Bin Othman	9,950	-	-	9,950
Ong Kim Nam	3,300	-	-	3,300
Deemed Interest:				
¹ Ewe Eng Kah	423,781	-	-	423,781
¹ Ong Kim Nam	11,000	-	-	11,000

DIRECTORS' REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

DIRECTORS' INTERESTS IN SHARES (CONT'D)

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

² Deemed interest pursuant to section 8(4) of the Companies Act 2016 by virtue of the shares held in Vilor Partners Berhad.

By virtue of the interests in the Company, **Mr. Ewe Eng Kah** is also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests.

Other than the above, none of the other Directors holding office at the end of the financial year had any interests in shares in the Company and its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

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

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Fees	100,000	48,000	148,000
Salaries, allowance and bonus	20,000	1,618,327	1,638,327
Defined contribution plans	-	70,840	70,840
Benefits-in-kind	-	50,991	50,991
	<u>120,000</u>	<u>1,788,158</u>	<u>1,908,158</u>

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling the 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, other than the share options granted pursuant to the ESOS.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS OR AUDITORS

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

OTHER STATUTORY INFORMATION

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

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

DIRECTORS' REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

OTHER STATUTORY INFORMATION (CONT'D)

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

- (i) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the value attributed to the current assets in the financial statements of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the 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 of the Company misleading.

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

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

In the opinion of the Directors:

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

AUDITORS

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

The amount of audit and other fees paid or payable to the Auditors and its member firms by the Group and the Company for the financial year ended 31 December 2023 amounted to RM121,000 and RM42,000 respectively. Further details are disclosed in Note 22 to the financial statements.

There was no indemnity given or insurance effected for the Auditors of the Company.

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

.....
Ewe Eng Kah

.....
Ewe Wei Ru

Date: 16 April 2024

DIRECTORS' STATEMENT

In the opinion of the Directors, the financial statements set out on pages 55 to 101 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December 2023** and of their financial performance and their cash flows for the financial year then ended.

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

.....
Ewe Eng Kah

.....
Ewe Wei Ru

Date: 16 April 2024

STATUTORY DECLARATION

I, **Lee Jui Hong (NRIC No.: 840229-07-5425)**, the Officer primarily responsible for the financial management of **Eng Kah Corporation Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 55 to 101 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 Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur **in the**)
Federal Territory, this day of)
16 April 2024)

.....
Lee Jui Hong
NRIC No.: 840229-07-5425
MIA No.: 36118
Chartered Accountant

Before me,

.....
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ENG KAH CORPORATION BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Eng Kah Corporation Berhad**, which comprise the statements of financial position as at **31 December 2023** 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 the material accounting policies information, as set out on pages 55 to 101.

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 2023** and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Valuation for inventories <i>(Note 8 to the financial statements)</i></p> <p>The Group holds significant inventories as at 31 December 2023 which exposes the Group to a risk that the inventories may become slow moving or obsolete and eventually non-saleable or recoverable below their carrying amounts.</p> <p>We focused on this area as it involves estimation uncertainty by the management in determining the accuracy of inventories written down and in assessing the adequacy of inventories not stated at the lower of cost and net realisable value.</p>	<p>Our audit procedures in relation to the valuation of inventories included, amongst others, the following:</p> <ul style="list-style-type: none">• Obtaining an understanding of:<ul style="list-style-type: none">- the Group's inventory management process; and- how the Group identifies and assesses inventories write-downs.• Attending the year end physical inventory count and paying attention to the physical condition of inventories;• Reviewing the ageing analysis of inventories and testing the reliability thereof;

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF ENG KAH CORPORATION BERHAD

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
	<ul style="list-style-type: none">• Reviewing the consistency of the application of management's methodology in determining and estimating the inventories written down from year to year;• Reviewing and testing the net realisable value of inventories on a sampling basis; and• Evaluating the reasonableness and adequacy of the inventories written down recognised for identified exposures.
<p>Impairment of trade receivables <i>(Note 9 to the financial statements)</i></p> <p>The Group has significant trade receivables as at the reporting date and is subject to credit risk exposures.</p> <p>We focus on this area as the assessment of the expected credit losses of trade receivables involves management's judgement and estimation uncertainty in determining the probability of default occurring by considering the ageing of trade receivables, historical loss experience and forward-looking information.</p>	<p>Our audit procedures in relation to impairment of trade receivables included, amongst others, the following:</p> <ul style="list-style-type: none">• Obtaining an understanding of:<ul style="list-style-type: none">- the Group's control over the customer collection process;- the process of identifying and assessing the impairment of trade receivables; and- the basis of how the Group makes the accounting estimates for the impairment of trade receivables.• Reviewing the application of the Group's policy for calculating the expected credit losses and whether it complies with MFRS 9;• Reviewing the ageing analysis of the trade receivables and testing the reliability thereof;• Reviewing subsequent collections for major customers and overdue amounts;• Examining other evidence including customer correspondence; and• Assessing the recoverability of balances and the adequacy of impairment loss for significant outstanding balances based on the expected credit loss model applied by the Group.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF ENG KAH CORPORATION BERHAD

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF ENG KAH CORPORATION BERHAD

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

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: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance 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 identified during our audit.

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

Other Matter

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

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

Tan Veer Leen
No. 03627/12/2025 J
Chartered Accountant

Kuala Lumpur

Date: 16 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	NOTE	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	20,036,064	20,303,202	-	-
Investment in subsidiaries	5	-	-	55,723,129	55,759,084
Investment in a joint venture	6	777,518	238,029	521,724	521,724
Amount due from subsidiaries	7	-	-	17,580,252	16,464,653
		<u>20,813,582</u>	<u>20,541,231</u>	<u>73,825,105</u>	<u>72,745,461</u>
Current assets					
Inventories	8	23,256,134	28,522,801	-	-
Trade receivables	9	8,848,422	11,623,316	-	-
Other receivables, deposits and prepayments	10	970,587	1,851,202	5,863	5,863
Current tax assets		479,716	1,295,678	48,736	40,371
Cash and cash equivalents	11	15,500,756	13,040,873	7,176,416	1,958,590
		<u>49,055,615</u>	<u>56,333,870</u>	<u>7,231,015</u>	<u>2,004,824</u>
TOTAL ASSETS		<u>69,869,197</u>	<u>76,875,101</u>	<u>81,056,120</u>	<u>74,750,285</u>
EQUITY AND LIABILITIES					
Share capital	12	68,741,084	68,741,084	68,741,084	68,741,084
Other reserves	13	2,233,462	1,968,860	1,981,822	2,017,777
(Accumulated losses)/Retained profits	15	(11,928,963)	(8,336,266)	10,186,547	3,877,283
Total equity		<u>59,045,583</u>	<u>62,373,678</u>	<u>80,909,453</u>	<u>74,636,144</u>
Non-current liabilities					
Lease liability	16	93,401	161,214	-	-
Deferred tax liabilities	17	1,137,230	1,137,230	-	-
		<u>1,230,631</u>	<u>1,298,444</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade payables	18	4,076,326	8,272,758	-	-
Other payables and accruals	19	5,448,855	4,335,145	141,700	109,174
Amount due to a subsidiary	7	-	-	4,967	4,967
Borrowings	20	-	530,000	-	-
Lease liability	16	67,586	64,872	-	-
Current tax liabilities		216	204	-	-
		<u>9,592,983</u>	<u>13,202,979</u>	<u>146,667</u>	<u>114,141</u>
Total liabilities		<u>10,823,614</u>	<u>14,501,423</u>	<u>146,667</u>	<u>114,141</u>
TOTAL EQUITY AND LIABILITIES		<u>69,869,197</u>	<u>76,875,101</u>	<u>81,056,120</u>	<u>74,750,285</u>

The accompanying notes form an integral part of the financial statements

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	NOTE	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	21	48,738,972	50,153,336	6,197,972	-
Cost of sales		<u>(40,131,334)</u>	<u>(41,162,445)</u>	<u>-</u>	<u>-</u>
Gross profit		8,607,638	8,990,891	6,197,972	-
Other income		782,523	1,035,796	90,623	10
Net Impairment loss on financial assets		(554)	(254,373)	-	-
Administrative expenses		(13,233,657)	(12,858,132)	(872,469)	(311,447)
Selling and distribution expenses		<u>(264,224)</u>	<u>(285,877)</u>	<u>-</u>	<u>-</u>
Operating (loss)/profit		(4,108,274)	(3,371,695)	5,416,126	(311,437)
Finance income		142,656	133,171	1,163,273	1,443,366
Finance costs		(29,700)	(17,085)	-	-
Share of results of a joint venture		<u>539,489</u>	<u>13,341</u>	<u>-</u>	<u>-</u>
(Loss)/Profit before tax	22	(3,455,829)	(3,242,268)	6,579,399	1,131,929
Taxation	23	<u>(244,664)</u>	<u>(486,312)</u>	<u>(270,135)</u>	<u>(313,271)</u>
(Loss)/Profit for the financial year		(3,700,493)	(3,728,580)	6,309,264	818,658
Other comprehensive income/ (loss), net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operations		<u>300,557</u>	<u>(337,041)</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the financial year, attributable to owners of the Company		<u>(3,399,936)</u>	<u>(4,065,621)</u>	<u>6,309,264</u>	<u>818,658</u>
Loss per share attributable to owners of the Company (sen)	24				
- Basic		<u>(3.13)</u>	<u>(3.16)</u>		
- Diluted		<u>(3.13)</u>	<u>(3.15)</u>		

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

GROUP	NOTE	Non-distributable		Distributable	Total Equity RM
		Share Capital RM	Other Reserves RM	(Accumulated losses)/ Retained Profits RM	
2023					
Balance at beginning		68,741,084	1,968,860	(8,336,266)	62,373,678
Total comprehensive income/(loss) for the financial year		-	300,557	(3,700,493)	(3,399,936)
Transactions with owners of the Company					
Grant of ESOS to employees	13.2	-	71,841	-	71,841
ESOS forfeited due to resignation	13.2	-	(107,796)	107,796	-
Total transactions with owners		-	(35,955)	107,796	71,841
Balance at end		68,741,084	2,233,462	(11,928,963)	59,045,583
2022					
Balance at beginning		68,741,084	2,315,202	(4,709,577)	66,346,709
Total comprehensive loss for the financial year		-	(337,041)	(3,728,580)	(4,065,621)
Transactions with owners of the Company					
Grant of ESOS to employees	13.2	-	92,590	-	92,590
ESOS forfeited due to resignation	13.2	-	(101,891)	101,891	-
Total transactions with owners		-	(9,301)	101,891	92,590
Balance at end		68,741,084	1,968,860	(8,336,266)	62,373,678

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

COMPANY	NOTE	Share Capital RM	Non- distributable Other Reserves RM	Distributable Retained Profits RM	Total Equity RM
2023					
Balance at beginning		68,741,084	2,017,777	3,877,283	74,636,144
Total comprehensive income for the financial year		-	-	6,309,264	6,309,264
Transactions with owners of the Company					
Grant of ESOS to employees	13.2	-	71,841	-	71,841
ESOS forfeited due to resignation	13.2	-	(107,796)	-	(107,796)
Total transactions with owners		-	(35,955)	-	(35,955)
Balance at end		68,741,084	1,981,822	10,186,547	80,909,453
2022					
Balance at beginning		68,741,084	2,027,078	3,058,625	73,826,787
Total comprehensive income for the financial year		-	-	818,658	818,658
Transactions with owners of the Company					
Grant of ESOS to employees	13.2	-	92,590	-	92,590
ESOS forfeited due to resignation	13.2	-	(101,891)	-	(101,891)
Total transactions with owners		-	(9,301)	-	(9,301)
Balance at end		68,741,084	2,017,777	3,877,283	74,636,144

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	(3,455,829)	(3,242,268)	6,579,399	1,131,929
Adjustments for:				
Net impairment loss on trade receivables	554	254,373	-	-
Depreciation	1,197,025	1,170,090	-	-
Grant of ESOS to employees	71,841	92,590	-	-
Gain on disposal of property, plant and equipment	(14,348)	(11,811)	-	-
Finance costs	29,700	17,085	-	-
Finance income	(142,656)	(133,171)	(1,163,273)	(1,443,366)
Inventories written down	1,509,529	214,784	-	-
Share of results of a joint venture	(539,489)	(13,341)	-	-
Unrealised loss on foreign exchange	245,686	626,660	203,262	-
Dividend income	-	-	(6,197,972)	-
Operating loss before working capital changes	(1,097,987)	(1,025,009)	(578,584)	(311,437)
Changes in:				
Inventories	3,757,138	(6,154,537)	-	-
Receivables	3,633,313	2,834,902	32,526	1,048
Payables	(2,966,767)	2,328,767	-	(20)
Dividend received	-	-	6,197,972	-
Cash generated from/(used in) operations	3,325,697	(2,015,877)	5,651,914	(310,409)
Income tax paid	(357,500)	(637,684)	(278,500)	(379,684)
Income tax refunded	928,798	-	-	-
Finance cost paid	(29,700)	(17,085)	-	-
Net cash from/(used in) operating activities	3,867,295	(2,670,646)	5,373,414	(690,093)

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	NOTE	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Finance income received		142,656	133,171	1,163,273	1,443,366
Proceeds from disposal of property, plant and equipment		15,100	13,400	-	-
Purchase of property, plant and equipment		(930,639)	(1,681,254)	-	-
Net changes in subsidiaries' balances		-	-	(1,115,599)	884,429
Withdrawal/(Placement) of fixed deposits with licensed banks		606,151	889,081	606,151	(1,623,364)
Net cash (used in)/from investing activities		<u>(166,732)</u>	<u>(645,602)</u>	<u>653,825</u>	<u>704,431</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
(Repayment)/Drawdown of banker's acceptances	A	(530,000)	530,000	-	-
Repayment of lease liability	A	(65,099)	(59,040)	-	-
Net cash (used in)/from financing activities		<u>(595,099)</u>	<u>470,960</u>	<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3,105,464	(2,845,288)	6,027,239	14,338
Effects of foreign exchange rate changes		(39,430)	(310,365)	(203,262)	-
CASH AND CASH EQUIVALENTS AT BEGINNING		11,417,509	14,573,162	335,226	320,888
CASH AND CASH EQUIVALENTS AT END		<u>14,483,543</u>	<u>11,417,509</u>	<u>6,159,203</u>	<u>335,226</u>
Represented by:					
Short term funds with licensed financial institutions		1,546,496	638,284	312,573	301,691
Fixed deposits with licensed banks		9,195,329	1,687,757	6,831,899	1,623,364
Cash and bank balances		4,758,931	10,714,832	31,944	33,535
Less: Fixed deposits with maturity more than 3 months		(1,017,213)	(1,623,364)	(1,017,213)	(1,623,364)
		<u>14,483,543</u>	<u>11,417,509</u>	<u>6,159,203</u>	<u>335,226</u>

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

NOTES TO STATEMENTS OF CASH FLOWS

A. Reconciliation of liabilities arising from financing activities

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

	Balance at beginning RM	Cash flows RM	Balance at end RM
GROUP			
2023			
Borrowings	530,000	(530,000)	-
Lease liability	<u>226,086</u>	<u>(65,099)</u>	<u>160,987</u>
Total liabilities arising from financing activities	<u>756,086</u>	<u>(595,099)</u>	<u>160,987</u>
2022			
Borrowings	-	530,000	530,000
Lease liability	<u>285,126</u>	<u>(59,040)</u>	<u>226,086</u>
Total liabilities arising from financing activities	<u>285,126</u>	<u>470,960</u>	<u>756,086</u>

B. Cash outflows for leases as a lessee

	2023 RM	2022 RM
GROUP		
Payment relating to short-term leases	204,413	137,260
Payment of lease liability	65,099	59,040
Interest paid in relation to lease liability	<u>7,802</u>	<u>13,860</u>
Total cash outflows for leases	<u>277,314</u>	<u>210,160</u>

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. CORPORATE INFORMATION

General

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

The registered office of the Company is located at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang, Malaysia.

The principal place of business of the Company is located at Plot 95 & 97, Hala Kampung Jawa 2, Kawasan Perindustrian Bayan Lepas, 11900 Bayan Lepas, Penang, Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on **16 April 2024**.

Principal Activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 5 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 Malaysian Financial Reporting Standards ("MFRS"), 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 unless otherwise indicated in the material accounting policies information under Note 3 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 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 assumptions 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 asset 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement (Cont'd)

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for 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 is the presentation currency of the Group and of the Company.

Ringgit Malaysia is also the functional currency 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/improvements to MFRSs

The Group and the Company have consistently applied the material accounting policies set out in Note 3 to all years presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted amendments to MFRS which are mandatory for the current financial year.

Initial application for the above amendments to standards did not have any material impacts to the financial statements of the Group and of the Company other than an impact on the Group's and the Company's disclosures of material accounting policies information but not on the measurement, recognition as presentation of any items in the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

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 have not been adopted by the Group and by the Company:

Effective for financial period beginning on or after 1 January 2024

Amendments to MFRS 16# 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# and MFRS 7*# Statement of Cash Flows and Financial Instruments: Disclosures – Supplier Finance Arrangements*

Effective for financial period beginning on or after 1 January 2025

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

Deferred to a date to be determined by the MASB

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

Not applicable to the Group's operation

* Not applicable to the Company's operation

The initial application of the above applicable amendments are not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption.

2.6 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.

2.6.1 Judgements made in applying accounting policies

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

2.6.2 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 lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment and right-of-use assets to be within 5 to 99 years and reviews the useful lives of depreciable assets at the end of each reporting year. As at 31 December 2023, management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

2. BASIS OF PREPARATION (CONT'D)

2.6.2 Key sources of estimation uncertainty (Cont'd)

(ii) Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The Group's core business is subject to economical changes which may cause selling prices to change rapidly and the Group's result to change.

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

The carrying amount of the Group's inventories as at the end of the reporting period is disclosed in Note 8 to the financial statements.

(iii) Provision for expected credit loss ("ECL") of receivables

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

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

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

The information about the ECL on the Group's trade receivables is disclosed in Note 27.3.1 to the financial statements.

3. MATERIAL ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Investment in subsidiaries

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

3.2 Investment in a joint venture

Investment in a joint venture is measured in the Company's statement of financial position at cost less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment

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

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:

Factory buildings	2%
Plant and machinery	10%
Equipment, furniture and fittings	10%
Motor vehicles	20%

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

On the statements of financial position, right-of-use assets are included in property, plant and equipment.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

- Leasehold land – Amortised over lease period of 45 – 99 years
- Leasehold buildings – Amortised over period of 50 – 71 years
- Motor vehicle – 5 years

3.4 Leases

(a) Lease and non-lease components

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

(b) Recognition exemption

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

3.5 Financial instruments

3.5.1 Financial assets

As at the reporting date, the Group and the Company carry only financial assets at amortised cost on its statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (Cont'd)

3.5.2 Financial liabilities

As at the reporting date, the Group and the Company carry only financial assets at amortised cost on its statements of financial position.

3.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined using weighted average method.

3.7 Revenue Recognition

(i) Revenue from sale of goods

Revenue is recognised at a point in time when control of the goods is transferred to the customer, generally on the delivery of the goods.

Deposits received from customers which are non-refundable are recognised as contract liabilities which included in other payables.

(ii) Finance income

Finance income is recognised as it accrues using the effective interest rate method in profit or loss.

(iii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

3.8 Deferred tax assets/liabilities

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using tax rates enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

4. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land RM	Leasehold land RM	Buildings RM	Leasehold machinery RM	Equipment, furniture and fittings RM	Motor vehicles RM	Total RM
2023							
At cost							
Balance at beginning	1,269,053	4,818,574	20,882,025	36,698,792	4,957,189	2,043,992	70,669,625
Additions	-	-	93,969	790,928	45,742	-	930,639
Disposals	-	-	-	(134,660)	-	-	(134,660)
Balance at end	<u>1,269,053</u>	<u>4,818,574</u>	<u>20,975,994</u>	<u>37,355,060</u>	<u>5,002,931</u>	<u>2,043,992</u>	<u>71,465,604</u>
Accumulated depreciation							
Balance at beginning	-	1,783,588	8,827,245	33,652,430	4,299,074	1,804,086	50,366,423
Current charge	-	77,612	423,768	518,810	102,929	73,906	1,197,025
Disposals	-	-	-	(133,908)	-	-	(133,908)
Balance at end	<u>-</u>	<u>1,861,200</u>	<u>9,251,013</u>	<u>34,037,332</u>	<u>4,402,003</u>	<u>1,877,992</u>	<u>51,429,540</u>
Carrying amount	<u>1,269,053</u>	<u>2,957,374</u>	<u>11,724,981</u>	<u>3,317,728</u>	<u>600,928</u>	<u>166,000</u>	<u>20,036,064</u>
2022							
At cost							
Balance at beginning	1,269,053	4,818,574	20,882,025	35,159,235	4,827,368	2,334,366	69,290,621
Additions	-	-	-	1,551,433	129,821	-	1,681,254
Disposals	-	-	-	(11,876)	-	(290,374)	(302,250)
Balance at end	<u>1,269,053</u>	<u>4,818,574</u>	<u>20,882,025</u>	<u>36,698,792</u>	<u>4,957,189</u>	<u>2,043,992</u>	<u>70,669,625</u>
Accumulated depreciation							
Balance at beginning	-	1,705,976	8,404,743	33,182,817	4,194,082	2,009,376	49,496,994
Current charge	-	77,612	422,502	479,901	104,992	85,083	1,170,090
Disposals	-	-	-	(10,288)	-	(290,373)	(300,661)
Balance at end	<u>-</u>	<u>1,783,588</u>	<u>8,827,245</u>	<u>33,652,430</u>	<u>4,299,074</u>	<u>1,804,086</u>	<u>50,366,423</u>
Carrying amount	<u>1,269,053</u>	<u>3,034,986</u>	<u>12,054,780</u>	<u>3,046,362</u>	<u>658,115</u>	<u>239,906</u>	<u>20,303,202</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

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

Information on right-of-use assets are as follows:

	Carrying amount included in property, plant and equipment RM	Depreciation charge for the financial year RM
2023		
Leasehold land	2,957,374	77,612
Building	8,601,446	327,378
Motor vehicle	165,998	73,775
	<hr/>	<hr/>
2022		
Leasehold land	3,034,986	77,612
Building	8,928,824	327,380
Motor vehicle	239,773	73,775
	<hr/>	<hr/>

The right-of-use assets are included in the same items as where the corresponding underlying assets would be presented if they were owned.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

5. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2023 RM	2022 RM
Unquoted shares, at cost	63,487,799	63,487,799
ESOS granted to employees of subsidiaries	2,010,961	2,046,916
Less: Impairment loss		
Balance at beginning/end	<u>(9,775,631)</u>	<u>(9,775,631)</u>
	55,723,129	55,759,084

In year 2022, the Company subscribed for additional 20,000,000 and 10,000,000 redeemable preference shares of RM1 per share for total cash consideration of RM20,000,000 and RM10,000,000 in Eng Kah Enterprise Sdn. Bhd. and Eng Kah Enterprise (KL) Sdn. Bhd. respectively by capitalising part of the interest free advances due from the subsidiaries.

The net assets of a subsidiary, Eng Kah Enterprise Sdn. Bhd. were lower than the Company's net carrying amount of investment, determined using fair value less costs to sell ("FVLCTS") which resulted in impairment losses recognised accordingly.

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

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

The details of the subsidiaries are as follows:

Name of Companies	Principal place of business	Effective Equity Interest		Principal Activities
		2023 %	2022 %	
Eng Kah Enterprise Sdn. Bhd.	Malaysia	100	100	Manufacturing and sales of personal care, household and perfume products.
Eng Kah Enterprise (KL) Sdn. Bhd.	Malaysia	100	100	Manufacturing and sales of personal care, and household products.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):

Name of Companies	Principal place of business	Effective Equity Interest		Principal Activities
		2023	2022	
		%	%	
EK Universal Marketing Sdn. Bhd.	Malaysia	100	100	Marketing and distributing of perfume, personal care, home fragrance and aromatherapy souvenir collections.
* Eng Kah (H.K.) Limited	Hong Kong	100	100	Dormant.
* PT. Eng Kah	Republic of Indonesia	100	100	Inactive.
* Guangzhou Eng Kah Business Consulting Co., Ltd.	People's Republic of China	100	100	Investment holding.

* Not audited by Grant Thornton Malaysia PLT.

6. INVESTMENT IN A JOINT VENTURE

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM	RM	RM	RM
Unquoted shares, at cost:				
- in Malaysia	2,100,000	2,100,000	2,100,000	2,100,000
Share of post-acquisition reserve	(1,322,482)	(1,861,971)	-	-
Less: Impairment loss	-	-	(1,578,276)	(1,578,276)
	777,518	238,029	521,724	521,724

The details of the joint venture are as follows:

Name of Company	Principal place of business	Effective Equity Interest		Principal Activities
		2023	2022	
		%	%	
Atika Beauty Manufacturing Sdn. Bhd. ("Atika")	Malaysia	35	35	Selling of halal cosmetic products.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

6. INVESTMENT IN A JOINT VENTURE (CONT'D)

The following table summarises the financial information of Atika reconciles the information to the carrying amount of the Group's interest in the joint ventures, which is accounted for using the equity method.

GROUP

Atika	2023	2022
	RM	RM
As at 31 December		
Non-current assets	588,025	631,591
Current assets	3,397,580	1,236,996
Current liabilities	(1,764,125)	(1,188,504)
Net assets	<u>2,221,480</u>	<u>680,083</u>
Financial year ended 31 December		
Total comprehensive income	<u>1,541,397</u>	<u>38,116</u>
Included in the total comprehensive income are:		
Revenue	7,760,740	4,008,010
Depreciation	<u>229,546</u>	<u>189,146</u>
Reconciliation of net assets to carrying amount as at 31 December		
Group's share of net assets	<u>777,518</u>	<u>238,029</u>
Group's share of total comprehensive income for the financial year ended 31 December	<u>539,489</u>	<u>13,341</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

7. AMOUNT DUE FROM/TO SUBSIDIARIES

	COMPANY	
	2023 RM	2022 RM
Amount due from subsidiaries		
Non trade		
- Non-current	17,749,871	16,634,272
- Less: Allowance for expected credit losses		
Balance at beginning/end	(169,619)	(169,619)
	<u>17,580,252</u>	<u>16,464,653</u>
Amount due to a subsidiary		
Non trade	<u>4,967</u>	<u>4,967</u>

The amount due from subsidiaries is unsecured, interest bearing at **6.40%** (2022: 3.20%) per annum and classified based on the expected timing of realisation.

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

8. INVENTORIES

	GROUP	
	2023 RM	2022 RM
Raw materials	18,313,838	22,692,175
Work-in-progress	1,171,663	1,640,676
Finished goods	3,770,633	4,189,950
At carrying amount	<u>23,256,134</u>	<u>28,522,801</u>
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	38,621,805	40,947,661
Inventories written down	<u>1,509,529</u>	<u>214,784</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

9. TRADE RECEIVABLES

	GROUP	
	2023 RM	2022 RM
Trade receivables	9,972,634	12,746,974
Less: Allowance for expected credit losses		
Balance at beginning	(1,123,658)	(869,285)
Current year	(2,527)	(254,373)
Reversal	1,973	-
Balance at end	<u>(1,124,212)</u>	<u>(1,123,658)</u>
	8,848,422	11,623,316

Included herein is an amount of:

- (i) **RM356,696** (2022: RM384,421) due from a company in which a Director of the Company has substantial financial interest.

Trade receivables are non-interest bearing and are generally on **30 to 90 days** (2022: 30 to 90 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The currency profile of trade receivables is as follows:

	GROUP	
	2023 RM	2022 RM
Ringgit Malaysia	8,242,429	10,379,507
United States Dollar	562,627	1,053,949
Others	43,366	189,860
	<u>8,848,422</u>	<u>11,623,316</u>

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables	539,579	519,154	-	-
Refundable deposits	100,920	97,383	1,000	1,000
Non-refundable deposits	220,720	1,144,119	-	-
Prepayments	109,368	90,546	4,863	4,863
	<u>970,587</u>	<u>1,851,202</u>	<u>5,863</u>	<u>5,863</u>

Included in the Group's other receivables is an amount of **RM382,060** (2022: RM382,060) due from a joint venture of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

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

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	769,561	922,521	5,863	5,863
United States Dollar	17,387	195,032	-	-
Renminbi	159,087	729,167	-	-
Others	24,552	4,482	-	-
	970,587	1,851,202	5,863	5,863

11. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Short-term funds with licensed financial institutions	1,546,496	638,284	312,573	301,691
Fixed deposits with licensed banks	9,195,329	1,687,757	6,831,899	1,623,364
Cash and bank balances	4,758,931	10,714,832	31,944	33,535
Cash and cash equivalents in statements of financial position	15,500,756	13,040,873	7,176,416	1,958,590
Fixed deposit with maturity more than 3 months	(1,017,213)	(1,623,364)	(1,017,213)	(1,623,364)
Cash and cash equivalents in statements of cash flows	14,483,543	11,417,509	6,159,203	335,226

The currency profile of cash and cash equivalents is as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	6,967,925	3,971,482	1,362,090	1,958,590
United States Dollar	526,942	474,185	-	-
Renminbi	7,998,755	8,588,455	5,814,326	-
Others	7,134	6,751	-	-
	15,500,756	13,040,873	7,176,416	1,958,590

Short term funds with licensed financial institutions of the Group and of the Company are primarily invested in money market. The funds can be redeemed at any point in time upon request.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

11. CASH AND CASH EQUIVALENTS (CONT'D)

The effective interest rates per annum as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
	%	%	%	%
Short-term funds with licensed financial institutions	1.20 - 3.54	1.02 - 2.99	2.55	1.60
Fixed deposits with licensed banks	1.50 - 2.85	1.55 - 3.00	2.50 - 2.85	2.40 - 2.60

The maturities of the fixed deposits with licensed banks as at the end of the reporting period ranged from **1 month to 12 months** (2022: 1 month to 12 months).

12. SHARE CAPITAL

	GROUP AND COMPANY			
	Number of ordinary shares		Amount	
	2023	2022	2023	2022
			RM	RM
Issued and fully paid with no par value:-				
At beginning/end of financial year	118,121,967	118,121,967	68,741,084	68,741,084

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

In previous financial year, the Company issued 35,436,694 units of free warrants ("Warrants") on the basis of one (1) warrant for every two (2) existing ordinary shares held by the shareholders.

The main features of the Warrants are as follows:-

- each of the Warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of RM1.19;
- the Warrants shall be exercisable at any time within 5 years commencing on and including the date of the issuance of the Warrants. Any Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid;
- the exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll; and
- all new ordinary shares to be issued arising from the exercise of the Warrants shall rank *pari passu* in all respects with the then existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the Warrants.

The Warrants were constituted under the Deed Poll dated 24 March 2021. None of the Warrants were exercised during the financial year and the unexercised Warrants remained as at 31 December 2023 are 35,436,694.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

13. OTHER RESERVES

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-distributable:				
Foreign currency translation reserve (Note 13.1)	251,640	(48,917)	-	-
ESOS reserve (Note 13.2)	<u>1,981,822</u>	<u>2,017,777</u>	<u>1,981,822</u>	<u>2,017,777</u>
	<u>2,233,462</u>	<u>1,968,860</u>	<u>1,981,822</u>	<u>2,017,777</u>

13.1 Foreign currency translation reserve

GROUP

This is in respect of foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

13.2 ESOS reserve

	GROUP AND COMPANY	
	2023 RM	2022 RM
Balance at beginning	2,017,777	2,027,078
Grant of ESOS to employees	71,841	92,590
Forfeited due to resignation	<u>(107,796)</u>	<u>(101,891)</u>
Balance at end	<u>1,981,822</u>	<u>2,017,777</u>

The ESOS reserve represents the equity-settled share options granted to the employees of certain subsidiaries and the Company's Executive Directors. The ESOS reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the share options and is reduced by the exercise or lapse of the share options.

14. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the By-Laws which were approved by the shareholders at an Extraordinary General Meeting held on 7 January 2015. The ESOS shall be in force for a period of ten (10) years commencing from 2 February 2015 and will expire on 1 February 2025.

The salient features of the ESOS are as follows:

- (i) the maximum number of new shares of the Company which may be issued and allotted pursuant to the exercise of the share options shall not in aggregate exceed fifteen per centum (15%) of the issued and paid-up share capital of the Company at any point of time during the duration of the ESOS.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

14. EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The salient features of the ESOS are as follows (Cont'd):

- (ii) any employee (including Executive Directors) shall be eligible to participate in the ESOS if, as at the date of offer, that person is at least eighteen (18) years of age or above and is employed full time.
- (iii) not more than ten per centum (10%) (or such percentage as allowable by the relevant authorities) of the shares available under the ESOS should be allocated to any individual director or employee who, either singly or collectively through his/her associates, holds twenty per centum (20%) or more in the issued and paid-up share capital of the Company.
- (iv) the option price shall be the higher of either the 5-day weighted average market price of the Company's shares at the date of offer, with a discount of not more than ten per centum (10%) as may be permitted by relevant authorities from time to time during the duration of the ESOS.
- (v) the options shall not carry any voting rights at any general meeting of the Company and shall not be entitled to any dividends, rights and/or other distributions.
- (vi) the new shares to be allotted and issued upon exercise of any option shall upon allotment rank *pari passu* in all respects with the existing shares of the Company.

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	2023		2022	
	Number of share option	WAEP RM	Number of share option	WAEP RM
Batch 1				
Grant date	6.5.15		6.5.15	
Balance at beginning	11,536,626	1.09	12,073,288	1.09
Forfeited	(463,326)	1.09	(536,662)	1.09
Balance at end	11,073,300	1.09	11,536,626	1.09
Batch 2				
Grant date	29.5.15		29.5.15	
Balance at beginning	229,992	1.09	268,324	1.09
Forfeited	(34,999)	1.09	(38,332)	1.09
Balance at end	194,993	1.09	229,992	1.09
Batch 3				
Grant date	1.12.15		1.12.15	
Balance at beginning	33,332	1.03	49,998	1.03
Forfeited	-	-	(16,666)	1.03
Balance at end	33,332	1.03	33,332	1.03

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

14. EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year (Cont'd):

	2023		2022	
	Number of share option	WAEP RM	Number of share option	WAEP RM
Batch 4				
Grant date	24.8.20		24.8.20	
Balance at beginning	923,330	0.38	1,123,329	0.38
Forfeited	-	-	(199,999)	0.38
Exercised	(249,999)	0.38	-	-
Balance at end	673,331	0.38	923,330	0.38
Batch 5				
Grant date	24.5.21		24.5.21	
Balance at beginning/end	500,000	0.74	500,000	0.74

Fair value of share options granted

The fair values of the share options granted were estimated at the grant date using the Black-Scholes model, taking into account the terms and conditions upon which the share options were granted.

The following table lists the inputs to the Black-Scholes model for the ESOS granted:

	Batch 1	Batch 2	Batch 3	Batch 4	Batch 5
Grant date	6.5.15	29.5.15	1.12.15	24.8.20	24.5.21
Fair value (RM)	0.15	0.20	0.14	0.15	0.32
Expected volatility (%)	10.00	12.82	10.00	32.50	62.18
Risk-free interest rate (% per annum)	3.93	3.57	3.93	2.12	2.49
Dividend yield (%)	6.00	3.96	4.22	0.00	0.00
Expected life of options (years)	9.75	9.48	9.18	4.44	3.70
Weighted average exercise price (RM)	1.09	1.09	1.03	0.38	0.74
Weighted average share price (RM)	2.03	2.00	1.83	0.72	0.71

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

15. (ACCUMULATED LOSSES)/RETAINED PROFITS

COMPANY

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

16. LEASE LIABILITY

Set out below are the movements of lease liability during the financial year:

GROUP	2023	2022
	RM	RM
At beginning of financial year	226,086	285,126
Lease interest	7,802	13,860
Payment for interest	(7,802)	(13,860)
Lease payment/cash outflow	(65,099)	(59,040)
	<u>160,987</u>	<u>226,086</u>

A summary of the effective interest rates per annum and the maturities of the lease liability is as follows:

	Effective interest rates per annum (%)	Total RM	Within one year RM	More than one year and less than five years RM
2023				
Lease liability	2.09	160,987	67,586	93,401
2022				
Lease liability	2.09	226,086	64,872	161,214

The lease liability is secured by the right-of-use asset as disclosed in Note 4 to the financial statements.

17. DEFERRED TAX LIABILITIES

	GROUP	
	2023	2022
	RM	RM
Balance at beginning	1,137,230	982,230
Recognised in profit or loss	-	130,000
	<u>1,137,230</u>	<u>1,112,230</u>
Under provision in prior year	-	25,000
Balance at end	<u>1,137,230</u>	<u>1,137,230</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

17. DEFERRED TAX LIABILITIES (CONT'D)

The deferred tax liabilities as at the end of the reporting period are presented by temporary differences arising from:

	GROUP	
	2023 RM	2022 RM
Property, plant and equipment	2,096,600	2,030,034
Provisions	(959,370)	(892,804)
	<u>1,137,230</u>	<u>1,137,230</u>

18. TRADE PAYABLES

The currency profile of trade payables is as follows:

	GROUP	
	2023 RM	2022 RM
Ringgit Malaysia	3,859,177	7,970,411
United States Dollar	159,524	262,646
Renminbi	-	39,701
Others	57,625	-
	<u>4,076,326</u>	<u>8,272,758</u>

The trade payables are non-interest bearing and are normally settled on **30 to 120 days** (2022: 30 to 120 days) credit terms.

19. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Other payables	3,227,012	1,986,309	1,700	1,674
Deposits received from customers				
- refundable	902,294	983,499	-	-
- non-refundable	463,890	463,890	-	-
Accruals	532,445	467,743	140,000	107,500
Sales and Service Tax ("SST") payable	323,214	433,704	-	-
	<u>5,448,855</u>	<u>4,335,145</u>	<u>141,700</u>	<u>109,174</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

19. OTHER PAYABLES AND ACCRUALS (CONT'D)

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

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	5,242,711	4,237,133	141,700	109,194
United States Dollar	200,664	92,776	-	-
Others	5,480	5,236	-	-
	<u>5,448,855</u>	<u>4,335,145</u>	<u>141,700</u>	<u>109,194</u>

20. BORROWINGS

GROUP

The banker's acceptances are secured by way of corporate guarantee by the Company. The interest rate for borrowings is Nil (2022: 3.82% and 4.04%) because the Company had made a settlement on the banker's acceptance during the financial year.

21. REVENUE

21.1 Disaggregated revenue information

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Sales of goods, recognised at point in time	48,738,972	50,153,336	-	-
Other revenue				
- Dividend income	-	-	6,197,972	-
	<u>48,738,972</u>	<u>50,153,336</u>	<u>6,197,972</u>	<u>-</u>
Geographical segments				
Malaysia	30,788,763	37,734,836		
Asia Pacific	17,152,518	10,185,852		
United States of America	482,189	1,311,942		
Australia	315,502	920,706		
	<u>48,738,972</u>	<u>50,153,336</u>		

21.2 Performance obligations

Performance obligations of respective revenue are disclosed in Note 3.7 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

22. (LOSS)/PROFIT BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
After charging:				
Auditors' remuneration related to:				
Statutory audits				
- Grant Thornton Malaysia PLT	119,000	98,000	40,000	34,000
- Other auditors	12,010	12,010	-	-
Assurance-related services:				
- Grant Thornton Malaysia PLT	2,000	2,000	2,000	2,000
Allowance for expected credit losses	554	254,373	-	-
Depreciation	1,197,025	1,170,090	-	-
Directors' fees	148,000	124,000	100,000	76,000
Expenses relating to short term leases	204,413	137,260	-	-
Inventories written down	1,509,529	214,784	-	-
Finance costs:				
- Lease liability	7,802	13,860	-	-
- Banker's acceptances	21,898	3,225	-	-
Realised loss on foreign exchange	9,002	99,074	-	-
Research and development expenditure				
- staff costs	949,296	969,265	-	-
- others	377,895	557,347	-	-
*Staff costs	11,775,564	11,876,297	20,000	15,000
And crediting:				
Gain on disposal of property, plant and equipment	14,348	11,811	-	-
Finance income:				
- short term funds with licensed financial institutions	40,863	17,252	7,925	10,474
- fixed deposits with licensed banks	68,687	110,544	62,078	37,999
- bank balances	33,106	5,375	-	-
- interest charged to subsidiaries	-	-	1,093,270	1,394,893
Rental income	372,414	260,054	-	-
Realised gain on foreign exchange	42,096	487,908	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

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

This is arrived at (Cont'd):

*Staff costs

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
- Salaries, wages, allowance and bonus	11,437,033	11,492,157	20,000	15,000
- Employees Provident Fund ("EPF")	1,071,466	1,123,230	-	-
- SOCSO and EIS	144,520	137,585	-	-
- Equity-settled share-based payments	71,841	92,590	-	-
	12,724,860	12,845,562	20,000	15,000
Less: Charge to research and development expenditure	(949,296)	(969,265)	-	-
	11,775,564	11,876,297	20,000	15,000

Directors' remuneration

Included in the Group's staff costs is Directors' remuneration as shown below:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive Directors of the Company				
- Salaries and bonus	1,412,762	1,571,555	-	-
- EPF	59,680	61,273	-	-
	1,472,442	1,632,828	-	-
Executive Directors of subsidiaries				
- Salaries and bonus	205,565	230,197	-	-
- EPF	11,160	13,773	-	-
	1,689,167	1,876,798	-	-
Less: Charge to research and development expenditure	(349,105)	(349,105)	-	-
	1,340,062	1,527,693	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

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

Directors' remuneration (Cont'd)

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Benefits-in-kind				
- Executive Directors of the Company	24,640	20,450	-	-
- Executive Directors of subsidiaries	26,351	26,624	-	-
	50,991	47,074	-	-
	1,391,053	1,574,767	-	-
Non-executive Directors of the Company				
- Allowance	20,000	15,000	20,000	15,000

23. TAXATION

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Based on results for the financial year				
- Current tax:				
- Malaysian income tax	270,135	382,271	270,315	313,271
- Deferred tax relating to the origination and reversal of temporary differences	-	130,000	-	-
(Over)/Under provision in prior years				
- Current tax	(25,471)	(50,959)	-	-
- Deferred tax	-	25,000	-	-
	(25,471)	(25,959)	-	-
	244,664	486,312	270,135	313,271

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

23. TAXATION (CONT'D)

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit before tax	(3,455,829)	(3,242,268)	6,579,399	1,131,929
Share of results of a joint venture	(539,489)	(13,341)	-	-
	<u>(3,995,318)</u>	<u>(3,255,609)</u>	<u>6,579,399</u>	<u>1,131,929</u>
Income tax at Malaysian statutory tax rate of 24%	(958,876)	(781,346)	1,579,056	271,663
Income not subject to tax	(29,612)	(25,413)	(1,487,513)	-
Expenses not deductible for tax purpose	582,063	290,630	178,592	41,608
Deferred tax assets not recognised	676,560	1,028,400	-	-
Over provision in prior years	(25,471)	(25,959)	-	-
	<u>244,664</u>	<u>486,312</u>	<u>270,135</u>	<u>313,271</u>

The following deferred tax assets (gross amount) have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised:

	GROUP	
	2023 RM	2022 RM
Property, plant and equipment	(4,000)	4,000
Unabsorbed tax losses	7,546,000	5,903,000
Unutilised capital allowances	3,874,000	2,690,000
	<u>11,416,000</u>	<u>8,597,000</u>

The potential deferred tax asset of the Group has not been recognised in respect of this item as it is not probable that whether sufficient future taxable profits will be available against which the Group can utilise the benefit. The Group's unabsorbed tax losses can be carried forward to offset against future taxable profits of the Group.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

23. TAXATION (CONT'D)

The expiry terms of the unabsorbed tax losses are as follows:

	GROUP	
	2023 RM	2022 RM
Year of assessment 2031	2,862,000	2,862,000
Year of assessment 2032	3,035,000	3,041,000
Year of assessment 2033	1,649,000	-
	<u>7,546,000</u>	<u>5,903,000</u>

24. LOSS PER SHARE

GROUP

(a) Basic loss per share

The basic loss per share is calculated by dividing the loss attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	2023	2022
Loss for the financial year attributable to owners of the Company (RM)	<u>(3,700,493)</u>	<u>(3,728,580)</u>
Weighted average number of ordinary shares in issue	<u>118,121,967</u>	118,121,967
Basic loss per share (sen)	<u>(3.13)</u>	<u>(3.16)</u>

(b) Diluted loss per share

The diluted loss per share of the Group is calculated by dividing the loss attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year adjusted for the dilutive effects of all potential ordinary shares as follows:

	2023	2022
Loss for the financial year attributable to owners of the Company (RM)	<u>(3,700,493)</u>	<u>(3,728,580)</u>
Weighted average number of ordinary shares in issue	118,121,967	118,121,967
Adjustment for conversion of ESOS	<u>13,051</u>	<u>107,614</u>
	<u>118,135,018</u>	<u>118,229,581</u>
Diluted loss per share (sen)	<u>(3.13)</u>	<u>(3.15)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

25. SEGMENTAL INFORMATION

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

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

Business Segments

The Group comprises the following main business segments:

- | | |
|------------------|--|
| i. Personal care | Manufacturing of cosmetics, skin care, perfume and toiletry products |
| ii. Household | Manufacturing of household products |
| iii. Others | Investment holding |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

25. SEGMENTAL INFORMATION (CONT'D)

By business segment

	Personal care RM	Household RM	Others RM	Elimination RM	Note	Total RM
2023						
Revenue						
Revenue from external customers	34,279,827	14,459,145	-	-		48,738,972
Inter-segment revenue	435,333	-	-	(435,333)	A	-
Total revenue	<u>34,715,160</u>	<u>14,459,145</u>	<u>-</u>	<u>(435,333)</u>		<u>48,738,972</u>
Result						
Segment results	(2,436,201)	(369,225)	(1,302,848)	-		(4,108,274)
Finance income						142,656
Finance costs						(29,700)
Share of results of a joint venture						<u>539,489</u>
Loss before tax						(3,455,829)
Taxation						<u>(244,664)</u>
Loss for the financial year						<u>(3,700,493)</u>
Assets						
Segment assets	38,320,389	21,048,768	9,242,806	-		68,611,963
Investment in a joint venture						777,518
Current tax assets						<u>479,716</u>
Total assets						<u>69,869,197</u>
Liabilities						
Segment liabilities	7,844,801	1,646,790	194,577	-		9,686,168
Deferred tax liabilities						1,137,230
Current tax liabilities						<u>216</u>
Total liabilities						<u>10,823,614</u>
Other segment information						
Depreciation	730,133	436,700	30,192			1,197,025
Additions to non-current assets	369,842	547,423	13,374			930,639
Non-cash expenses other than depreciation	<u>965,925</u>	<u>847,337</u>	<u>-</u>		B	<u>1,813,262</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

25. SEGMENTAL INFORMATION (CONT'D)

By business segment (Cont'd)

	Personal care RM	Household RM	Others RM	Elimination RM	Note	Total RM
2022						
Revenue						
Revenue from external customers	32,693,995	17,459,341	-	-		50,153,336
Inter-segment revenue	221,163	-	-	(221,163)	A	-
Total revenue	<u>32,915,158</u>	<u>17,459,341</u>	<u>-</u>	<u>(221,163)</u>		<u>50,153,336</u>
Result						
Segment results	(2,875,390)	(164,585)	(331,720)	-		(3,371,695)
Finance income						133,171
Finance costs						(17,085)
Share of results of joint ventures						<u>13,341</u>
Loss before tax						(3,242,268)
Taxation						<u>(486,312)</u>
Loss for the financial year						<u>(3,728,580)</u>
Assets						
Segment assets	41,633,228	22,895,526	10,812,640	-		75,341,394
Investment in a joint venture						238,029
Current tax assets						<u>1,295,678</u>
Total assets						<u>76,875,101</u>
Borrowings						
Segment liabilities	10,452,110	2,571,383	340,496	-		13,363,989
Deferred tax liabilities						1,137,230
Current tax liabilities						<u>204</u>
Total liabilities						<u>14,501,423</u>
Other segment information						
Depreciation	734,150	405,244	30,696			1,170,090
Additions to non-current assets	495,501	1,166,679	19,074			1,681,254
Non-cash expenses other than depreciation	<u>1,054,541</u>	<u>122,055</u>	<u>-</u>		B	<u>1,176,596</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

25. SEGMENTAL INFORMATION (CONT'D)

Business Segments (Cont'd)

Notes to segmental information:

- A Inter-segment revenue are eliminated on consolidation.
- B Other non-cash expenses other than depreciation consist of the following items:

	GROUP	
	2023 RM	2022 RM
Net impairment loss on trade receivables	554	254,373
Equity-settled share-based payments	71,841	92,590
Gain on disposal of property, plant and equipment	(14,348)	(11,811)
Inventories written down	1,509,529	214,784
Unrealised loss on foreign exchange	245,686	626,660
	<u>1,813,262</u>	<u>1,176,596</u>

By geographical segments

Revenue and non-current assets information based on the geographical location of customers and non-current assets respectively are as follows:

	Revenue		Non-current assets	
	2023 RM	2022 RM	2023 RM	2022 RM
Malaysia	30,788,763	37,734,836	20,813,582	20,541,231
Asia Pacific	17,152,518	10,185,852	-	-
United States of America	482,189	1,311,942	-	-
Australia	315,502	920,706	-	-
	<u>48,738,972</u>	<u>50,153,336</u>	<u>20,813,582</u>	<u>20,541,231</u>

Information about major customers

Total revenue from 1 (2022: 1) major customers which individually contributed to 10% or more of the Group's revenue amounted to **RM17,390,907** (2022: RM17,731,454), arising from the sales of the personal care and household products segment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

26. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group has related party relationship with its subsidiaries, joint ventures, key management personnel and the following parties:

Related party	Relationship
Universal Joy Sdn. Bhd. ("UJSB")	: A company in which a Director of the Company, Mr. Ewe Wee Ting, had substantial financial interests.

(ii) Related party transactions

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

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Finance costs charged to subsidiaries	-	-	1,093,270	1,394,893
Dividend income received from a subsidiary	-	-	6,197,972	-
Management fee received from joint ventures				
- Atika	24,000	24,000	-	-
Sales to				
- Atika	46,134	50,750	-	-
- UJSB	1,260,405	878,945	-	-
Purchase of property, plant & equipment from a joint venture				
- Atika	-	236,099	-	-
Waiver of debts to				
- Atika	-	112,904	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

26. 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 Company either directly or indirectly and entity that provides key management personnel services to the Group and to the Company.

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

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors' fees	148,000	124,000	100,000	76,000
Short term employee benefits	2,382,627	2,608,297	20,000	15,000
Defined contribution plans	162,665	173,792	-	-
Equity settled share-based payments	30,784	45,385	-	-
Benefits-in-kind	50,991	47,074	-	-
	2,775,067	2,998,548	120,000	91,000
Analysed as:				
- Directors	1,908,158	2,062,872	120,000	91,000
- Other key management personnel	866,909	935,676	-	-
	2,775,067	2,998,548	120,000	91,000

Directors of the Group and the Company and other key management personnel have been granted the following number of share options under the ESOS:

	GROUP		COMPANY	
	2023	2022	2023	2022
Balance at beginning	9,566,666	9,566,666	-	-
Forfeited	(416,666)	-	-	-
Balance at end	9,150,000	9,566,666	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

27. FINANCIAL INSTRUMENTS

27.1 Categories of financial instruments

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

GROUP	Carrying amount RM	AC RM
2023		
Financial assets		
Trade receivables	8,848,422	8,848,422
Other receivables and refundable deposits	640,499	640,499
Cash and cash equivalents	15,500,756	15,500,756
	<u>24,989,677</u>	<u>24,989,677</u>
Financial liabilities		
Trade payables	4,076,326	4,076,326
Other payables and accruals excluding non-refundable deposits received and SST payable	4,661,751	4,661,751
	<u>8,738,077</u>	<u>8,738,077</u>
2022		
Financial assets		
Trade receivables	11,623,316	11,623,316
Other receivables and refundable deposits	616,537	616,537
Cash and cash equivalents	13,040,873	13,040,873
	<u>25,280,726</u>	<u>25,280,726</u>
Financial liabilities		
Trade payables	8,272,758	8,272,758
Other payables and accruals excluding non-refundable deposits received and SST payable	3,437,551	3,437,551
Borrowings	530,000	530,000
	<u>12,240,309</u>	<u>12,240,309</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

27. FINANCIAL INSTRUMENTS (CONT'D)

27.1 Categories of financial instruments (Cont'd)

COMPANY	Carrying amount RM	AC RM
2023		
Financial assets		
Amount due from subsidiaries	17,580,252	17,580,252
Refundable deposits	1,000	1,000
Cash and cash equivalents	7,176,416	7,176,416
	<u>24,757,668</u>	<u>24,757,668</u>
Financial liabilities		
Other payables and accruals	141,700	141,700
Amount due to a subsidiary	4,967	4,967
	<u>146,667</u>	<u>146,667</u>
2022		
Financial assets		
Amount due from subsidiaries	16,464,653	16,464,653
Refundable deposits	1,000	1,000
Cash and cash equivalents	1,958,590	1,958,590
	<u>18,424,243</u>	<u>18,424,243</u>
Financial liabilities		
Other payables and accruals	109,174	109,174
Amount due to a subsidiary	4,967	4,967
	<u>114,141</u>	<u>114,141</u>

27.2 Financial Risk Management

The Group and the Company are exposed to a variety of financial risks arising from their operations. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency 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 activities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

27. FINANCIAL INSTRUMENTS (CONT'D)

27.3 Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade and other receivables. The Company's exposure to credit risk arises principally from advances to its subsidiaries. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

27.3.1 Trade receivables

The Group extends credit terms to customers that range between 30 to 90 days. Credit terms extended to its customers is based on careful evaluation on the customers' financial condition and payment history. Receivables are monitored on an ongoing basis via Group's management reporting procedures and action will be taken for long outstanding debts. In order to further minimise its exposure to credit risk, the Group requires deposits from the customers.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statements of financial position.

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

	Gross RM	Allowance for expected credit losses		Net RM
		Individually impaired RM	Collectively impaired RM	
GROUP				
2023				
Not past due	2,946,583	-	-	2,946,583
1 to 30 days past due	3,712,219	-	-	3,712,219
31 to 60 days past due	1,279,781	-	-	1,279,781
More than 60 days past due	2,034,051	(1,053,106)	(71,106)	909,839
	7,026,051	(1,053,106)	(71,106)	5,901,839
	9,972,634	(1,053,106)	(71,106)	8,848,422
2022				
Not past due	3,207,967	(390)	-	3,207,577
1 to 30 days past due	3,036,553	(508)	-	3,036,045
31 to 60 days past due	3,337,159	(624)	-	3,336,535
More than 60 days past due	3,165,295	(1,051,030)	(71,106)	2,043,159
	9,539,007	(1,052,162)	(71,106)	8,415,739
	12,746,974	(1,052,552)	(71,106)	11,623,316

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

27. FINANCIAL INSTRUMENTS (CONT'D)

27.3.1 Trade receivables (Cont'd)

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

The Group has trade receivables amounting to **RM5,901,839** (2022: RM8,415,739) that are past due but not impaired at the end of the reporting period as the management is of the view that these debts will be collected in due course.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

As at the end of the reporting period, the Group has significant concentration of credit risk in the form of outstanding balance due from **1 customer** (2022: 1 customer) representing **44%** (2022: 53%) of the total trade receivables.

Maximum exposure to credit risk

An impairment analysis is performed as at the end of the reporting period using a provision matrix to measure the expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available as at the end of the reporting period about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk is represented by the carrying amount of trade receivables as disclosed in Note 9 to the financial statements.

27.3.2 Other receivables

Other receivables are mainly in relation to the amount due from a joint venture.

As at the end of the reporting period, there was no indication that the amount due from a joint venture is not recoverable.

27.3.3 Intercompany advances

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 statements of financial position.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable. The Company does not specifically monitor the ageing of these advances.

27.4 Financial guarantees

The maximum exposure to credit risk amounted to RM268,000 (2022: RM898,000) represented by the bank guarantees and outstanding banking facilities utilised by the subsidiaries as at the end of the reporting year.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiary companies. The Company monitors on an on-going basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting year, there was no indication that any subsidiaries would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

27. FINANCIAL INSTRUMENTS (CONT'D)

27.5 Liquidity risk (Cont'd)

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

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

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM
GROUP				
2023				
<i>Non-derivative financial liabilities</i>				
Trade payables	4,076,326	4,076,326	4,076,326	-
Other payables and accruals excluding non-refundable deposits received and SST payable	4,661,751	4,661,751	4,661,751	-
Lease liability	160,987	169,898	72,900	96,998
	8,899,064	8,907,975	8,810,977	96,998
2022				
<i>Non-derivative financial liabilities</i>				
Trade payables	8,272,758	8,272,758	8,272,758	-
Other payables and accruals excluding non-refundable deposits received and SST payable	3,437,551	3,437,551	3,437,551	-
Borrowings	530,000	530,000	530,000	-
Lease liability	226,086	242,798	72,900	169,898
	12,466,395	12,483,107	12,313,209	169,898

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

27. FINANCIAL INSTRUMENTS (CONT'D)

27.5 Liquidity risk (Cont'd)

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM
COMPANY				
2023				
<i>Non-derivative financial liabilities</i>				
Other payables and accruals	141,700	141,700	141,700	-
Amount due to a subsidiary	4,967	4,967	4,967	-
Financial guarantee*	-	268,000	268,000	-
	146,667	414,667	414,667	-
2022				
<i>Non-derivative financial liabilities</i>				
Other payables and accruals	109,174	109,174	109,174	-
Amount due to a subsidiary	4,967	4,967	4,967	-
Financial guarantee*	-	898,000	898,000	-
	114,141	1,012,141	1,012,141	-

* The exposure to liquidity risk is included for illustration purpose only as the related guarantees have not yet crystallised.

The above amounts reflected the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities at the reporting date.

27.6 Interest Rate Risk

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

27. FINANCIAL INSTRUMENTS (CONT'D)

27.6 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 amount as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed rate instrument				
Fixed deposits with licensed banks	9,195,329	1,687,757	6,831,899	1,623,364
Amount due from subsidiaries	-	-	17,580,252	16,464,653
Floating rate instruments				
Short-term funds with licensed financial institutions	1,546,496	638,284	312,573	301,691
Borrowing	-	530,000	-	-
Lease liability	160,987	226,086	-	-

Sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for variable rate instruments

An increase/decrease of 25 basis points as at the end of the reporting period would have an insignificant impact to the Group's and the Company's (loss)/profit before tax/equity for the financial year. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

27.7 Foreign Currency Risk

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

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Renminbi ("RMB").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's loss before tax for the financial year. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have decreased/increased loss before tax of the Group and of the Company by the amount shown below and a corresponding weakening would have an equal but opposite effect.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2023

27. FINANCIAL INSTRUMENTS (CONT'D)

27.7 Foreign Currency Risk (Cont'd)

Sensitivity analysis for foreign currency risk (Cont'd)

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
USD	74,677	136,774	-	-
RMB	815,784	927,792	581,433	-
Others	1,195	19,586	-	-
Increase in loss for the financial year	891,656	1,084,152	581,433	-

The changes of the above will have opposite effect in equity as compared to the net loss of the Group for current financial year.

28. FAIR VALUE MEASUREMENT

The carrying amounts of the Group's and of the Company's financial assets and financial liabilities as at the end of the reporting period approximate their fair values due to their short-term nature.

The carrying amounts of the non-current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

29. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management policy is to maintain a strong capital base to support their business and to maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group and of the Company. The Group and the Company may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial period under review as compared to the previous financial year.

There were no external capital requirements imposed on the Group and the Company as at the end of the reporting period.

LIST OF PROPERTIES

Locations/ Address	Description/ Existing Use	Land/ Built-up Area (sq. ft.)	Approximately Age of Building (year)	Tenure	Carrying Amount ("CA") @ 31.12.2023 (RM'000)	Date of Valuation
Lot No.71392 (Plot No. 95) Mukim 12, Hala Kampung Jawa 2, Kawasan Perindustrian Bayan Lepas Daerah Barat Daya, 11900 Penang	Large single- storey factory with an annexed 2-storey office	88,289/ 61,689	31	60-year leasehold expiring on 18.04.2049	3,774	15.08.2000
Lot No.0010698 Geran No.00128889 Mukim of Setul, Lot 152, Jalan Permata 1, Arab Malaysian Industrial Park, 71800 Nilai, Negeri Sembilan	Two units single storey factory/ warehouse building with two storey office	124,396/ 54,523	24	Freehold	4,392	17.08.2000
P.T. No. 7, H.S. (D) No.283181, Section 23, Town of Shah Alam, District of Petaling, Selangor (Lot 14A, Jalan 23/2, Kawasan MIEL Section 23, 40300 Shah Alam, Selangor)	1 1/2 storey semi-detached factory building	33,831/ 17,991	31	Leasehold for 99 years expiring on 14.11.2095	2,703	21.08.2000
Lot No. 71392 (Plot No. 97) Mukim 12, Hala Kampung Jawa 2, Kawasan Perindustrian Bayan Lepas Daerah Barat Daya, 11900 Penang	Two and three storey office and factory building	66,014/ 77,203	33	60 years leasehold expiring on 18.4.2049	4,733	19.02.2004 (Date of purchase)

LIST OF PROPERTIES (CONT'D)

Locations/ Address	Description/ Existing Use	Land/ Built-up Area (sq. ft.)	Approximately Age of Building (year)	Tenure	Carrying Amount ("CA") @ 31.12.2023 (RM'000)	Date of Valuation
P.T. L39, H.S.(D) 18532 Mukim 12, No. 78, Lorong Mahsuri 10, Bayan Baru, 11900 Penang	Double storey terrace house	3,508/ 2,600	42	99 years leasehold expiring on 30.11.2078	350	18.07.2007 (Date of purchase)
Total					15,952	

This page is intentionally left blank.



ENG KAH CORPORATION BERHAD
19971020152 (435649-H)

PROXY FORM

CDS ACCOUNT NO.	NO. OF SHARES HELD

I/We, _____
(Full name of a member in BLOCK LETTERS as per Identity Card("MYKAD")/Passport/Certificate of Incorporation)

MYKAD/Passport No./Company No. _____ of _____
(Address in full)

telephone no. _____, being a member of **ENG KAH CORPORATION BERHAD** ("the Company")
hereby appoint _____
(Full name of proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD/Passport No. _____ of _____
(Address in full)

And/or failing him _____
(Full name of proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD/Passport No. _____ of _____
(Address in full)

or failing the abovenamed proxies, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company, to be held at **Kapur Room, Eastin Hotel Penang, 1, Solok Bayan Indah, Queensbay, 11900 Bayan Lepas, Penang on Friday, 21 June 2024 at 11.00 a.m.** and at any adjournment thereof. My/our proxy/proxies is to be vote as indicated below:

	Resolution	For	Against
1.	Re-election of Mr. Ewe Wei Ting as Director		
2.	Re-election of En Mohd Farid Bin Azahari as Director		
3.	Payment of Directors' fees for the financial year ending 31 December 2024		
4.	Payment of benefits payables to Non-Executive Directors		
5.	Re-appointment of Auditors		
6.	Approval to issue and allot shares pursuant to Section 76 of the Companies Act 2016		
7.	Approval on the renewal on share buy-back by the Company		
8.	Approval on the renewal on shareholders' mandate for recurrent related party transactions		

(Please indicate with "X" in the spaces on how you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain from voting at his discretion.)

Dated this _____ day of _____ 2024

The proportions of my/our holding to be represented by my/our proxies are as follows: -		
	No. of Shares	Percentage
First Proxy		
Second Proxy		
Total		100%

Signature(s)/Common Seal of Member(s)

NOTES:

- A member of the Company entitled to attend, speak and vote at this meeting is entitled to appoint a proxy to attend and vote in his place.
- Where a member appoints more than one (1) proxy [but not more than two (2)], the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
- Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
- All forms of proxy must be deposited at the Company's registered office at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown Penang, not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjournment thereof.
- For the purpose of determining a member who shall be entitled to attend this 27th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, to issue a General Meeting Record of Depositors as at 13 June 2024. Only a depositor whose name appears on the Record of Depositors as at 13 June 2024 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

Personal Data Privacy:

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM of the Company and any adjournment thereof.

Please fold across the line and close

stamp
here

To:
The Company Secretary
Eng Kah Corporation Berhad
Company No. 199701020152 (435649-H)
Suite 12-A, Level 12, Menara Northam
No. 55 Jalan Sultan Ahmad Shah,
10050 Georgetown, Penang, Malaysia

Please fold across the line and close



ENG KAH CORPORATION BERHAD

199701020152 (435649-H)

Plot 95 & 97,
Hala Kampung Jawa 2,
Kawasan Perindustrian Bayan Lepas,
11900 Penang, Malaysia.

Tel: 04 - 643 5180 Fax: 04 - 644 2101

www.engkah.com