2024
ANNUAL REPORT

KIM HIN INDUSTRY BERHAD

Registration No.: 197301003569 (18203-V)

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY COMMITMENT

Kim Hin Industry Berhad and its subsidiaries ("Kim Hin Group") is steadfast in its commitment to integrating sustainability across all aspects of our operations. Our approach to sustainability is driven by a strong dedication to environmental responsibility, social engagement and corporate governance. These core pillars guide our business strategies, and we continuously strive to meet the sustainability standards to foster long-term value for all our shareholders. To ensure that our sustainability commitments are upheld, we have implemented various initiatives focused on key areas critical to the business, the environment, and society. These initiatives are aligned with our corporate vision and mission, which are centered on fostering responsible and sustainable growth.

OVERVIEW OF KIM HIN INDUSTRY BERHAD

Our Vision

To be a world class ceramic tile producer and distributor by providing products and services of superior value and by sustaining consistent long term growth in volume and profitability.

Our Mission

We shall strive to be a leader in the ceramic industry by:

- Achieving responsible and balanced commercial success
- Satisfying our customers' needs
- Enhancing shareholder's values and to provide fair returns to shareholders
- Providing rewarding careers to our employees
- Having mutually beneficial relationship with our business associates
- Participating and contributing effectively towards nation building

Corporate Values

- To be a role model and a good corporate citizen
- Commitment to our employees' welfare and well being
- Provide the highest quality products and values to our customers
- To instill a culture of discipline, intergrity, teamwork and proactivity amongst our people

KIMGRES BEAUTIFUL TILES FOR LIFE

Our founding brand introduced to the market in 1979 for our very first ceramic product - mosaic. It remains as our flagship/classic brand.

DuroGres CERAMIC TILES

This brand was introduced in 1994 for products manufactured under Kim Hin Ceramic (Seremban) Sdn. Bhd.

Johnson TILES

Acquired in 2014 with head office in Bayswater, Victoria with multiple showrooms and distribution centres spread across Australia, New Zealand and Malaysia.

amber.

Acquired in 2016 and has a strong distribution channel through its franchise store network within New South Wales, Australian Capital Territory and Queensland.

SUSTAINABILITY STATEMENT (CONT'D)

WHO WE ARE

Kim Hin specializes in producing high-quality glazed ceramic and porcelain tiles and was listed on Bursa Malaysia since 1992. Kim Hin is renowned for its innovation, sustainability, and export excellence. With a strong focus on global expansion, Kim Hin serves markets across ASEAN, Australia, New Zealand, the Middle East, Japan, Taiwan, United Kingdom, United States of America, and beyond.

Kim Hin Industry Berhad is proud to announce that we have been recognised as the Best Exporter in Sarawak in the Mid-Tier Company (MTC) category at the Sarawak Export Day 2024. The prestigious event, held on August 16 at the Imperial Hotel Kuching, was jointly organized by the Malaysia External Trade Development Corporation (MATRADE) and the Sarawak State Government through the Ministry of International Trade, Industry, and Investment Sarawak (MINTRED).

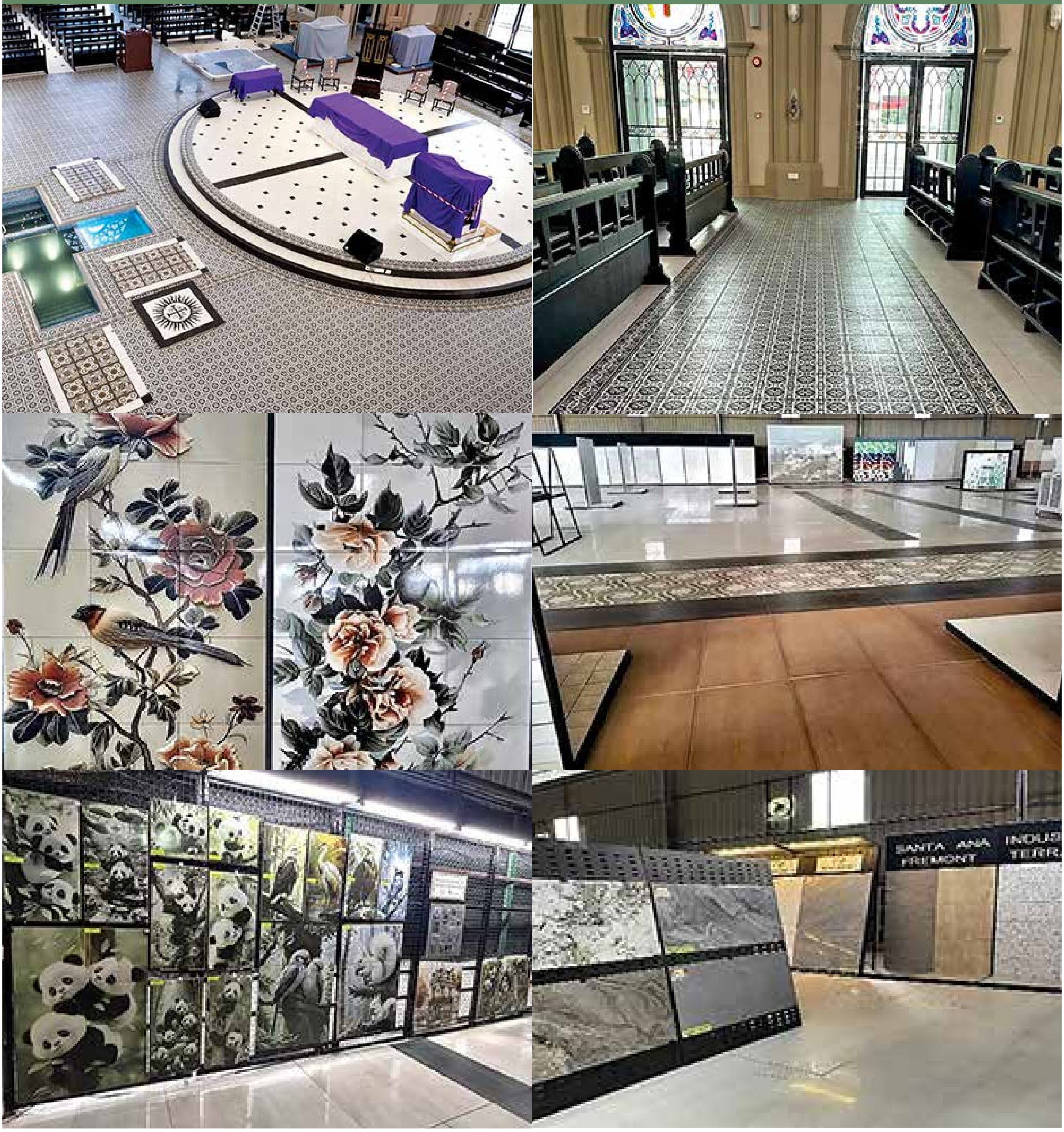
Sustainable Development
Beyond compliance, we engage communities to promote sustainable practices and support initiatives for environmental stewardship. Investments in renewable energy and waste reduction strategies strengthen our local impact.

The Sustainable Choice
We encompassed the use of environmentally responsible materials and efficient processes for our products. At Kim Hin, the commitment to reducing, reusing, and recycling is evident in the design of products that extend their lifecycle and offering significant sustainability benefits.

Innovative Product Sustainability
Integrating aesthetics, technology, and innovative design, we create ceramic tiles that meet aesthetic preferences while advancing sustainability.

SUSTAINABILITY STATEMENT (CONT'D)

OUR PRODUCTS



CERTIFICATION

Our products are certified to have low chemical emissions, thus improving the quality of air in which the products are used. Our products are certified under the Gold Category of Greenguard. This gives peace of mind to homeowners, schools, public health organisations, offices and etcetera. We are conscious that being environmentally friendly will contribute to the preservation and protection of the environment. Our products are granted the Eco-Label as complying to SIRIM criteria 022: 2010.These achievements inspire us to craft tiles that combine aesthetic brilliance, robust performance, and eco-friendly innovation.

QUALITY SYSTEM SIRIM

CERTIFIED IQNet MANAGEMENT SYSTEM

MS ISO 9001: 2015

UL GREENGUARD PRODUCT CERTIFIED FOR LOW CHEMICAL EMISSIONS UL.COM/GG UL 2818 GOLD

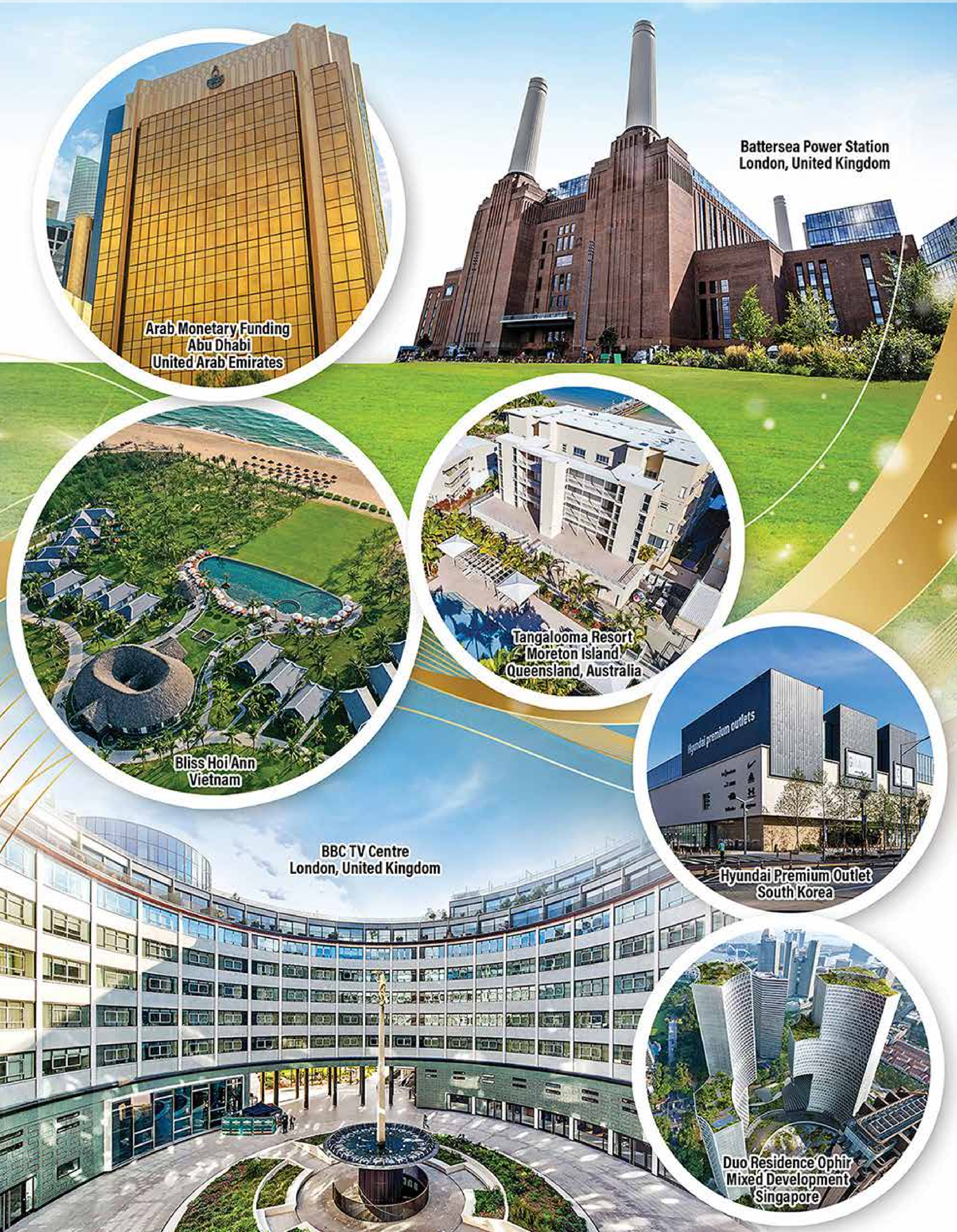
UL GREENGUARD PRODUCT CERTIFIED FOR LOW CHEMICAL EMISSIONS UL.COM/GG UL 2818

GREEN GUARD & GREEN GUARD GOLD CERTIFICATIONS

SIRIM

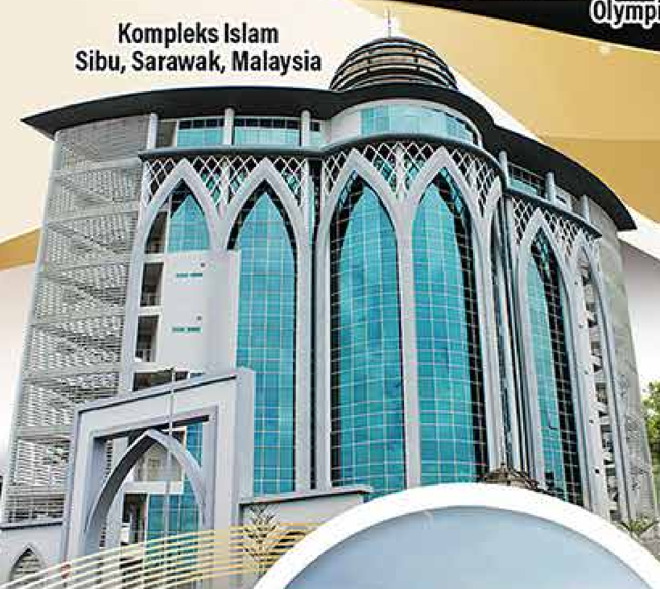
SIRIM QAS ECO-LABEL

OUR INSPIRATION PROJECTS



OUR INSPIRATION PROJECTS

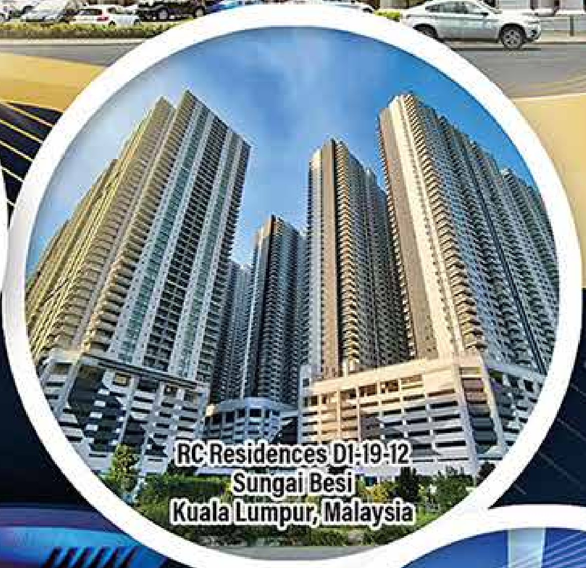
Olympic Park, Australia



Kompleks Islam
Sibu, Sarawak, Malaysia

St Peter's Church
Kuching, Sarawak
Malaysia

Carnus Setia Eco Hill
Rawang, Selangor
Malaysia



RC Residences D1-19-12
Sungai Besi
Kuala Lumpur, Malaysia

Gala City
Kuching, Sarawak, Malaysia

Zus Coffee
(Boulevard Shopping Mall)
Kuching, Sarawak, Malaysia

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE

Kim Hin Board of Directors is committed to corporate governance that contributes to building the environmental trust, transparency and accountability necessary to spur long-term investment, financial stability and business integrity. It strives to implement the practices set out in the Malaysian Code on Corporate Governance 2021 to ensure the effectiveness of the Board's leadership and control. The Board ensures the continuous development of the corporate governance culture within the Group.

Sustainability Governance is a key factor that allows the business to create long-term value for stakeholders. The Board continues to pursue a business strategy with an emphasis on the ethical, environmental, social and economic dimensions of business.

SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability Management Team

Board of Directors	• Supervises and monitors the viability of the Group. • Establishes strategic sustainability plans and targets. • Establishes policies and standards such as Directors' Fit and Proper Policy, Anti-Bribery and Anti-Corruption Policy, Code of Conduct and Ethics, Safety and Health and Environmental Policy. • Leads the Sustainability Working Committee according to business plans. • Drive the performance of the Kim Hin Group business, identify key business risks and establishes a solid internal control and risk management framework.
Sustainability Working Committee	• Includes Group Managing Directors, Executive Directors, Chief Financial Officer, Company Secretary, Senior Management and Heads of Departments. • Perform assessment on risk and control of the key risk areas. • Implement sustainability issues in accordance with Board's strategic business plans. • Consolidates the Group's overall sustainability performance against targets and goals.
Business Units	• Lead by Executive Directors and Senior Management. • Abide by corporate policies. • Address, communicate and coordinate the sustainability related matters across the business units. • Maneuvering and monitoring of production performance, plant maintenance and technical inspection. • Developing products' design and innovation. • Operating business in accordance with the Board's strategic business plans. • Performing Risk Assessment Analysis to identify the potential risk and opportunities. • Prepare price analysis for the products. • Internal Control execution. • Performing production planning, logistics handling and inventory control. • Provide good services to the distributors and customers. • Handling customers' complaints. • Report to business performance to top management. • Provide necessary support and data to Enterprise Risk Management and Sustainability Unit for sustainability reporting purposes.

SUSTAINABILITY STATEMENT (CONT'D)

RISK ASSESSMENT

The risk and opportunity assessment are performed annually by the management. The scope of risk assessment conducted in 2024 was as follows:

1) Compliance with Section 17A Malaysia Anti- Corruption Commission Act 2009 (Amendment 2018);
2) Fluctuations in foreign currencies exchange rate;
3) Product pricing;
4) Market and trade circle;
5) Economic growth and high inflation;
6) Production efficiency;
7) Staff turnover;
8) Inventory management;
9) Business processes that are environmental consciousness and friendly;
10) Climate Change;
11) Health and safety;
12) Product size, surface and faces;
13) Timely delivery to customers;
14) New product development;
15) Good sales services to customers and distributors (e.g. prompt reply to enquiries, effective monitoring of purchase orders)
16) Good business image;
17) Customers' satisfaction;
18) Credit limit management;
19) Products' quality and designs;
20) Logistic costing;
21) Quality of incoming raw material;
22) Suppliers' lead time on supply of goods; and
23) Overseas suppliers' delivery management during festive seasons.

We focus on reducing risks and seizing opportunities on the above issues centered on sustainable practices.

STAKEHOLDERS ENGAGEMENT

We are committed to effective engagement with our stakeholders, and gather feedback from them through a variety of approaches, as applicable.

Customers	Employees	Investors	Government	Business Partners/ Suppliers	Local Community
• Customer feedback and surveys • Customers' complaints • Corporate website • Notices and announcements	• Departmental meeting • Performance evaluations • Staff Newsletter • Training and developments • Rewards and recognitions • Sport club activities	• Annual reports • Corporate website • Annual General Meeting • Company announcements	• Facility visits • Audits and inspections • Industry-related initiatives, dialogues and events	• Written communications • Supplier's evaluations and registrations • Meetings and presentations	• Corporate website • Community engagement programmes • Donation and sponsorship • Charity events

Materiality

Materiality assessment is an important plank in our sustainability process which enables us to assess and determine issues that may have significant financial and non-financial impact on our organisation. These include matters that may directly affect our value creation activities or matters that may have indirect and knock-on impact.

High material		Material	
1)	Ethical and Business Compliance	9)	Diversity and anti-discrimination
2)	Governance and Transparency	10)	Labour practices and standards
3)	Financial Sustainability	11)	Climate and energy
4)	Anti-bribery and corruption	12)	Local Community
5)	Risk Management	13)	Waste management
6)	Products and Services	14)	Water efficiency
7)	Customers' satisfaction	15)	Training and Education
8)	Health and safety		

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL COMMITMENT

We are committed to the conservation of the environment as well as reducing the carbon footprint to the environment and to maintain a clean, safe and healthy environment.

OUR ENVIRONMENTAL POLICY

As a responsible ceramic tile manufacturer, we are well aware of the environmental impacts that our operations have on the environment; and we are committed to minimising the negative impacts and improve environmental conservation performance.

The top management and employees are committed to:-
- complying with the legal requirements;
- conserving energy, water and other natural resources;
- optimising the use of raw materials;
- practicing reduce/reuse/recycle approach throughout our operations;
- reducing waste through better waste management;
- preventing air pollution, and reducing carbon emission;
- providing staff with environmental awareness training; and
- improving environmental performance continually.

We have adopted environmentally friendly practices to lessen the damage to the environment that support communities. We ensure that our people and manufacturing practices support this objective through personal awareness and the adoption of green technology and best practices by European or Asian innovations that maximize energy efficiency improvements. The main environment factors associated with the production of ceramic tiles are gaseous emission production of heat, dust and waste.

SUSTAINABILITY STATEMENT (CONT'D)

ENERGY SAVING

Our rapid cycle roller kilns have installed highly efficient burners and a heat recovery system installed as part of our energy-saving efforts. Translucent panels are installed on the roofs of our manufacturing facilities to minimise our daytime energy usage and to foster company-wide utility-saving habits. Offices and industrial buildings use LED lightings widely, which are energy-saving, environmentally beneficial.

Installing solar panels, which take in sun rays and transform them into electricity or heat, is one of the options to promote green technology. In year 2023, Kim Hin Ceramic (Seremban) Sdn. Bhd. ("KHCS"), a wholly owned subsidiary of Kim Hin Group embarked on sustainable energy programmes at its two manufacturing plants situated in Seremban, Negeri Sembilan with the signing of a 20-year Corporate Solar Purchase Agreement. The main objective of this initiative is to reduce its Scope 2 GHG Emission via displacement of up to 20% of its annual electricity taken from the grid with renewable energy generated from the rooftop solar photovoltaic (PV) systems.

The installed capacities of the solar PV systems being built and operated on the roofs of KHCS Plant 1 and Plant 2 are 1.15 MWp and 0.52 MWp respectively. Both solar PV systems are registered under the Net Energy Metering (NEM) 3.0 program of Net Offset Virtual Aggregation (NOVA) category.

The installed rooftop solar PV systems at Plant 1 and Plant 2 are expected to generate on average 1,440 MWhr and 652 MWhr of renewable energy every year respectively, avoiding approximately 1,224 tonnes of carbon emissions per year, which is equivalent to growing 20,239 tree seedlings for 10 years or removing 264 vehicles from the road .

Through this program, KHCS is expected to enjoy cost savings on electricity for the next 25 years from both rooftop solar PV systems without incurring any capital investment and operation cost, which both will be borne by the solar suppliers. KHCS will be charged only for the solar energy generated as recorded by the energy meters on monthly basis by the solar supplier at a fixed tariff, which currently is lower than the prevailing effective TNB peak tariff.

Both rooftop solar PV systems were successfully awarded with public generating license from the Suruhanjaya Tenaga (ST) for energisation and exporting the excess power to the grid. The rooftop solar PV system at KHCS Plant 1 was energised on 5 January 2023 and commissioned on 22 February 2023. In contrast, the rooftop solar PV system at KHCS Plant 2 was energised on 15 February 2023 and commissioned on 23 March 2023.

Both rooftop solar PV systems now are in operation phase. Upon expiry of the SPPAs, the assets will be transferred to KHCS and all the savings will be fully enjoyed by the Company.

Based on 2017 Baseline CO2 for Peninsular Malaysia's grid carbon emission factor (source: MGTC)
[2] Based on US EPA's GHG Calculator at https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results

Figure 1: Rooftop solar PV system at Plant 1

Figure 2: Meter and Breaker Panel, Inverter Station and Fault Current Limiting Reactor (FCLR) at KHCS Plant 1

Figure 3: Rooftop solar PV installed at KHCS Plant 2

Figure 4 : Meter and Breaker Panel and Inverter Station at Plant 2

SUSTAINABILITY STATEMENT (CONT'D)

The carbon emission avoidance as tabulated below:

	Solar Generation		Carbon emission avoidance	
	MWhr/mth	MWhr/Year	Tonnes/mth	Tonnes/Year
Plant 1	120.0	1,440	70.2	842
Plant 2	54.3	652	31.8	382
Total	**174.3**	**2,092**	**102.0**	**1,224**

Note: Factor used for Malaysia is 0.585/kgCO2/kWh

AIR QUALITY

Air quality in our manufacturing facilities is very important in order to have a clean environment for our employees and community:

- Dust suction exhaust system are installed for dust dispersion.
- Whole production complex has cement or tarmac surfaces to minimise dust when raw materials are transferred from one area to the next.

To ensure minimum particulate matter and gaseous emissions - the pollutants of concern from the firing process, our products are fired using either liquified natural gas (LNG) or liquified petroleum gas (LPG), both of which are clean burning fuel with very little particulate matter. On top of that, the carefully selected materials help control and reduce the fluorine compound emission associated with the firing of clayey materials.

WATER CONSERVATION

With Mother Nature granting us with abundant rain, we harvest it to be used in our manufacturing processes. 100% of the water used in the cutting process is from harvested water.

Glazing and printing operations require frequent washing which in turn generates waste water. This is directed to a waste water treatment plant and water is recycled back to the production process. This in turn reduces our consumption of treated piped water.

RECYCLING

In the production of our tiles, we recycle a certain percentage of the raw materials. Crushing process is in place to enable reuse of reject tiles. Green tiles and powder of reject products manufactured are gathered and recycled in the manufacturing process.

We wrap our products in the thinnest plastic we can possibly find as packing materials. With our return policy, we are able to use lesser wooden crates.

In order to achieve sustainable manufacturing, Kim Hin Group does everything in its capability to conserve energy and natural resources, to be commercially viable, and to give our employees a secure and healthy work environment. Our effort includes the following actions:

1. Ensure our firing operations use the cleanest fuel possible.
2. Recycle all the green and fired product we have discarded.
3. Constant development to cut down on waste.
4. Protect the environment by honing technological abilities in making thinner tiles with faster firing cycles.
5. Repurpose thermal energy.
6. Harvest rain water for production use, and maximise the recycling of the water used in the production process.
7. Strict raw material selection to guarantee no toxic substances is used in our manufacturing environment and no pollutants are released over the life cycle of our finished products.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL

The Group values the commitments, capabilities and hard work of the employees and is committed to the welfare and well-being of its employees, by giving incentive awards to the children of our employees who excel in national public examinations, annual 'back-to-school' tokens for employees' children and birthday tokens to employees. Training is given to the employees to develop and enhance the employee's capability and competency development. In addition, our company welcomes institutional students' study tour visits and offers student internship programmes. It is our hope that with these activities, they would assist towards sustaining the workforce in particular, and the company as a whole.

Human Rights and Practices

At Kim Hin Group, we are deeply committed to respecting and promoting human rights across our operations, ensuring that our business practices align with recognized human rights standards.

Human Rights Impact Assessment and Mitigation

We proactively assess our human rights impacts on an ongoing basis as part of our core business processes. The Company also implements actions to avoid, prevent and mitigate any identified human rights risks. These actions are continuously monitored to ensure compliance and effectiveness.

Grievance Mechanisms

Kim Hin Group is committed to ensuring that formal grievance mechanisms are in place to allow individuals and communities affected by our business activities to raise concerns. These mechanisms guarantee confidentiality and anonymity, providing both internal and external stakeholders with a secure avenue to voice their concerns.

Anti-Corruption Commitment

Kim Hin Group is committed to upholding the highest standards of integrity and ethical conduct in all aspects of our operations.

Communication of Anti-Corruption Policy

To ensure all employees understand and adhere to our anti-corruption standards, information regarding the government implementation of **Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009** (Amendment 2018) has been disseminated through top management, along with the access of the **Anti-Bribery and Anti-Corruption Handbook (ABAC Handbook)** to all employees. This handbook provides comprehensive guidelines on compliance with anti-bribery and anti-corruption laws, covering all forms of corruption, including bribery.

Training for Staff on Anti-Corruption

In addition to the dissemination of the ABAC Handbook, we conduct regular training sessions and briefings to ensure our employees are well-informed on the elements and types of corruption, including bribery. Additionally, all employees are required to sign the **Employee Code of Conduct & Ethics** and the **ABAC Integrity Pledge**, reaffirming their commitment to uphold the highest standards of integrity in all work and business dealings.

Labour Standards and Employment Practices

We are committed to promoting fair and ethical labour standards throughout our operations, including ensuring compliance with local and international labour laws.

Commitment to Equal Pay and Non-Discrimination

Kim Hin Group is committed to addressing the issue of equal pay for equal work. We adhere to local labour laws and regulations, ensuring that employees are compensated fairly for their contributions, regardless of gender, race, or other personal characteristics. However, we recognize the need to further enhance our transparency on equal pay practices and are exploring the development of policies and principles to ensure compliance with global standards.

Elimination of Excessive Working Hours

We focus on compliance with local laws regarding working hours and overtime. Our policies are designed to avoid excessive working hours and promote a balanced work-life environment for all employees.

SUSTAINABILITY STATEMENT (CONT'D)

Commitment to a Living Wage

In line with the Malaysian New Minimum Wage Order 2022, we ensure that all our employees are paid the prescribed minimum wage to support their well-being and meet the increasing living standards.

Involvement in Labour Standards Initiatives

Kim Hin Group actively engages with relevant government agencies such as the Sarawak Labour Department and the Industrial Relations Department in initiatives and workshops related to labour standards. We are committed to participating in industry-specific programs that enhance labour practices and standards across our operations.

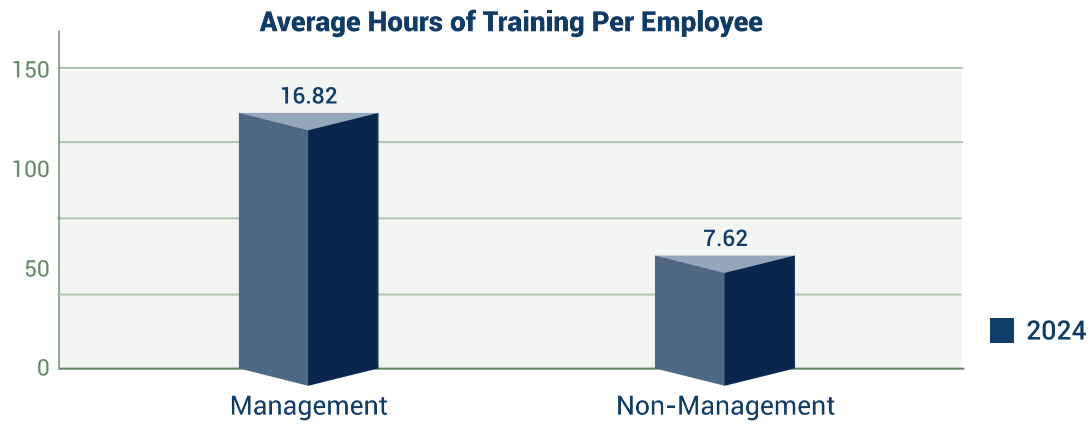
HUMAN CAPITAL DEVELOPMENT

Employee Training and Development

At Kim Hin Group, we believe that the development of human capital is fundamental to achieving our business goals. As such, we are deeply committed to creating an environment where employees can continuously learn, grow and develop professionally. Our employee development programs focus on enhancing skills, broadening knowledge, and equipping individuals with the tools they need to succeed in an ever-evolving business landscape. We believe in providing diverse learning opportunities, both internally and externally, to ensure that our workforce remains competitive and engaged. These include training workshops, mentorship programs and professional certifications that promote personal and professional growth.

We are committed to encompass the fair treatment of employees in regards to the terms and conditions of employment and to develop the employees' skills and knowledge. We emphasise on employee development through on jobs training and learning via internal and external courses for the retention and maintenance of skilled labour. We believe continuous learning is the key for personal development and transformation. Keeping employees' skills and knowledge up-to-date will definitely help to increase the company's competitiveness in the industry.

Training and Development of Kim Hin Group in Malaysia for 2024



Average hours of training per employee for Supervisory and above category and Operatives Category

Kim Hin Group is dedicated to develop a competent and skilled workforce through various ongoing strategic human capital development programmes. This initiative is undertaken to attract, develop and retain personnel to be suited for the company and future career development.

By fostering a culture of continuous learning and development, we not only strengthen our human capital but also contribute to creating a collaborative and inclusive workplace where employees are motivated to perform at their best, aligned with our company values.

SUSTAINABILITY STATEMENT (CONT'D)

Joint research programme on recycling.

Employee Training and Development

Keselamatan Dan Kesihatan Pekerjaan Kebangsaan 2024 at Courtyard Hotel, Kuala Lumpur.

Seminar Organisasi Keselamatan Kebakaran (BOMBA) at Imperial Hotel, Kuching.

Medical Surveillance

SUSTAINABILITY STATEMENT (CONT'D)

Fair Employment Practices

Kim Hin Group is committed to upholding the principles of equal opportunity and fairness in our hiring and employment practices. We believe that a diverse and inclusive workforce is key to fostering innovation and creativity, and we are dedicated to promoting diversity and equality in all aspects of employment.

Our recruitment practices are based solely on merit, ensuring that all individuals have equal access to employment opportunities, regardless of their race, gender, religion, age, or any other personal characteristic. We adhere strictly to the labour laws and regulations of the countries in which we operate, ensuring fair wages, benefits, working hours, and other employment conditions.

Beyond legal compliance, we strive to create a work environment that is supportive, respectful, and empowering for all employees. We encourage open communication and provide employees with the resources they need to achieve their professional goals while maintaining a healthy work-life balance.

HEALTH AND SAFETY

Environmental, Health & Safety

Kim Hin Group is committed to providing a safe, healthy, and environmentally responsible workplace for all of our employees, partners, and stakeholders. We continuously strive to minimize the environmental footprint of our operations through sustainable practices that focus on energy efficiency, waste reduction, and resource conservation.

We understand that environmental sustainability and employee well-being are intrinsically linked. As such, we have adopted a comprehensive approach to environmental management that includes regular monitoring of our facilities, strict compliance with relevant environmental regulations, and a commitment to reducing our carbon emissions. In addition, our employees are trained on best practices in environmental management to ensure that everyone is actively involved in reducing the environmental impact of our operations.

We also prioritize the health and safety of our workforce. We are committed to maintaining a work environment where risks are proactively identified, and measures are implemented to mitigate potential hazards.

Health Surveillance

Medical surveillance is necessary for the protection of our employees who are exposed or likely to be exposed to chemicals which are hazardous to health. We carry out the medical surveillance programme annually, so as to identify the changes in health status of the relevant employees due to occupational exposure. The medical surveillance is carried out by an occupational health doctor.

The details of safety and health trainings in 2024 for Kuching Headquarters.

Date	Types of trainings/courses	No. of participants
14.06.2024	Medical Surveillance	32
01.10.2024	ESG Training	25
23-24.10.2024	Seminar Keselamatan Dan Kesihatan Pekerjaan Kebangsaan 2024	2
07-08.11.2024	Risk & Opportunities Assessment Workshop	38
02.12.2024	Seminar Organisasi Keselamatan Kebakaran (BOMBA)	2
03.12.2024	Audiometric Testing	26
05-06.12.2024	Ergonomic Risk Assessment Initial	52
	Total:	**177**

SUSTAINABILITY STATEMENT (CONT'D)

The details of safety and health trainings in 2023 for Kuching Headquarters.

Date	Types of trainings/courses	No. of participants
13-14.01.2023	Seminar on risk Management Technique 2023	2
06-10.03.2023	Course for Certified Environmental Professional In Scheduled Waste Management	2
16-17.03.2023	Basic First Aid and CPR	15
15-16.06.2023	Basic First Aid and CPR	9
30.06.2023	Fire Drill Briefing and Training Report For Worker's Dormitory	11
18.10.2023	Fire Drill with BOMBA	577
	Total	**616**

The details of accident incidents and lost days:

Types	2024	2023
Fatalities	0 incident	0 incident
Injuries	0 incidents	0 incidents
Lost time injuries	0 days	0 days

DIVERSITY

The Board has formalised the Boardroom and Workforce Diversity Policy on 15 April 2015.

Principles of the Boardroom Diversity Policy

The Group recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, age, race, gender and other qualities of Directorship. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

All Board appointments are made on merit, in the context of the skills and experience the Board as a whole requires to be effective.

Principles of Workforce Diversity Policy

The Group is committed to providing an inclusive workplace that embraces and promotes diversity.

(i) The Group values, respects and leverages the unique contributions of people with diverse backgrounds, experiences and perspectives to provide exceptional service to an equally diverse community; and

(ii) The Group recognises the benefits arising from employee and board diversity, including a broader pool of good quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

SUSTAINABILITY STATEMENT (CONT'D)

Workforce diversity of Kim Hin Group of Companies in Malaysia for 2024 and 2023

Ethnicity	Management	Non-Management	Total Number of Employee	Ethnicity Percentage (%)
	2024	**2024**	**2024**	**2024**
Bumiputera	66	607	673	68.05%
Chinese	71	140	211	21.33%
Indian	5	30	35	3.54%
Non- Malaysian	8	62	70	7.08%
Total	**150**	**839**	**989**	**100%**

Gender	Management	Non-Management	Total Number of Employee	Gender Percentage (%)
	2024	**2024**	**2024**	**2024**
Male	81	597	678	68.55%
Female	69	242	311	31.45%
Total	**150**	**839**	**989**	**100%**

Workforce diversity of Kim Hin Group of Companies in Malaysia for 2023

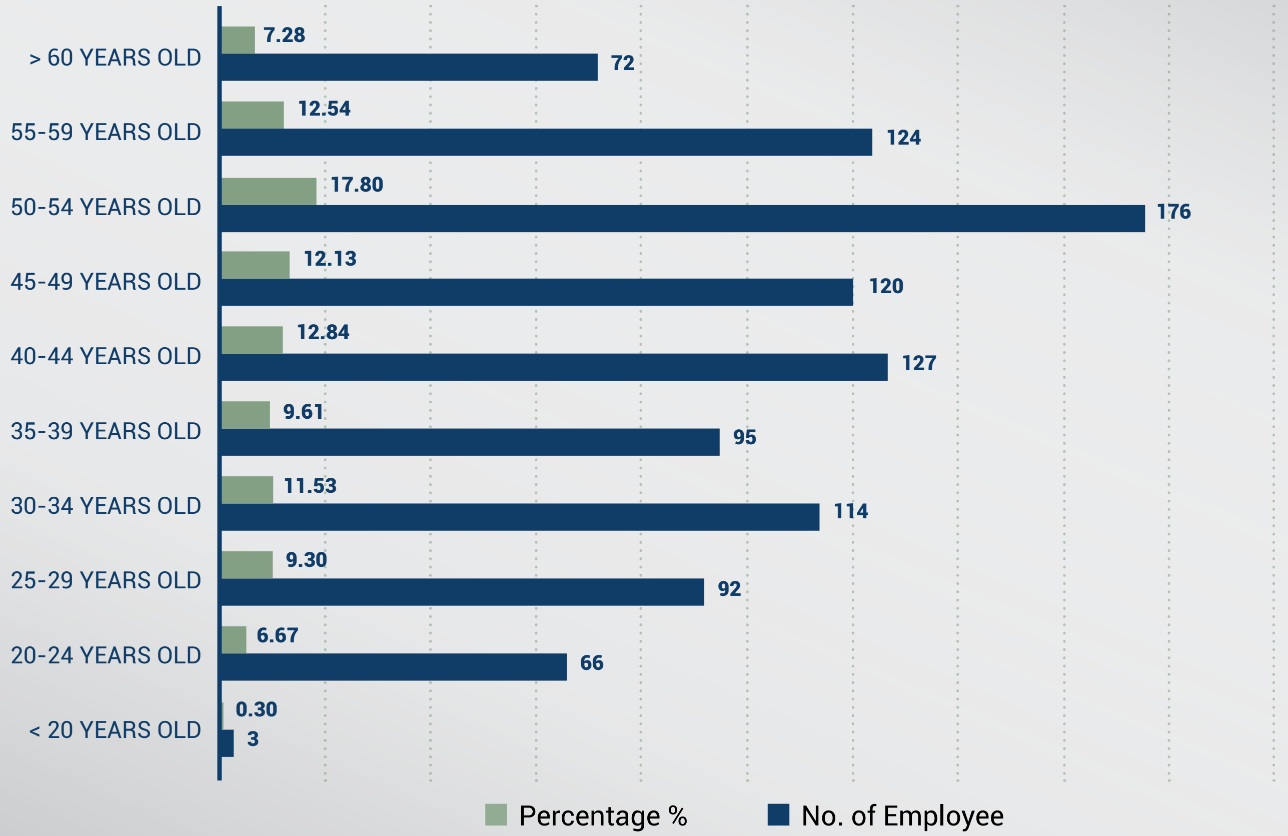
Ethnicity	Management	Non-Management	Total Number of Employee	Ethnicity Percentage (%)
	2023	**2023**	**2023**	**2023**
Bumiputera	78	607	685	69.26%
Chinese	112	98	210	21.23%
Indian	6	25	31	3.13%
Non- Malaysian	2	61	63	6.38%
Total	**198**	**791**	**989**	**100%**

Gender	Management	Non-Management	Total Number of Employee	Gender Percentage (%)
	2023	**2023**	**2023**	**2023**
Male	101	579	680	68.75%
Female	97	212	309	31.25%
Total	**198**	**791**	**989**	**100%**

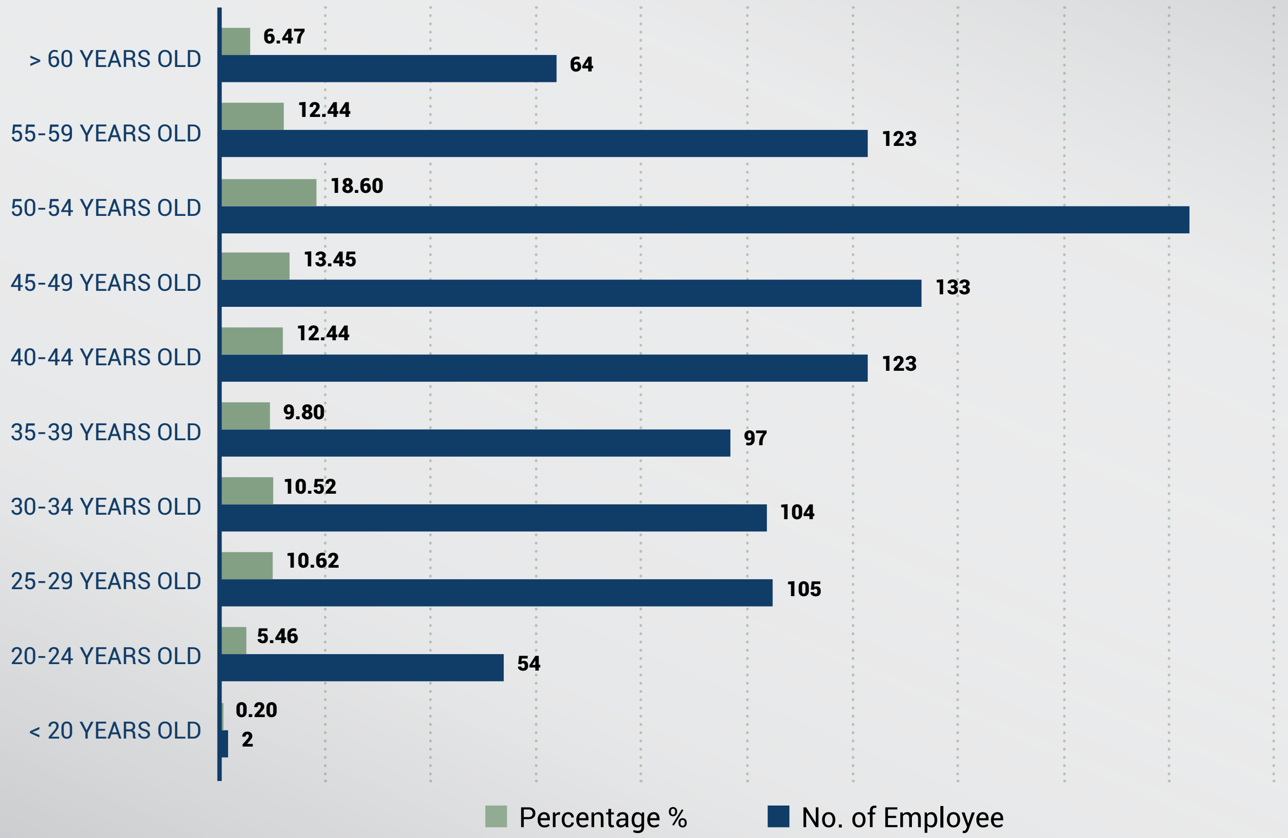
SUSTAINABILITY STATEMENT (CONT'D)

The diagrams below show the workforce diversity of Kim Hin Group in Malaysia for 2024 and 2023

WORKFORCE DIVERSITY FOR 2024



WORKFORCE DIVERSITY FOR 2023



SUSTAINABILITY STATEMENT (CONT'D)

COMMUNITY CONTRIBUTIONS AND DEVELOPMENT

Kim Hin Group recognises its role in making a positive impact on the communities in which we operate. As part of our corporate responsibility, we support various initiatives that contribute to social development and the well-being of our local and global communities.

Our Corporate Social Responsibility (CSR) programs are designed to empower individuals and improve lives. These initiatives focus on areas such as education, health, environmental conservation, and poverty alleviation. We believe that by engaging with the community and supporting meaningful projects, we can help create a sustainable future for generations to come.

We actively partner with local organizations, educational institutions, and non-profit groups to deliver programs that make a difference. These collaborations allow us to address pressing societal needs and contribute to the long-term development of our communities, ensuring that our growth is inclusive and shared.

Donation of Tiles to The Sarawak Cheshire Home.

*Kim Hin Social, Welfare and Recreation Club (Kimgres Club) Cash donation to **PIBAKAT**.*

Visit by students and lecturers from School of Built Environment, University of Technology (UTS) Sarawak

Ceramic Tiles -Types, Properties ad Specifications In-House Training conducted by Datin Lynette Chan on 13-15 May 2024.

SUSTAINABILITY STATEMENT (CONT'D)

Performance Data Table From ESG Reporting Platform

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	67.14 *	48.47
Non-management	Percentage	25.22 *	28.40
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	40.00	90.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	36,310.00	55,588.60
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	120	15
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 20	Percentage	0.00	0.00
Management Between 20-24	Percentage	1.83	1.84
Management Between 25-29	Percentage	6.85	7.36
Management Between 30-34	Percentage	11.40	15.34
Management Between 35-39	Percentage	10.50	7.36
Management Between 40-44	Percentage	12.79	11.04
Management Between 45-49	Percentage	9.59	11.04
Management Between 50-54	Percentage	21.92	23.31
Management Between 55-59	Percentage	16.44	11.66
Management 60 and Above	Percentage	8.68	11.04
Non-management Under 20	Percentage	0.21	0.33
Non-management Between 20-24	Percentage	5.97	7.73
Non-management Between 25-29	Percentage	9.77	9.03
Non-management Between 30-34	Percentage	9.67	10.45
Non-management Between 35-39	Percentage	13.27	10.34
Non-management Between 40-44	Percentage	12.55	13.28
Non-management Between 45-49	Percentage	15.84	12.51
Non-management Between 50-54	Percentage	15.95	16.65
Non-management Between 55-59	Percentage	11.32	12.62
Non-management 60 and Above	Percentage	5.45	7.07
Gender Group by Employee Category			
Management Male	Percentage	52.51	54.60
Management Female	Percentage	47.49	45.40
Non-management Male	Percentage	71.30	70.08
Non-management Female	Percentage	28.70	29.92
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	75.00	75.00
Female	Percentage	25.00	25.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	0.00	0.00
Above 50	Percentage	100.00	100.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	279,621.57	260,398.82

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

SUSTAINABILITY STATEMENT (CONT'D)

Performance Data Table From ESG Reporting Platform

Indicator	Measurement Unit	2023	2024
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	9.15	272.13
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,012	455
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	3,153 *	2,583
Non-management	Hours	5,167 *	6,489
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	7.00	6.65
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	65 *	31
Non-management	Number	142 *	175
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	88.24	89.03
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	203.211000	268.420000
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	0.00	1,074.87
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00	431.94
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.00	30.45
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	0.00	52,154.35
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	0.00	16,814.61
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commutir	Metric tonnes	0.00	1,685.92

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

STATEMENT OF ASSURANCE

Pursuant to Section 9 of the Capital Markets and Service Act 2007 (CMSA), Bursa Malaysia Securities Berhad has amended the Main Market Listing Requirements to enhance the Sustainability reporting framework with the aim to elevate the sustainability practices and disclosures of listed issuers (Enhanced Sustainability Disclosures).

This report has not been subjected to independent assurance in accordance with recognised standards and may contain opinions, external referenced information, and unaudited non-financial data.

The contents of this Sustainability Statement have been reviewed by the Board, and Audit Committee, for consistencies, reasonableness, and compliance. Their review, however, does not constitute as an assurance for investors or investment decisions. Whilst efforts were made to ensure these are reasonable at the time extracted, the actual or future outcomes may differ.

The Performance Data Table provided herein originates from the Bursa Malaysia ESG Reporting Platform, adhering to the stipulated enhanced sustainability reporting criteria as outlined in the Main Market Listing Requirements.

PROFILE OF DIRECTORS

CHUA SENG HUAT

Executive Chairman

Male | 64 years of age | Malaysian

Mr. Chua Seng Huat holds a Bachelor of Business Administration degree from the University of Hawaii, Honolulu, USA. He was first appointed to the Board of Kim Hin Industry Berhad on 2 October 1981 and was actively engaged in the operations of the Company and in the strategic business planning and was promoted to the post of Executive Chairman in 1998. He resigned as a Director in June 2001 and later was re-appointed to the Board and resumed the post of the Executive Chairman on 28 August 2006.

He attended all of the five (5) Board Meetings held during the financial year ended 31 December 2024.

Mr. Chua Seng Huat is the brother of Dato' John Chua Seng Chai, Mr. Chua Seng Guan, Mdm. Pauline Getrude Chua Hui Lin and Mdm. Chua Yew Lin who are also the Directors of the Company.

DATO' JOHN CHUA SENG CHAI

Group Managing Director

Male | 67 years of age | Malaysian

Dato' John Chua Seng Chai holds a Bachelor of Arts (Economics) Honours degree from the University of Warwick, United Kingdom. He was appointed to the Board as the Production Director on 2 October 1981.

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

Dato' John Chua Seng Chai is the brother of Mr. Chua Seng Huat, Mr. Chua Seng Guan, Mdm. Pauline Getrude Chua Hui Lin and Mdm. Chua Yew Lin who are also Directors of the Company.

CHUA SENG GUAN

Group Executive Director

Male | 67 years of age | Malaysian

Mr. Chua Seng Guan graduated with a Bachelor of Arts, Honours degree in Business Law from the City of London Polytechnic, United Kingdom and was called to the Bar at Gray's Inn at the end of 1983. After he had chambered and worked at Gray's Inn and Inner Temple, he returned to Malaysia and joined the Company as the Marketing Director on 22 October 1985.

He attended all of the five (5) Board Meetings held during the financial year ended 31 December 2024.

Mr. Chua Seng Guan is the brother of Mr. Chua Seng Huat, Dato' John Chua Seng Chai, Mdm. Pauline Getrude Chua Hui Lin and Mdm. Chua Yew Lin who are also Directors of the Company.

PROFILE OF DIRECTORS (CONT'D)

PAULINE GETRUDE CHUA HUI LIN

Executive Director

Female | 63 years of age | Malaysian

Madam Pauline Getrude Chua Hui Lin has completed her secondary education in Kuching and she joined the Company in 1980, initially serving in the Accounts Department and was appointed to the Board of Directors of Kim Hin Industry Berhad in 1981 and later as an Alternate Director to Mr. Chua Seng Guan in 1985. Madam Pauline Getrude Chua Hui Lin was later re-appointed as Director of Kim Hin Industry Berhad on 1 January 1992. She is primarily in-charge of the administration and operating procedures of the Group.

She attended all of the five (5) Board Meetings held during the financial year ended 31 December 2024.

Madam Pauline Getrude Chua Hui Lin is the sister of Mr. Chua Seng Huat, Mr. Chua Seng Guan, Dato' John Chua Seng Chai and Mdm. Chua Yew Lin who are also Directors of the Company.

CHUA YEW LIN

Executive Director

Female | 62 years of age | Malaysian

Madam Chua Yew Lin has completed her secondary education in Kuching. She joined the Company in 1980 as Office Manager and was later promoted as a Director on 2 October 1981. She oversees the overall financial and treasury operations of the Group.

She attended all of the five (5) Board Meetings held during the financial year ended 31 December 2024.

Mdm. Chua Yew Lin is the sister of Mr. Chua Seng Huat, Mr. Chua Seng Guan, Dato' John Chua Seng Chai and Mdm. Pauline Getrude Chua Hui Lin who are also Directors of the Company.

DATO SIM KHENG BOON

Independent Non-Executive Director

Male | 70 years of age | Malaysian

Dato Sim Kheng Boon holds a Bachelor of Commerce (Honours) majoring in accounting from University of Windsor, Canada. He has more than 30 years of investment banking experience involved in public listing of companies, fund raising exercises, merger and acquisition activities.

He was appointed as the first CEO of Development Bank of Sarawak from 2017 to 2022 during its formative years.

He joined Kim Hin Industry Bhd as an Independent Non-Executive Director on 25 May 2023 and appointed as the Chairman of both Remuneration Committee and Nomination Committee. He is also a member of the Audit Committee of the Company.

Dato Sim attended all the five (5) Board Meetings held during the financial year ended 31 December 2024.

At present, Dato Sim serves as the Independent Non-Executive Director of Zecon Berhad and CCK Consolidated Holdings Berhad.

PROFILE OF DIRECTORS (CONT'D)

KHO SOON KHENG

Independent Non-Executive Director

Male | 64 years of age | Malaysian

Mr. Kho Soon Kheng started his career with Ernst & Young, an international accounting firm and has over 15 years of professional experience in audit, tax, corporate assurance and recovery, mergers and acquisitions, initial public offerings, receivers and managers, corporate restructuring for both local and international, private and public listed corporations across diversified industries.

Mr Kho joined Malaysian International Merchant Bankers Berhad in 1996 as Corporate Finance Manager and actively involved in banking, corporate finance and Malaysian capital markets.

In 1998, he was employed as the Group Financial Controller and company secretary for a local and foreign owned group of companies involved in the manufacturing of metal-based products.

In 2003, he joined OMG Electronic Chemicals (M) Sdn Bhd, a wholly owned subsidiary of OM Group Inc, USA, a public corporation listed on the NYSE. The principal activities include research and development, manufacturing of high technology specialty chemicals for the electrical and electronic industries. As Chief Financial Officer, he was responsible for strategy and planning, business development, corporate governance, information technology, risk management, human resources, internal controls and compliance. Trained in USA as an SAP project manager and administrator.

He completed the compliance requirement training on Sarbanes Oxley Act of the United States of America re-financial reporting and corporate governance and also code of conducts with regards to anti-bribery and anti-corruption laws and regulations.

He has also completed the International Standards for Organization (ISO) training and has successfully established various policies and procedures for compliance with Standards particularly in areas of quality management and environmental management.

Mr. Kho acted as Group's resources in providing financial and business management services, particularly in areas of business acquisitions and mergers, international taxation, supply chain management, business continuity, change management, risk and contingency and disaster recovery management as well as information technology support to various global operations.

He also possessed over 25 years' experience with active involvements in non-profit charitable organizations works and activities.

Mr. Kho Soon Kheng was appointed as an Independent Non-Executive Director on 25 May 2023. Mr. Kho is the Chairman of the Audit Committee. He is also a member of the Nomination Committee and the Risk Committee.

Mr. Kho attended all the five (5) Board Meetings held during the financial year ended 31 December 2024.

AW TAI HUI

Independent Non-Executive Director

Male | 66 years of age | Malaysian

Mr. Aw Tai Hui holds a Master in Business Administration from Aston University, UK, and a Bachelor of Economics Degree (Honours) from Birmingham City University, UK. He has 40 years of work experience in his working career with East Asiatic Company (Malaysia) Berhad (a Danish multinational company), as a Group General Manager with Cahya Mata Sarawak Berhad, and various consulting positions in the development of a shopping mall, a township development, and the aviation industry. Since 1991, he has served as the Honorary Danish Consul to Kuching and presently serves as a committee member of the Plaza Merdeka Complex.

Mr. Aw Tai Hui was appointed as an Independent Non-Executive Director on 1 August 2024. Mr. Aw is a member of the Audit Committee, Remuneration Committee and Risk Committee of the Company.

He attended all the two (2) Board Meetings held during the financial year ended 31 December 2024 since he was appointed on 1 August 2024.

Save as disclosed, none of the Directors has

(i) any family relationship with any Director and/or major shareholder of the Company;
(ii) any conflict of interest with the Company; and
(iii) any conviction of offences within the past 5 years other than traffic offences.

PARTICULARS OF KEY SENIOR MANAGEMENT

ANG PEK LAY

General Manager
Kimgres Marketing Sdn Bhd

61 years of age
Female
Malaysian
Date of Appointment ***1 October 2015***

Academic / professional qualification(s):
Master in International Business

Present Directorship:
Listed entity: Nil
Other public companies: Nil

Working experience:
- Worked in H&R Johnson for 3 years (1989-1992)
- Joined Kimgres Marketing Sdn Bhd since 1993

PETER CHIAM TAU MIEN

Chief Financial Officer
Kim Hin Industry Berhad

53 years of age
Male
Malaysian
Date of Appointment ***1 January 2014***

Academic / professional qualification(s):
- Chartered Accountant (Malaysia)
- Fellow of Association of Chartered Certified Accountants ("ACCA"), UK

Present Directorship:
Listed entity: Nil
Other public companies: Nil

Working experience:
- He started his career with Ernst & Young, Kuching in 1995 and has about 10 years of professional experience in accounting, assurance and advisory business services, taxation and corporate advisory services.
- Joined Kim Hin Industry Berhad as Group Finance Manager on 1 August 2005.

CHUA BAN CHOON @ CHUA CHUI KIM

Director & General Manager
Kim Hin Ceramics (Shanghai) Co. Ltd.

71 years of age
Male
Malaysian
Date of Appointment ***1995***

Family relationship with any director and/or major shareholder:
- He is the uncle of the Executive Directors*

Present Directorship:
Listed entity: Nil
Other public companies: Nil

Working experience:
- Has wide experience in the ceramic tiles industry and received his training with several large ceramic manufacturing companies in Taiwan.
- Joined Kim Hin Industry Berhad in 1974.

WINNIE HO

Personal Assistant to Group Managing Director,
Kim Hin Industry Berhad

58 years of age
Female
Malaysian
Date of Appointment ***1 October 2006***

Academic / professional qualification(s):
- Master of Business Administration

Present Directorship:
Listed entity: Nil
Other public companies: Nil

Working experience:
- Started as a legal clerk in an advocate firm in 1986. Moved on to a management consultancy firm in 1992 as a secretary.
- Joined Kim Hin Industry Berhad in April 2000.

PARTICULARS OF KEY SENIOR MANAGEMENT (CONT'D)

CAI CHUN HUI

Vice General Manager
Kim Hin Ceramics (Shanghai) Co. Ltd.

56 years of age
Female
Chinese
Date of Appointment ***1995***

Academic / professional qualification(s):
- University graduate

Family relationship with any director and/or major shareholder:
- She is the cousin of the Executive Directors*

Present Directorship:
Listed entity: Nil
Other public companies: Nil

Working experience:
- Has more than 30 years of experience in the ceramic tiles industry

CHARLINE PAN LING HWEN

Director and Chief Executive Officer
Johnson Tiles Pty Ltd

35 years of age
Female
Malaysian
Date of Appointment ***2016***

Academic / professional qualification(s):
- Bachelor of Commerce (Accounting & Finance)
- Certified Public Accountants (Australia)

Family relationship with any director and/or major shareholder:
- She is the daughter of Mdm. Pauline Getrude Chua Hui Lin

Present Directorship:
Listed entity: Nil
Other public companies: Nil

Working experience:
- Joined Kimgres Australia Pty Ltd ("KA") since 2012
- Appointed as CEO/General Manager of KA in 2013
- Appointed as CEO of Johnson Tiles Pty Ltd in 2016

Cr STEPHEN ANG TECK CHAI PBK, ABS,

Head of Corporate Affairs
Kim Hin Industry Berhad

53 years of age
Male
Malaysian
Date of Appointment ***2014***

Academic / professional qualification(s):
- Diploma in Business Industrial Administration
- Councillor, Padawan Municipal Council (2016 - present)
- Secretary General, Sarawak Manufacturers Association (2022 - present)

Present Directorship:
Listed entity: Nil
Other public companies: Nil

Working experience:
- Joined Ceramica Indah Sdn. Bhd. in 1993.

1. Save for Chua Ban Choon @ Chua Chui Kim, Cai Chun Hui and Charline Pan Ling Hwen, none of the other key senior management personnels has any family relationship with any Director and/or major shareholder of Kim Hin Industry Berhad.

2. None of the Key Senior Management personnel has:
   - any conflict of interest with Kim Hin Industry Berhad;
   - any conviction for offences within the past 5 years other than traffic offences; and
   - any imposition of penalty by the relevant regulatory bodies during the financial year ended 31 December 2024.

Note
* Executive Directors are Mr. Chua Seng Huat, Dato' John Chua Seng Chai, Mr. Chua Seng Guan, Mdm. Pauline Getrude Chua Hui Lin and Mdm. Chua Yew Lin.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN PREPARING ANNUAL AUDITED FINANCIAL STATEMENTS

In preparing the financial statements of the Group and of the Company, the Directors are collectively responsible:

1) for ensuring that the financial statements are drawn up in accordance with the provisions of the Companies Act 2016, applicable Financial Reporting Standards in Malaysia and the Listing Requirements of Bursa Malaysia Securities Berhad.

2) for ensuring that the financial statements for each financial year, gives a true and fair view of the financial position of the Group and of the Company at the end of the financial year.

3) for ensuring the adoption of suitable and relevant accounting policies on a consistent basis supported by judgements and estimates that are prudent and reasonable.

4) for ensuring the Group and the Company maintain accounting records which disclose with reasonable accuracy of the financial position of the Group and of the Company.

5) for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

The following information is presented in compliance with the Bursa Malaysia Securities Berhad Listing Requirements:

AUDIT AND NON-AUDIT FEES

The fees paid/payable to the external auditors for the financial year ended 31 December 2024 are set out below:

	Company RM'000	Group RM'000
Fees paid/payable to Messrs Ernst & Young PLT & its affiliates		
• Statutory Audit	169	639
• Non-audit services including tax services	91	143
Fees paid/payable to other auditors		
• Statutory Audit	-	256
• Non-audit services including tax services	-	25
Total	260	1,063

MATERIAL CONTRACTS

There was no material contract entered into by the Company and its subsidiary companies involving the directors and major shareholders' interest during the financial year.

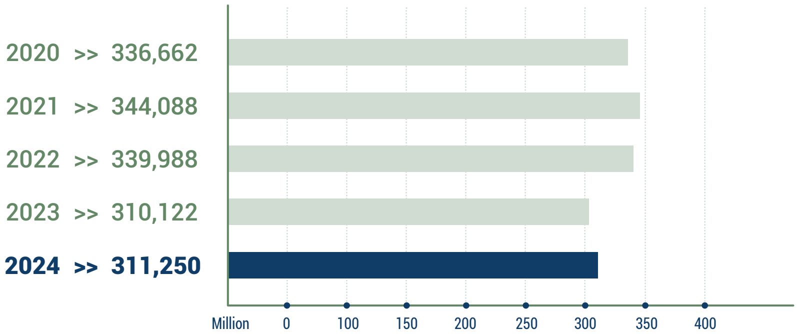
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Please refer to Note 32 of the Audited Financial Statement on pages 138 and 139 for the breakdown of the aggregate value of Recurrent Related Party Transactions conducted during the financial year ended 31 December 2024 pursuant to the Shareholders' mandate.

FINANCIAL HIGHLIGHTS

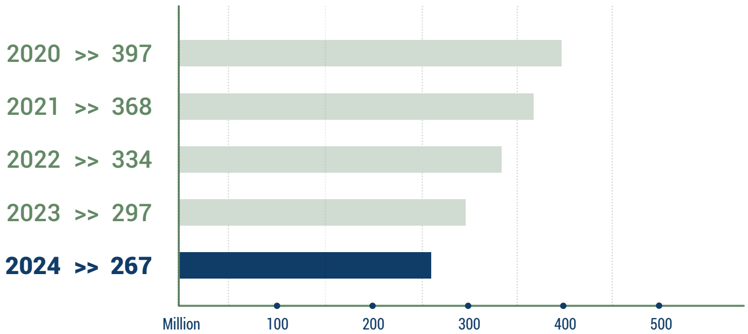
311,250

REVENUE
(RM'000)



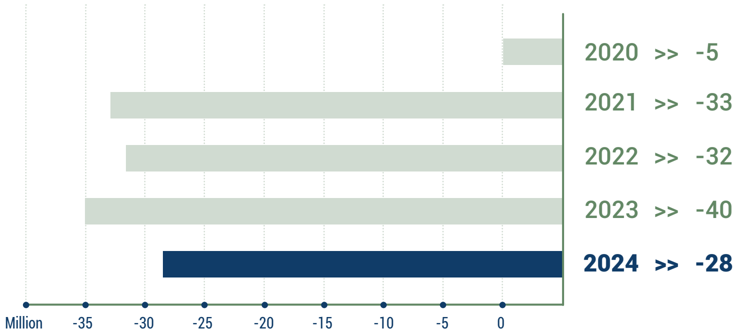
267

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT
(RM Million)



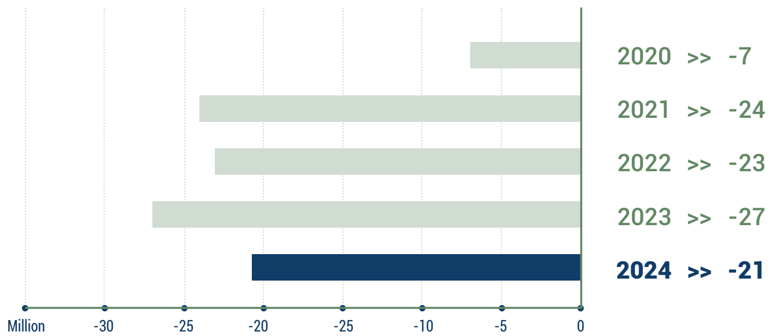
-28

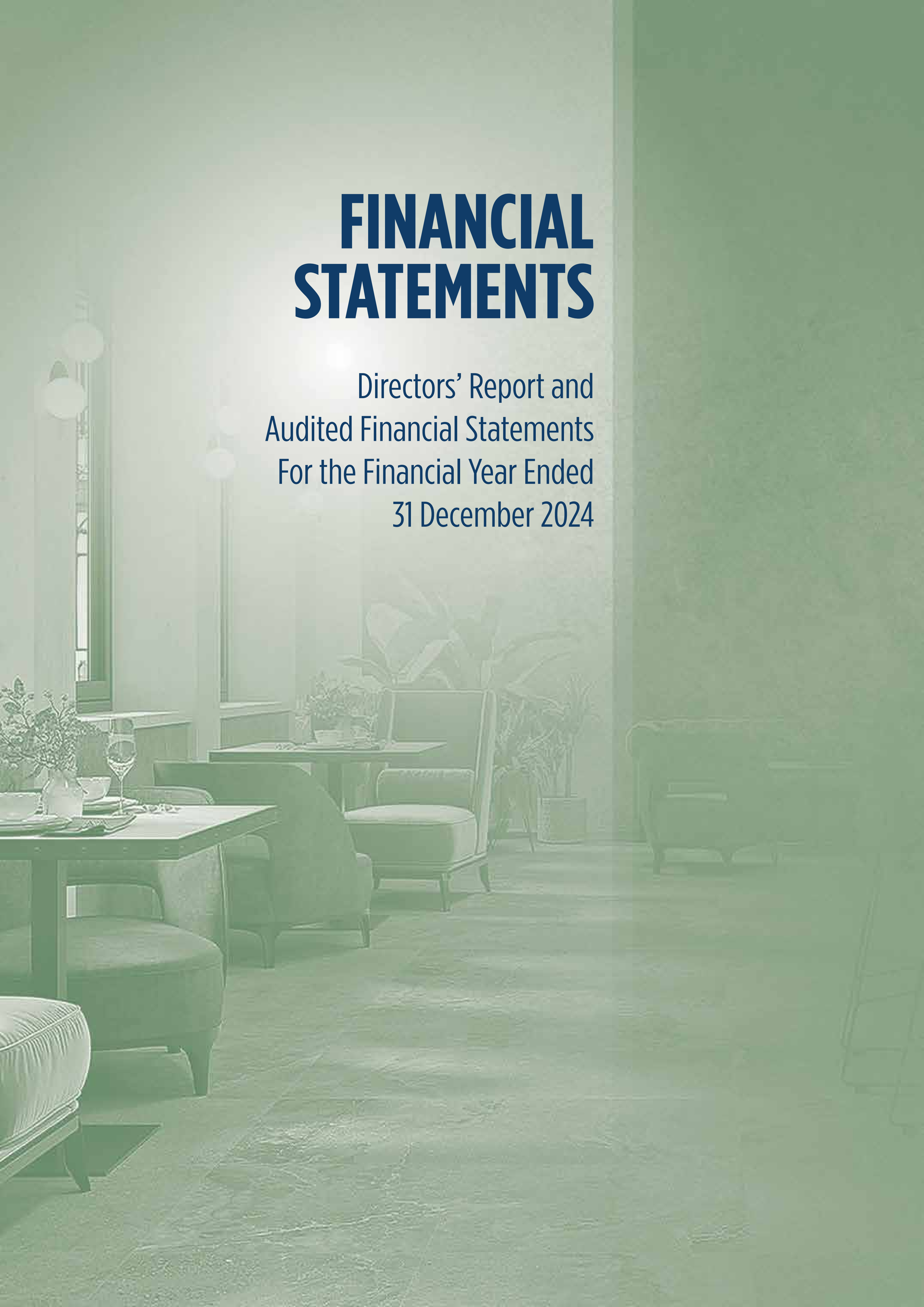
LOSS NET OF TAX
(RM Million)



-21

LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT
(SEN)





FINANCIAL STATEMENTS

Directors' Report and
Audited Financial Statements
For the Financial Year Ended
31 December 2024

DIRECTORS' REPORT

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

Principal activities

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 16 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM'000	Company RM'000
Loss net of tax	(28,193)	(3,405)
Loss attributable to:		
Owners of the parent	(29,209)	(3,405)
Non-controlling interests	1,016	-
	(28,193)	(3,405)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Reserves and provisions

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

Treasury shares

As at 31 December 2024, the number of treasury shares was 15,376,900 and the outstanding ordinary shares in issue after set-off of treasury shares was therefore 140,239,113.

Dividends

No dividends have been paid or declared since the end of the previous financial year.

The directors do not recommend the payment of any final dividend for the current financial year.

Directors

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

Chua Seng Huat **	(Executive Chairman)
Dato' John Chua Seng Chai **	(Group Managing Director)
Chua Seng Guan **	(Group Executive Director)
Chua Yew Lin **	
Pauline Getrude Chua Hui Lin **	
Kho Soon Kheng	
Dato Sim Kheng Boon	
Aw Tai Hui	(Appointed on 1 August 2024)
Yong Lin Lin	(Retired on 30 May 2024)

** These directors are also directors of the Company's subsidiaries.

DIRECTORS' REPORT (CONT'D.)

Directors (cont'd.)

The directors of the Company's subsidiaries in office since the beginning of the financial year and up to the date of this report (not including those directors listed above) are:

Charline Pan Ling Hwen
Chua Chui Kim
Cicy Cai Chun Hui
David Chua Kee Yong
Meera Sen Mei-Li
Ngui Sam Ted
Wang Chin Chieh
Wang Chin Hsiang

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which he has a substantial financial interest.

Details of directors' remuneration for the financial year are as follows:

	Group RM'000	Company RM'000
Executive Directors' remuneration		
Fees	165	165
Other emoluments	5,153	3,385
	5,318	3,550
Non-Executive Directors' remuneration		
Fees	94	94
Other emoluments	12	12
Total directors' remuneration	5,424	3,656
Estimated monetary value of benefits-in-kind	197	109
Total directors' remuneration including benefits-in-kind	5,621	3,765

Indemnification of directors and officers

The Group maintains a liability insurance for the directors and officers of the Group and of the Company. The amount of insurance premium effected for the directors and officers of the Malaysia subsidiaries and the Company during the financial year was RM16,300. The directors and officers shall not be indemnified by such insurance for any negligence, fraud, intentional breach of the law or breach of trust proven against them. There were no payments of indemnification during the financial year and up to the date of this report.

For foreign operation, a foreign subsidiary of the Group paid a premium in respect of a contract to insure the Directors and officers of the foreign subsidiary against a liability to the extent permitted by the regulation. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

DIRECTORS' REPORT (CONT'D.)

Directors' interests

According to the register of directors' shareholdings, the interests of the directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:

(a) Shareholdings in the Company registered in the names of directors:

	Number of ordinary shares		
	At 1.1.2024	At date of appointment	At 31.12.2024
Chua Seng Huat	1,113,225	-	1,113,225
Dato' John Chua Seng Chai	524,650	-	524,650
Chua Seng Guan	566,000	-	566,000
Chua Yew Lin	242,400	-	242,400
Pauline Getrude Chua Hui Lin	328,900	-	328,900
Aw Tai Hui	-	10,000	10,000

(b) Shareholdings in which directors are deemed to have an interest:

Indirect interest via holding company	Number of ordinary shares At 1.1.2024 and 31.12.2024
Chua Seng Huat	86,189,825
Dato' John Chua Seng Chai	86,189,825
Chua Seng Guan	86,189,825
Chua Yew Lin	86,189,825
Pauline Getrude Chua Hui Lin	86,204,175

By virtue of their substantial indirect interest in shares in Kim Hin Industry Berhad, Chua Seng Huat, Dato' John Chua Seng Chai, Chua Seng Guan, Chua Yew Lin and Pauline Getrude Chua Hui Lin are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Other statutory information

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of an allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets and liabilities of the Group and of the Company misleading or inappropriate.

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

DIRECTORS' REPORT (CONT'D.)

Other statutory information (cont'd.)

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

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

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

(f) In the opinion of the Directors:

(i) no contingent 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 substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

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

Subsequent event

Details of subsequent event is disclosed in Note 41 to the financial statements.

Holding company

The holding company is Kim Hin (Malaysia) Sdn. Bhd., a company incorporated and domiciled in Malaysia, with its registered office located at 4½ Mile, Kung Phin Road, Off Penrissen Road, 93250 Kuching.

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT and affiliated company	565	95
Other auditors	256	-
	821	95

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2024.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 29 April 2025.

Chua Seng Huat **Chua Seng Guan**

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

We, **Chua Seng Huat** and **Chua Seng Guan**, being two of the Directors of **Kim Hin Industry Berhad**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 72 to 151 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2024 and of their financial performance and their cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 29 April 2025.

Chua Seng Huat

Chua Seng Guan

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

I, **Peter Chiam Tau Mien**, being the officer primarily responsible for the financial management of **Kim Hin Industry Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 72 to 151 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **Peter Chiam Tau Mien**
at Kuching in the State of Sarawak
on 29 April 2025

Peter Chiam Tau Mien
(MIA 14085)

Before me,

Phang Dah Nan
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIM HIN INDUSTRY BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Kim Hin Industry Berhad**, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 72 to 151.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting 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 audit 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Impairment review of property, plant and equipment ("PPE"), right-of-use ("ROU") assets and intangible assets

As at 31 December 2024, the carrying amounts of the Group's PPE, ROU assets and intangible assets amounted to RM86.0 million, RM45.3 million and RM4.3 million respectively, which accounted for 23%, 12% and 1% of the Group's total assets, respectively.

As required by MFRS 136 Impairment of Assets, impairment review is performed on goodwill and intangible assets with indefinite life (i.e. brand) at least annually and when there are indicators of impairment for PPE, ROU assets and intangible assets with definite life (i.e. arrangement with franchisee). In the current year, impairment indicators exist as the Group is loss-making and the Group's market capitalisation is lower than the carrying amount of its net assets. Management has performed impairment assessments to estimate the recoverable amounts of the respective cash-generating units ("CGUs") of these assets. The recoverable amounts of the CGUs were based on either value in use or fair value less costs of disposal, whichever is higher. Following the impairment assessments for the year ended 31 December 2024, the Group recognised total net impairment losses of RM5.9 million, comprising RM0.6 million for PPE, RM1.9 million for ROU assets, and RM3.4 million for intangible assets.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIM HIN INDUSTRY BERHAD (INCORPORATED IN MALAYSIA) (CONT'D.)

Report on the audit of the financial statements (cont'd.)

Key audit matters (cont'd.)

Impairment review of property, plant and equipment ("PPE"), right-of-use ("ROU") assets and intangible assets (cont'd.)

The determination of the recoverable amounts of these PPE, ROU assets and intangible assets are significant to our audit due to their quantum and the significant judgements and estimates involved in determining their recoverable amounts. Accordingly, the impairment assessments of these PPE, ROU assets and intangible assets have been identified as a key audit matters.

Our procedures to address this area of focus included, amongst others, the following:

i. Reviewed management's determination of the CGUs;

ii. Challenged management's assessment in identifying PPE, ROU assets and intangible assets that have impairment indicators by evaluating whether internal and external indicators had been considered;

iii. Evaluated the appropriateness of the valuation techniques, key assumptions and data used by management to make their accounting estimates using fair value less costs of disposal ("FVLCD") (either relied on valuation reports or published market data of the comparable properties) or Value in Use ("VIU");

iv. For impairment assessment of PPE, ROU assets and intangible assets based on FVLCD, to the extent that management relied on valuation reports provided by independent professional valuers, we have assessed the objectivity, capabilities and competency of the independent valuer and interviewed the independent professional valuer, discussed and challenged the significant estimates and key assumptions applied in the valuation process;

v. For impairment assessment of PPE, ROU assets and intangible assets based on VIU, we have:

- assessed the significant and highly sensitive assumptions applied in management's impairment assessment to determine if they are appropriate and supported by comparing those assumptions with internally derived information or market data;

- involved internal specialist to assess the appropriateness of the discount rates, growth rates, royalty rate and terminal value used by management, performed sensitivity analysis where considered necessary and assessed the reasonableness of valuation methodologies used; and

vi. We assessed the adequacy of the disclosures in the financial statements in accordance with the requirements of MFRS 136.

The disclosures are provided in Notes 2.11, 3.2 (a), 3.2 (b), 13, 14 and 18 to the financial statements.

Net realisable value of inventories

The Group's inventories as at 31 December 2024 amounted to RM89.5 million which represented approximately 24% of the Group's total assets and during the current financial year, the Group recorded a net write-back of inventories of RM0.5 million as disclosed in Note 19 to the financial statements. We focused on this area because of the quantum and significant judgement involved in determining the amount of write-down/(write-back) required.

Our audit procedures included:

i. Attended and observed physical year-end inventory counts to verify the existence and condition of the inventories on a sampling basis;

ii. Assessed the basis of provisioning of the inventories, evaluated analyses and assessments made by management with respect to slow moving inventories and reviewed management's assumptions and method used in calculating the write-down/(write-back) of inventories;

iii. Tested the net realisable value of the inventories on a sampling basis by comparing their carrying amounts to their selling prices based on actual sales made near or subsequent to the financial year end;

iv. Assessed the reliability of the inventory aging reports provided by management; and

v. Considered the adequacy of the disclosures related to inventories as disclosed in Notes 2.16, 3.2 (e) and 19 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIM HIN INDUSTRY BERHAD (INCORPORATED IN MALAYSIA) (CONT'D.)

Report on the audit of the financial statements (cont'd.)

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 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and 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 skepticism throughout the audit. We also:

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIM HIN INDUSTRY BERHAD (INCORPORATED IN MALAYSIA) (CONT'D.)

Report on the audit of the financial statements (cont'd.)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our 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 16 to the financial statements.

Other matters

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

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Lui Soo Ling
No. 03710/01/2027 J
Chartered Accountant

Kuching, Malaysia
29 April 2025

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(INCORPORATED IN MALAYSIA)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Revenue	4	311,250	310,122	1,173	1,436
Cost of sales		(212,496)	(238,081)	-	-
Gross profit		98,754	72,041	1,173	1,436
Other income	5	8,639	20,738	4,625	4,963
Selling and distribution costs		(52,430)	(37,982)	-	-
Administrative expenses		(69,237)	(70,743)	(7,502)	(7,307)
Net impairment (loss)/reversal on receivables		(545)	957	5,747	(14,653)
Other expenses		(10,221)	(22,609)	(7,388)	(30,790)
Operating loss		(25,040)	(37,598)	(3,345)	(46,351)
Finance costs	6	(2,029)	(2,446)	-	-
Loss before tax	7	(27,069)	(40,044)	(3,345)	(46,351)
Income tax (expense)/credit	10	(1,124)	(83)	(60)	46
Loss net of tax		(28,193)	(40,127)	(3,405)	(46,305)
Other comprehensive (loss)/income:					
Other comprehensive (loss)/income that will be reclassified to profit or loss in subsequent periods (net of tax):					
Exchange translation differences on foreign subsidiaries		(1,296)	877	-	-
Other comprehensive (loss)/ income for the year, net of tax		(1,296)	877	-	-
Total comprehensive loss for the year		(29,489)	(39,250)	(3,405)	(46,305)
Loss attributable to:					
Owners of the parent		(29,209)	(37,224)	(3,405)	(46,305)
Non-controlling interests		1,016	(2,903)	-	-
		(28,193)	(40,127)	(3,405)	(46,305)
Total comprehensive loss attributable to:					
Owners of the parent		(29,978)	(36,560)	(3,405)	(46,305)
Non-controlling interests		489	(2,690)	-	-
		(29,489)	(39,250)	(3,405)	(46,305)
Loss per share attributable to owners of the parent (sen):					
- Basic and diluted	11	(20.83)	(26.54)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	86,021	104,615
Right-of-use assets	14	45,329	61,366
Investment properties	15	33,226	31,590
Other investments	17	13,027	17,641
Intangible assets	18	4,343	8,179
Deferred tax assets	26	4,195	5,758
		186,141	229,149
Current assets			
Inventories	19	89,533	103,074
Trade and other receivables	20	48,823	52,091
Other current assets	21	2,699	2,391
Tax recoverable		249	185
Derivative assets	27	-	128
Cash and bank balances	22	43,457	47,339
		184,761	205,208
Assets held for sale	12	8,993	758
		193,754	205,966
TOTAL ASSETS		379,895	435,115

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 (CONT'D.)

	Note	2024 RM'000	2023 RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	23	206,658	206,658
Treasury shares	23	(24,309)	(24,309)
Other reserves	24	17,564	18,333
Retained earnings		67,470	96,679
		267,383	297,361
Non-controlling interests		10,625	10,136
TOTAL EQUITY		278,008	307,497
Non-current liabilities			
Loans and borrowings	25	2,436	5,218
Deferred tax liabilities	26	1,203	1,914
Trade and other payables	28	717	730
Provisions	29	370	276
Lease liabilities	30	12,420	22,126
		17,146	30,264
Current liabilities			
Loans and borrowings	25	8,869	12,984
Derivative liabilities	27	14	-
Trade and other payables	28	63,127	68,423
Provisions	29	4,815	4,891
Lease liabilities	30	7,655	10,383
Tax payable		261	673
		84,741	97,354
TOTAL LIABILITIES		101,887	127,618
TOTAL EQUITY AND LIABILITIES		379,895	435,115

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	4,474	4,815
Right-of-use assets	14	11,193	11,936
Investment properties	15	13,613	13,962
Investment in subsidiaries	16	90,090	85,547
Other investments	17	13,027	17,641
		132,397	133,901
Current assets			
Other receivables	20	64,612	61,686
Other current assets	21	230	17
Tax recoverable		232	172
Cash and bank balances	22	3,654	6,989
		68,728	68,864
TOTAL ASSETS		201,125	202,765
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	23	206,658	206,658
Treasury shares	23	(24,309)	(24,309)
Retained earnings		15,742	19,147
TOTAL EQUITY		198,091	201,496
Current liabilities			
Other payables	28	2,905	1,143
Provisions	29	129	126
		3,034	1,269
TOTAL LIABILITIES		3,034	1,269
TOTAL EQUITY AND LIABILITIES		201,125	202,765

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

	Attributable to equity holders of the Company							
	Non-distributable				Distributable			
	Share capital (Note 23) RM'000	Treasury shares (Note 23) RM'000	Reserve and enterprise expansion funds (Note 24) RM'000	Translation adjustment account (Note 24) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2024	206,658	(24,309)	7,015	11,318	96,679	297,361	10,136	307,497
Loss net of tax	-	-	-	-	(29,209)	(29,209)	1,016	(28,193)
Other comprehensive loss	-	-	-	(769)	-	(769)	(527)	(1,296)
Total comprehensive loss	-	-	-	(769)	(29,209)	(29,978)	489	(29,489)
At 31 December 2024	206,658	(24,309)	7,015	10,549	67,470	267,383	10,625	278,008
At 1 January 2023	206,658	(24,309)	7,015	10,654	133,903	333,921	12,933	346,854
Loss net of tax	-	-	-	-	(37,224)	(37,224)	(2,903)	(40,127)
Other comprehensive loss	-	-	-	664	-	664	213	877
Total comprehensive loss	-	-	-	664	(37,224)	(36,560)	2,690	(39,250)
Transactions with owners								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(107)	(107)
At 31 December 2023	206,658	(24,309)	7,015	11,318	96,679	297,361	10,136	307,497

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

	Non-distributable		Distributable	
	Share capital (Note 23) RM'000	**Treasury shares** (Note 23) RM'000	**Retained earnings** RM'000	**Total equity** RM'000
At 1 January 2024	206,658	(24,309)	19,147	201,496
Loss net of tax, representing total comprehensive loss for the year	-	-	(3,405)	(3,405)
At 31 December 2024	206,658	(24,309)	15,742	198,091
At 1 January 2023	206,658	(24,309)	65,452	247,801
Loss net of tax, representing total comprehensive loss for the year	-	-	(46,305)	(46,305)
At 31 December 2023	206,658	(24,309)	19,147	201,496

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
Operating activities			
Loss before tax		(27,069)	(40,044)
Adjustments for:			
Allowance for/(reversal of) expected credit losses on trade receivables, net	7	545	(957)
Depreciation of property, plant and equipment	7	8,132	10,863
Depreciation of right-of-use assets	7	9,294	11,840
Depreciation of investment properties	7	1,478	665
Amortisation of intangible assets	7	418	436
Dividend income	4	(117)	(4)
Gain on disposal of investment properties	5	-	(78)
Gain on disposal of other investments	5	(32)	(264)
Loss/(gain) on disposal of property, plant and equipment	7	31	(8,911)
Loss/(gain) on termination of right-of-use assets	7	70	(3)
Loss/(gain) on fair value changes for derivatives	7	138	(13)
Loss/(gain) on fair value changes for other investments	7	338	(554)
Impairment loss on property, plant and equipment, net	7	575	5,704
Impairment loss on investment properties	7	937	159
Impairment loss on intangible assets, net	7	3,418	5,589
Impairment loss on right-of-use assets, net	7	1,940	3,268
Interest expense	6	2,029	2,446
Interest income	5	(530)	(505)
(Write-back)/write-down of inventories, net	7	(497)	1,248
Inventories written off	7	119	7
Property, plant and equipment written off	7	736	3,536
Unrealised loss/(gain) on foreign exchange, net	7	5,284	(2,298)
Operating cash flows before working capital changes		7,237	(7,870)
Changes in working capital:			
Inventories		9,162	22,663
Receivables		1,079	9,008
Other current assets		(308)	(4)
Payables		(1,450)	(2,122)
Provision		444	401
Cash generated from operations		16,164	22,076
Interest paid		(2,029)	(2,446)
Taxes paid, net of refund		(1,216)	(84)
Net cash generated from operating activities		12,919	19,546

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

	Note	2024 RM'000	2023 RM'000
Investing activities			
Acquisition of investment properties	15	(715)	-
Acquisition of property, plant and equipment	13	(3,375)	(9,274)
Acquisition of other investments		(16,045)	-
Interest received		530	505
Proceeds from disposal of other investments		20,470	6,900
Proceeds from disposal of property, plant and equipment		221	17,211
Proceeds from disposal of investment property		-	516
Proceeds from disposal of asset held for sale	12	758	-
Upliftment/(placement) of short-term deposits with maturity more than 3 months		1,756	(6,990)
Net cash generated from investing activities		3,600	8,868
Financing activities			
Dividend paid to non-controlling interests		-	(107)
Repayment of trade facilities		(2,357)	(789)
Payment of principal portion of lease liabilities		(10,229)	(10,836)
Payment of principal portion of hire purchase		(148)	(110)
Repayment of term loans		(3,061)	(3,423)
Net cash used in financing activities		(15,795)	(15,265)
Net increase in cash and cash equivalents		724	13,149
Net foreign exchange differences		(2,262)	(3,662)
Cash and cash equivalents at the beginning of the year		37,040	27,553
Cash and cash equivalents at the end of the year	22	35,502	37,040

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

	Note	2024 RM'000	2023 RM'000
Operating activities			
Loss before tax		(3,345)	(46,351)
Adjustments for:			
Depreciation of property, plant and equipment	7	366	379
Depreciation of right-of-use assets	7	743	743
Depreciation of investment properties	7	349	349
Dividend income	4	(117)	(380)
Gain on disposal of other investments	5	(32)	(264)
Loss/(gain) on fair value changes for other investments	7	338	(554)
(Reversal)/impairment loss on amount due from subsidiaries	7	(5,747)	14,653
Impairment loss on investment in subsidiaries	7	6,357	30,784
Interest income	5	(3,583)	(3,426)
Unrealised loss/(gain) on foreign exchange	7	687	(297)
Operating cash flows before working capital changes		(3,984)	(4,364)
Changes in working capital:			
Other receivables		(8,760)	(1,305)
Other current assets		(213)	37
Other payables		1,762	496
Provisions		3	44
Cash used in operating activities		(11,192)	(5,092)
Tax (paid)/refund		(120)	99
Net cash used in operating activities		(11,312)	(4,993)
Investing activities			
Acquisition of property, plant and equipment	13	(25)	(45)
Acquisition of other investments		(16,045)	-
Dividends received		-	376
Interest received		3,583	3,426
Proceeds from disposal of other investments		20,470	6,900
Upliftment/(Placement) of short-term deposits with maturity more than three months		3,094	(6,094)
Net cash generated from investing activities		11,077	4,563
Net decrease in cash and cash equivalents		(235)	(430)
Net foreign exchange difference		(6)	-
Cash and cash equivalents at the beginning of the year		895	1,325
Cash and cash equivalents at the end of the year	22	654	895

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. Corporate information

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 4½ Mile, Kung Phin Road, Off Penrissen Road, 93250 Kuching, Sarawak, Malaysia.

The holding company is Kim Hin (Malaysia) Sdn. Bhd., a company incorporated and domiciled in Malaysia, with its registered office located at 4½ Mile, Kung Phin Road, Off Penrissen Road, 93250 Kuching, Sarawak.

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 16. There have been no significant changes in the nature of the principal activities during the financial year.

2. Basis of preparation and material accounting policy information

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have also been prepared on the historical cost basis except otherwise disclosed in the accounting policies below. The Group and the Company adhere to the same accounting policies below unless otherwise stated.

These financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that, in the current financial year, the Group and the Company adopted the amended MFRS Accounting Standards (collectively referred to as "pronouncements"), which are effective for annual financial periods as follows:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 7 and MFRS 107: Supplier Finance Arrangements	1 January 2024

The adoption of these pronouncements did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Pronouncements issued but not yet effective

The standards and amended MFRS Accounting Standards (collectively referred to as "pronouncements") that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these pronouncements, if applicable, when they become effective:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 121: Lack of exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107: Annual Improvements - Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

2. Basis of preparation and material accounting policy information (cont'd.)

2.3 Pronouncements issued but not yet effective (cont'd.)

The pronouncements are not expected to have any material impact to the financial statements of the Group and the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of MFRS 18: Presentation and Disclosure in Financial Statements.

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statements of comprehensive income, the statements of cash flows and the additional disclosures required for Management-defined Performance Measures ("MPMs"). The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, all are prepared as at the same reporting date. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

2.5 Current versus non-current classification

The Group and the Company present assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

2. Basis of preparation and material accounting policy information (cont'd.)

2.5 Current versus non-current classification (cont'd.)

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6 Foreign currencies

The Group's consolidated financial statements are presented in RM, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group and the Company initially recognise the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group and the Company determine the transaction date for each payment or receipt of advance consideration.

(ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

2. Basis of preparation and material accounting policy information (cont'd.)

2.6 Foreign currencies (cont'd.)

(ii) Group companies (cont'd.)

The closing exchange rates used for principal foreign currency ruling at the reporting date are as follows:

	2024 RM	2023 RM
Australian Dollar ("AUD")	2.78400	3.15600
Renminbi ("RMB")	0.61162	0.64776
1000 Vietnam Dong	0.17522	0.18918
United States Dollar	4.47600	4.59000
Singapore Dollar	3.29700	3.47870
Euro Dollar	4.66900	5.07680

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment except for freehold land are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciates them, accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress is not depreciated as these assets are not yet available for use.

Depreciation of other property, plant and equipment is provided on a straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Buildings	2% to 17%
Plant, machinery and equipment	9% to 50%
Motor vehicles	9% to 25%
Furniture, fittings and office equipment	9% to 33%

A contract which involves the use of an item of property, plant and equipment that meets the definition of a lease is recognised as a right-of-use asset.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Investment properties

Investment properties, which are properties that are held either to earn rental income or for capital appreciation or both, are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses (if any).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

2. Basis of preparation and material accounting policy information (cont'd.)

2.8 Investment properties (cont'd.)

Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties. Depreciation of the investment properties is provided for at 2% to 10% per annum on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life. Capital work-in-progress is not depreciated as these assets are not yet available for use.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the Group loses control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets. The Group's intangible assets that have finite life comprises arrangement with franchisees is stated at cost and is amortised on a straight-line method based on the expected useful life of 24 years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The Group's intangible assets with indefinite useful lives, which are brands and goodwill are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. For brands, the assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statements of profit or loss when the asset is derecognised.

2.10 Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the separate financial statements of the Company, investment in subsidiaries is accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

2. Basis of preparation and material accounting policy information (cont'd.)

2.11 Impairment of non-financial assets

The Group and the Company assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's and the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years or more. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statements of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the asset's or CGU's recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

Goodwill is tested for impairment annually as at the reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at the reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.12 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group and the Company's business model for managing them. The Group and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group and the Company have not designated any financial assets at FVOCI.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

2. Basis of preparation and material accounting policy information (cont'd.)

2.12 Financial assets (cont'd.)

Subsequent measurement

(a) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and Company's financial assets at amortised cost include trade and other receivables (excluding trade deposits to suppliers) and cash and bank balances.

(b) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative assets and investment in unit trusts which the Group and the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statements of financial position) when:

- the rights to receive cash flows from the asset have expired;
- the Group and the Company retain the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group and the Company have transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group and the Company commit to purchase or sell the asset.

2.13 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group or the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

2. Basis of preparation and material accounting policy information (cont'd.)

2.13 Impairment of financial assets (cont'd.)

For trade receivables, the Group applied a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group and the Company measure or disclose financial instruments such as investment in unit trust, investment properties and derivatives at fair value at each reporting date.

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.

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

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

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials, packing materials, spare parts and sundry inventories: cost is determined on a weighted average basis, which approximates actual costs and includes cost of purchase and other directly attributable costs of acquisition.

- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

2. Basis of preparation and material accounting policy information (cont'd.)

2.17 Provisions

Provisions are recognised when the Group or the Company have a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities include trade and other payables (excluding trade deposits from customers and sales and service tax payable), loans and borrowings, derivative liabilities and lease liabilities.

Subsequent measurement

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statements of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied.

The Group's financial liability as at fair value through profit or loss includes derivative liabilities.

(b) Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings, trade and other payables and lease liabilities are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss. This category generally applies to interest-bearing loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

2. Basis of preparation and material accounting policy information (cont'd.)

2.18 Financial liabilities (cont'd.)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.19 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs when the likelihood of default by the debtors is more than probable. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group or the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.20 Employee benefits

(a) Short-term benefits

Wages, salaries, allowances and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liabilities for leave is recognised for services rendered by employees up to the reporting date.

(b) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees' Provident Fund in Malaysia, a defined contribution pension scheme. The Group's foreign subsidiaries also make contribution to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

2. Basis of preparation and material accounting policy information (cont'd.)

2.21 Leases

(a) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

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	27 to 99 years
Buildings	1.3 to 7.2 years
Plant and machinery	3 to 7.8 years
Motor vehicles and other equipment	1.3 to 5 years

Leasehold land is depreciated over the residual lease period. Leasehold land with a lease term of less than 50 years is classified as short-term leasehold land, while leasehold land with a lease term of 50 years or more is classified as long-term leasehold land, as disclosed in Note 14.

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

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (i.e., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

2. Basis of preparation and material accounting policy information (cont'd.)

2.21 Leases (cont'd.)

(a) Group as a lessee (cont'd.)

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. (cont'd.)

(iii) Short-term leases and leases of low-value assets

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

(b) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.22 Assets held for sale

Non-current assets are classified as held for sale if they meet certain conditions and their carrying amounts will be recovered principally through sale transactions rather than through continuing use.

The condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject to terms that are usual and customary and the sale is highly probable.

Non-current assets held for sale are not depreciated and are measured at the lower of carrying amount and fair value less costs of disposal. Any differences are recognised in profit or loss.

2.23 Revenue and other income

(a) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services. The Group and the Company have generally concluded that it is the principal in its revenue arrangements.

Sale of goods

Revenue from sale of goods consists of a single performance obligation and is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods or collection by customers.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components and consideration payable to the customer (if any).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

2. Basis of preparation and material accounting policy information (cont'd.)

2.23 Revenue and other income (cont'd.)

(a) Revenue from contracts with customers (cont'd.)

Sale of goods (cont'd.)

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(ii) Significant financing component

The Group receives trade deposits from customers for certain sale transactions. Using the practical expedient in MFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Franchisee management fee

Franchisee management fee is recognised based on the percentage of franchisees' gross sales of the goods and services.

Management fees

Management fees are recognised when services are rendered.

(b) Interest income

Interest income is recognised on effective interest rate basis unless collectability is in doubt.

(c) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

(d) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.24 Taxes

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

2. Basis of preparation and material accounting policy information (cont'd.)

2.24 Taxes (cont'd.)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales and Service Tax ("SST")

Revenue is recognised net of the amount of SST as it is payable to the taxation authority. SST payable to the taxation authority is included as part of payables in the statements of financial position.

When SST is incurred, SST is recognised as part of the expense or cost of acquisition of the asset as SST is not recoverable.

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on geographical areas which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segments' managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

2.26 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

2. Basis of preparation and material accounting policy information (cont'd.)

2.27 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share capital.

2.28 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. Significant accounting judgements and estimates

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Critical judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management did not make any critical judgment which may have significant effect on the amount recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date 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.

(a) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are tested for impairment when there is an indication that they may be impaired. The recoverable amounts of the property, plant and equipment and right-of-use assets are estimated based on the higher of value in use and fair value less costs of disposal of the assets or cash-generating units ("CGU").

Estimating the recoverable amount by using value in use involves estimating the future cash inflows and outflows that will be derived from these assets and discounting them at an appropriate rate. The key assumptions include projected revenue growth rate, projected gross margin and discount rate.

For fair value less costs of disposal, the recoverable amount of the CGU is estimated based on independent valuations carried out by registered property valuers or directors' valuation on recent transacted dealings of comparable properties within the vicinity of the properties as disclosed in Note 13(c). The key assumptions of the fair value of the properties include market value per square foot which are affected by factors such as vicinity, size and accessibility. Based on management's impairment assessment, net impairment loss of RM575,000 (2023: RM5,704,000) for property, plant and equipment and RM1,940,000 (2023: RM3,268,000) of right-of-use assets are recognised during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

3. Significant accounting judgements and estimates (cont'd.)

3.2 Key sources of estimation uncertainty (cont'd.)

(b) Impairment assessment of intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually. Whereas, intangible assets with definite useful life are tested for impairment when there is an indication that they may be impaired. The intangible assets are allocated to CGU to which they are relates. The impairment assessment requires an estimation of the value in use or the fair value less costs of disposal of the cash-generating units to which intangible assets are allocated.

When discounted cash flow calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions include projected revenue growth rate, projected gross margin and discount rate. For fair value less costs of disposal, the recoverable amount of the CGU is estimated based on independent valuations carried out by the professional valuers appointed by the Group. The key assumptions include discount rate, growth rate, attrition rate, brand contribution to forecast sales and royalty rate. Further details of the carrying value and the key assumptions applied in the impairment assessment of intangible assets are disclosed in Note 18. Based on management's impairment assessment, net impairment loss of RM3,418,000 (2023: RM 5,589,000) is recognised for intangible assets during the financial year.

(c) Impairment of investment in subsidiaries

The Company performed impairment testing on investment in subsidiaries if there is an indication of impairment based on the higher of fair value less costs of disposal and value in use. In assessing the value in use, management estimates the future cash inflows and outflows that will be derived from the investment and discounting them at an appropriate rate. For certain loss making subsidiaries, management applied the adjusted net assets method whereby the carrying amount of subsidiaries' net assets are adjusted for revaluation surplus of subsidiaries' properties. Based on management's impairment assessment, net impairment loss of RM6,357,000 (2023: RM30,784,000) is recognised for investment in subsidiaries during the year. Further details of the impairment losses are disclosed in Note 16.

(d) Impairment of investment properties

Investment properties are tested for impairment when there is an indication that they may be impaired. The recoverable amounts of the investment properties are estimated by using fair value less costs of disposal method based on independent valuations carried out by registered property valuers or directors' valuation on recent transacted dealings of comparable properties within the vicinity of the properties as disclosed in Note 15. The key assumptions of the fair value of the properties include market value per square foot which is affected by factors such as vicinity, size and its accessibility. Based on management's impairment assessment, an impairment loss of RM937,000 (2023: RM159,000) is recognised for certain CGUs during the year.

(e) Net realisable value of inventories

The Group reviews the adequacy of write-down of inventories at each reporting date to ensure that the inventories are stated at lower of cost and net realisable value. In assessing the extent of write-down for slow moving inventories, discontinued and unsold inventories in excess of 3 years have been written down to Nil for the Malaysian subsidiaries.

For overseas subsidiaries, the Group tailored the provisioning policies based on typical product life cycle vis-a-vis market demand for the specific geographical location where the overseas subsidiaries operate. Changes in the inventory ageing and expected sales patterns may have an impact on the provision recorded. Based on management's assessment, net write-back of inventories of RM497,000 (2023: Net write-down of inventories of RM1,248,000) is recognised during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

3. Significant accounting judgements and estimates (cont'd.)

3.2 Key sources of estimation uncertainty (cont'd.)

(f) Allowance for expected credit loss of trade receivables

The Group uses simplified approach in calculating loss allowances for trade receivables by applying expected credit losses ("ECL") rate. Significant estimate required in determining the impairment of trade receivables. Impairment loss measured using ECL model is based on assumptions on risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's past collection records, existing market conditions as well as forward looking estimates as at the end of the reporting period. Based on management's assessment, net allowance for expected credit loss of trade receivables of RM545,000 (2023: Net reversal of allowance for expected credit losses of RM957,000) is recognised during the year as disclosed in Note 20.

(g) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed capital allowances, unutilised incentive allowances, unutilised reinvestment allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and tax allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based on the likely timing and level of future taxable profits together with future tax planning strategies. Based on management's assessment, deferred tax assets of RM4,195,000 (2023: RM5,758,000) is recognised during the year as disclosed in Note 26.

4. Revenue

The significant categories of revenue during the year are analysed as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers				
Sales of goods	305,244	304,266	-	-
Rendering of services:				
- Franchisee management fee	5,889	5,852	-	-
- Management fees from subsidiaries	-	-	1,056	1,056
	311,133	310,118	1,056	1,056
Other revenue				
Dividend income				
- unquoted securities in Malaysia	117	4	117	4
- subsidiaries	-	-	-	376
	117	4	117	380
Total revenue	311,250	310,122	1,173	1,436

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

4. Revenue (cont'd.)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Geographical regions				
Malaysia	162,478	156,330	1,056	1,056
China	19,236	21,045	-	-
Australia	128,018	131,085	-	-
Vietnam	1,401	1,658	-	-
	311,133	310,118	1,056	1,056
Timing of revenue recognition				
At a point in time	305,244	304,266	-	-
Over time	5,889	5,852	1,056	1,056
	311,133	310,118	1,056	1,056

The performance obligation arising from sale of goods is satisfied upon delivery of goods and payment is generally due within 30 to 120 days (2023: 30 to 120 days) from delivery. The Group did not have contracts with original duration more than one year and hence, the Group applied practical expedient by not disclosing the remaining performance obligations that have yet to be satisfied.

5. Other income

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fumigation charges received	205	278	-	-
Gain on disposal of other investments	32	264	32	264
Gain on disposal of property, plant and equipment	-	8,911	-	-
Gain on disposal of investment properties	-	78	-	-
Gain on foreign exchange				
- realised	-	3	-	-
- unrealised	-	2,298	-	297
Gain on fair value change of other investments	-	554	-	554
Gain on fair value change of derivatives	-	13	-	-
Gain on termination of right-of-use assets	3	3	-	-
Interest income				
- subsidiaries	-	-	3,557	3,317
- others	530	505	26	109
Rental income	5,852	6,053	1,010	422
Miscellaneous	2,017	1,778	-	-
	8,639	20,738	4,625	4,963

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

6. Finance costs

	Group	
	2024	2023
	RM'000	RM'000
Interest expense on:		
Bank overdraft	6	24
Bankers' acceptances	73	124
Hire purchase interest	22	20
Lease liabilities (Note 30)	934	1,172
Term loan	448	637
Trade finance	546	469
	2,029	2,446

7. Loss before tax

The following amounts have been included in arriving at loss before tax:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- Statutory audit				
- Ernst & Young PLT and affiliated company	565	525	95	95
- other auditors	256	218	-	-
- Audit related services				
- Ernst & Young PLT	74	74	74	74
- other auditors	-	2	-	-
- Non-audit services				
- Ernst & Young PLT and affiliated company	143	142	91	11
- other auditors	25	-	-	-
Expense relating to short-term leases (Note 30)	1,426	1,281	-	-
Expense relating to leases of low-value assets (Note 30)	84	60	7	7
(Reversal)/impairment loss on amount due from subsidiaries, net (Note 20)	-	-	(5,747)	14,653
Allowance for/(reversal of) expected credit losses on trade receivables, net (Note 20)	545	(957)	-	-
Depreciation of investment properties (Note 15)	1,478	665	349	349
Depreciation of property, plant and equipment (Note 13)	8,132	10,863	366	379
Depreciation of right-of-use assets (Note 14)	9,294	11,840	743	743
Amortisation of intangible assets (Note 18)	418	436	-	-
Employee benefits expense (Note 8)	73,537	72,864	4,048	4,050
Impairment loss on investment in subsidiaries, net (Note 16)	-	-	6,357	30,784
Impairment loss on investment properties (Note 15)	937	159	-	-
Impairment loss on property, plant and equipment, net (Note 13)	575	5,704	-	-
Impairment loss on right-of-use assets, net (Note 14)	1,940	3,268	-	-
Impairment loss on intangible assets, net (Note 18)	3,418	5,589	-	-
(Write-back)/write-down of inventories, net	(497)	1,248	-	-
Inventories written off	119	7	-	-
Loss/(gain) on fair value changes on instruments at fair value through profit or loss:				
- derivatives (Note 27)	138	(13)	-	-
- other investments	338	(554)	338	(554)
Loss/(gain) on foreign exchange:				
- realised	160	(3)	7	-
- unrealised	5,284	(2,298)	687	(297)
Non-executive directors' remuneration (Note 9)	106	102	106	102
Property, plant and equipment written off	736	3,536	-	-
Loss/(gain) on disposal of property, plant and equipment	31	(8,911)	-	-
Loss/(gain) on termination of right-of-use assets	70	(3)	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

8. Employee benefits expense

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	RM'000	RM'000	RM'000
Short term benefits	64,395	63,835	3,327	3,332
Defined contribution plan	6,856	6,626	624	622
Social security contributions	503	558	8	9
Other staff related costs	1,783	1,845	89	87
	73,537	72,864	4,048	4,050

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration, excluding benefits-in-kind, amounting to RM5,318,000 (2023: RM5,346,000) and RM3,550,000 (2023: RM3,541,000), respectively, as further disclosed in Note 9.

9. Directors' remuneration

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	RM'000	RM'000	RM'000
Executive Directors' remuneration				
Fees	165	165	165	165
Other emoluments	5,153	5,181	3,385	3,376
	5,318	5,346	3,550	3,541
Non-Executive Directors' remunerations				
Fees	94	102	94	102
Other emoluments	12	-	12	-
Total directors' remuneration	5,424	5,448	3,656	3,643
Estimated monetary value of benefits-in-kind	197	195	109	106
Total directors' remuneration including benefits-in-kind	5,621	5,643	3,765	3,749

The details of remuneration receivable by directors of the Group and the Company during the financial year are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
Executive:				
Salaries and allowances	4,376	4,405	2,817	2,808
Defined contribution plan	773	772	565	565
Social security contributions	4	4	3	3
	5,153	5,181	3,385	3,376
Fees	165	165	165	165
	5,318	5,346	3,550	3,541
Estimated monetary value of benefits-in-kind	197	195	109	106
	5,515	5,541	3,659	3,647
Non-Executive (Note 7):				
Fees	94	102	94	102
Other emoluments	12	-	12	-
	106	102	106	102
Total directors' remuneration	5,621	5,643	3,765	3,749

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

10. Income tax expense/(credit)

The major components of income tax expense for the years ended 31 December 2024 and 2023 are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Statements of profit or loss and other comprehensive income:				
Current income tax:				
Malaysian income tax	790	734	60	-
Foreign tax	-	42	-	-
Under/(over) provision in previous years:				
Malaysian income tax	94	44	-	4
Foreign tax	(132)	(93)	-	-
	752	727	60	4
Deferred income tax (Note 26):				
Relating to origination and reversal of temporary differences	383	(599)	-	66
Over provision in previous years	(11)	(45)	-	(116)
	372	(644)	-	(50)
Income tax expense/(credit) recognised in profit or loss	1,124	83	60	(46)

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

Income tax for other jurisdictions is calculated at the rate prevailing in the respective jurisdictions. The reconciliation below is prepared by aggregating separate reconciliations for each national jurisdiction.

The reconciliations between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate are as follows:

	Group 2024 RM'000	Group 2023 RM'000
Accounting loss before tax	(27,069)	(40,044)
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	(6,497)	(9,611)
Effect of different tax rates in other countries	(648)	(782)
Effect of income not subject to tax	(127)	(1,399)
Effect of non-deductible expenses for tax purpose	5,812	787
Deferred tax assets not recognised, net	4,144	11,182
Utilisation of previously unrecognised deferred tax assets	(1,511)	-
Over provision of income tax in respect of previous years	(38)	(49)
Over provision of deferred tax in respect of previous years	(11)	(45)
Income tax expense recognised in profit or loss	1,124	83

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

10. Income tax expense/(credit) (cont'd.)

The reconciliations between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate are as follows: (cont'd.)

	Company	
	2024	**2023**
	RM'000	RM'000
Accounting loss before tax	(3,345)	(46,351)
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	(803)	(11,124)
Effect of income not subject to tax	(36)	(346)
Effect of non-deductible expenses for tax purpose	899	11,536
Under provision of income tax in respect of previous year	-	4
Over provision of deferred tax in respect of previous years	-	(116)
Income tax expense/(credit) recognised in profit or loss	60	(46)

Deferred tax assets not recognised

The Group has not recognised deferred tax assets on the following tax losses, capital allowances, incentive allowances, reinvestment allowances and other temporary differences which are available for offset against the future taxable profits subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation:

	Group	
	2024	**2023**
	RM'000	RM'000
Unutilised tax losses – Malaysian	92,209	86,064
Unutilised tax losses – Other countries	33,668	35,917
Unabsorbed capital allowances	37,848	36,548
Unutilised incentive allowances	2,992	2,992
Unutilised reinvestment allowances	39,346	39,346
Other temporary differences	29,336	23,560
	235,399	224,427

Pursuant to Section 44(5F) of the Income Tax Act, 1967, the unutilised tax losses of the Group's subsidiaries in Malaysia can only be carried forward for a maximum period of 10 consecutive years of assessment as follows:

	Group	
	2024	**2023**
	RM'000	RM'000
Unutilised tax losses to be carried forward until:		
- Year of assessment 2028	3,841	4,609
- Year of assessment 2029	14,002	14,510
- Year of assessment 2030	14,443	15,012
- Year of assessment 2031	17,841	18,704
- Year of assessment 2032	17,988	17,988
- Year of assessment 2033	15,241	15,241
- Year of assessment 2034	8,853	-
	92,209	86,064

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

10. Income tax expense/(credit) (cont'd.)

The unutilised tax losses of the Group's subsidiaries in Australia, as well as the Group's unabsorbed capital allowances, unutilised incentive allowances, unutilised reinvestment allowances, and other temporary differences, can be carried forward indefinitely as follows:

	Group	
	2024	**2023**
	RM'000	RM'000
Year of assessment 2028		
Unutilised tax losses - People's Republic of China	-	4,653
Indefinite		
Unutilised tax losses - Australia	33,668	31,264
Unabsorbed capital allowances	37,848	36,548
Unutilised incentive allowances	2,992	2,992
Unutilised reinvestment allowances	39,346	39,346
Other temporary differences	29,336	23,560
	143,190	138,363

11. Loss per share

Basic loss per share is calculated by dividing the loss for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

The following table reflects the loss and share data used in the computation of basic and diluted loss per share:

	Group	
	2024	**2023**
Loss net of tax attributable to owners of the parent (RM'000)	29,209	37,224
Number of ordinary shares in issue ('000)	155,616	155,616
Number of treasury shares ('000)	(15,377)	(15,377)
Weighted average number of ordinary shares for basic earnings per share computation ('000)	140,239	140,239
Basic and diluted loss per share (sen)	20.83	26.54

The diluted loss per share is the same as the basic loss per share as there are no dilutive potential ordinary shares outstanding.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

12. Assets held for sale

	Group	
	2024	**2023**
	RM'000	RM'000
As 1 January	758	-
Disposal during the year	(758)	-
Transfer from property, plant and equipment (Note 13)	6,143	758
Transfer from right-of-use assets (Note 14)	2,850	-
At 31 December	8,993	758

During the year, the Group initiated the intention to sell a parcel of leasehold land together with the building thereon, located in Seremban, Negeri Sembilan. The Group has identified a buyer in January 2025 and upon the approval by the Directors of the subsidiary on 26 February 2025, the subsidiary has commenced the process of entering into a sales and purchase agreement. The sale of the leasehold land and building is expected to be completed within one year from the reporting date. Accordingly, as at 31 December 2024, the leasehold land and building were classified as assets held for sale.

Included in assets held for sale of the Group are assets with a net carrying amount of RM8,993,000 (2023: Nil) which are pledged as security for the Group's loans and borrowings as disclosed in Note 25. The assets held for sale are expected to be discharged upon the finalisation of the signed sales and purchase agreement.

In prior year, the Group entered into a contract with third party on the sale of plant and equipment for one of its Australian subsidiaries. The plant and equipment has been transferred to third party on 20 February 2024 upon satisfaction of conditions precedent.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

13. Property, plant and equipment

	Freehold land and building RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Group						
At 31 December 2024						
Cost						
At 1 January 2024	179,702	354,379	16,828	46,028	440	597,377
Reclassification	-	(1,528)	-	-	1,528	-
Transfer to investment property (Note 15, Note B)	(6,083)	-	-	-	(1,550)	(7,633)
Transfer to assets held for sale (Note A)	(7,390)	-	-	-	-	(7,390)
Additions	155	2,604	-	447	169	3,375
Disposals	-	(560)	(969)	(2)	-	(1,531)
Write-off	(176)	(899)	(1)	(101)	-	(1,177)
Translation differences	(2,030)	(1,154)	(263)	(1,897)	(23)	(5,367)
At 31 December 2024	164,178	352,842	15,595	44,475	564	577,654
Accumulated depreciation and impairment loss						
At 1 January 2024	109,912	327,787	14,883	39,771	409	492,762
Transfer to investment property (Note 15, Note B)	(3,014)	-	-	-	-	(3,014)
Transfer to assets held for sale (Note A)	(1,247)	-	-	-	-	(1,247)
Depreciation charge for the year (Note 7)	2,386	3,779	463	1,504	-	8,132
Impairment during the year (Note 7)	-	196	-	379	-	575
Disposals	-	(471)	(806)	(2)	-	(1,279)
Write-off	(8)	(333)	-	(100)	-	(441)
Translation differences	(1,508)	(744)	(233)	(1,347)	(23)	(3,855)
At 31 December 2024	106,521	330,214	14,307	40,205	386	491,633
Net carrying amount						
At 31 December 2024	57,657	22,628	1,288	4,270	178	86,021

Note A – This relates to reclassification of land and building to assets held for sale as disclosed in Note 12.

Note B – The transfer of property, plant and equipment to investment properties as disclosed in Note 15 reflects a change in use, whereby the properties are no longer utilised for business operations and are now held for capital appreciation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

13. Property, plant and equipment (cont'd.)

	Freehold land and building RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Group (cont'd.)						
At 31 December 2023						
Cost						
At 1 January 2023	186,259	389,677	17,025	43,344	87	636,392
Reclassification	-	(28,973)	-	28,975	(2)	-
Transfer to assets held for sale (Note 12)	-	-	-	(829)	-	(829)
Additions	1,368	5,071	1,116	1,670	349	9,574
Disposals	(8,645)	(1,558)	(1,410)	(2,626)	-	(14,239)
Write-off	4	(10,471)	-	(25,887)	-	(36,354)
Translation differences	716	633	97	1,381	6	2,833
At 31 December 2023	179,702	354,379	16,828	46,028	440	597,377
Accumulated depreciation and impairment loss						
At 1 January 2023	110,197	355,941	15,773	34,652	-	516,563
Reclassification	-	(25,828)	-	25,828	-	-
Transfer to assets held for sale (Note 12)	-	-	-	(71)	-	(71)
Depreciation charge for the year (Note 7)	3,047	5,071	418	2,327	-	10,863
Impairment during the year (Note 7)	182	3,382	-	1,731	409	5,704
Disposals	(4,142)	(400)	(1,346)	(51)	-	(5,939)
Write-off	4	(9,523)	-	(23,299)	-	(32,818)
Translation differences	624	(856)	38	(1,346)	-	(1,540)
At 31 December 2023	109,912	327,787	14,883	39,771	409	492,762
Net carrying amount						
At 31 December 2023	69,790	26,592	1,945	6,257	31	104,615

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

13. Property, plant and equipment (cont'd.)

	Buildings RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Company						
At 31 December 2024						
Cost						
At 1 January 2024	14,810	1,078	1,257	6,717	14	23,876
Additions	-	-	-	25	-	25
At 31 December 2024	14,810	1,078	1,257	6,742	14	23,901
Accumulated depreciation						
At 1 January 2024	10,295	1,078	1,255	6,433	-	19,061
Depreciation charge for the year (Note 7)	277	-	-	89	-	366
At 31 December 2024	10,572	1,078	1,255	6,522	-	19,427
Net carrying amount						
At 31 December 2024	4,238	-	2	220	14	4,474
At 31 December 2023						
Cost						
At 1 January 2023	14,810	1,078	1,257	6,672	14	23,831
Additions	-	-	-	45	-	45
At 31 December 2023	14,810	1,078	1,257	6,717	14	23,876
Accumulated depreciation						
At 1 January 2023	10,019	1,078	1,255	6,330	-	18,682
Depreciation charge for the year (Note 7)	276	-	-	103	-	379
At 31 December 2023	10,295	1,078	1,255	6,433	-	19,061
Net carrying amount						
At 31 December 2023	4,515	-	2	284	14	4,815

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

13. Property, plant and equipment (cont'd.)

(a) The freehold land of the Group with net carrying amount of RM10,192,000 (2023: RM10,192,000) are not depreciated.

(b) Included in buildings of the Group are assets with a net carrying amount of RM6,614,000 (2023: RM12,985,000) which are pledged as security for the Group's loans and borrowings as disclosed in Note 25.

(c) During the financial year, the property, plant and equipment and right-of-use assets of certain CGUs of the Group are tested for impairment due to impairment indicators resulted from continued losses contributed by the business operation of certain CGUs. Management had undertaken an assessment of the recoverable amount of the assets. Recoverable amount is defined as the higher of value in use and fair value less costs of disposal.

Based on management's impairment assessment, a net impairment loss of RM575,000 (2023: RM5,704,000) for property, plant and equipment and RM1,940,000 (2023: RM3,268,000) for right-of-use ("ROU") assets are recognised for certain CGUs during the financial year as follows:

i. Kim Hin Ceramic (Seremban) Sdn. Bhd. – Plant 2 ("KHCS Plant 2") under Malaysia operation

As at 31 December 2024, the property, plant and equipment and ROU assets held by KHCS Plant 2 amounted to RM14,428,000 and RM8,911,000 respectively. The recoverable amount is assessed based on their fair value less costs of disposal. Based on the assessment, a reversal of impairment loss of RM1,287,000 (2023: Impairment loss of RM1,024,000) on plant, machinery and equipment is recognised during the financial year. The reversal is due to improvement noted in the CGU.

Fair value of property, plant and equipment is estimated using unobservable inputs and categorised under Level 3 of the fair value hierarchy.

<u>Valuation technique used and the significant unobservable inputs used</u>

The recoverable amounts of the land in the CGUs are estimated using the comparison method. This method made reference to recent transactions of industrial land in the vicinity of the Group's plants. The market prices of comparable properties are adjusted for differences in key attributes such as location and accessibility, market conditions, size, shape, tenure and other relevant characteristics. The market value per square foot of comparable properties ranges from RM27.09 to RM32.07 per square foot (2023: RM28.70 to RM30.90 per square foot).

The recoverable amounts of the buildings in the CGUs are estimated using the depreciated replacement cost model. The estimated current replacement cost of the asset, less accumulated depreciation calculated on the basis that such a cost reflects the already consumed or expired future economic benefits of the asset. This method reflects the amount that would currently be required to replace the service capacity of an asset, adjusted for obsolescence which encompasses physical deterioration, functional obsolescence, and economic obsolescence. The directors have determined that the depreciated replacement cost method represents the highest and best use of the buildings in their current use and that the exit market for the buildings is the same as the entry market. The estimated current replacement costs is at average of RM109 per square foot (2023: Average of RM109 per square foot). Whereas, the depreciation rate ranges from 1.9% to 2.0% per annum (2023: 1.9% to 2.0% per annum).

The fair value of properties is determined by external independent property valuers, having appropriate recognised professional qualifications and experience in the location and category of property being valued coupled with directors' valuation derived using recent transacted dealings of comparable properties within the vicinity of the properties.

<u>Impact of possible changes in key assumption</u>

Market value per square foot of land and building

An increase/(decrease) in the market value per square foot of land and building by 10% of the properties in the CGUs of KHCS Plant 2 will result in a reversal of or additional asset impairment of RM2,336,000 (2023: RM3,230,000).

Changes in Level 3 fair values are analysed by the management every year after obtaining valuation report from the property valuers. There has not been any change in fair value hierarchy in the current and prior financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

13. Property, plant and equipment (cont'd.)

(c) Based on management's impairment assessment, a net impairment loss of RM575,000 (2023: RM5,704,000) for property, plant and equipment and RM1,940,000 (2023: RM3,268,000) for right-of-use ("ROU") assets are recognised for certain CGUs during the financial year as follows: (cont'd.)

ii. Outset Holdings Pty Ltd ("OHPL") under Australia operation

There are 6 CGUs representing retail stores in OHPL with impairment indicators. The recoverable amounts of the CGUs have been determined based on the value in use calculations using cash flow projections from approved by directors covering up to 5-year period. Based on the assessment, impairment loss for the 6 CGUs amounted to RM1,291,000 for plant and equipment and RM1,086,000 for ROU assets (as disclosed in Note 14) are recognised during the financial year.

The key assumptions used in the value in use calculations for 4 out of 6 CGUs (i.e. Seaforth, Fairy Meadow, Stanmore and Caringbah retail stores) are as detailed below. For the remaining 2 CGUs (i.e. Yallah and Maroochydore retail stores), the key assumptions are as disclosed in Note 18.

The key assumptions used in valuation for the 4 CGUs are as follows:

- Projected revenue growth rate

  The projected revenue growth rate is based on actual historical trend for the past 3 years adjusted for certain market and economic condition. The average projected revenue growth rate used for the CGUs are ranging from 3.0% to 8.0%.

- Projected gross margin

  The projected gross margin is based on actual historical trends for the past 3 years adjusted for certain market and economic condition. The average projected gross margin used for the CGUs are ranging from 34.5% to 36.5%.

- Pre-tax discount rate

  Discount rate is used to reflect management's estimate of the risks specific to the CGU. The discount rate is estimated based on its weighted average cost of capital. The pre-tax discount rate used for the CGUs are ranging from 11.0% to 15.7%.

- Impact of possible changes in key assumption

  With regard to the assessment of VIU of the respective CGUs, management believes that no reasonably possible change in the above key assumptions would cause the carrying value of the CGUs to materially exceed its recoverable amount except for projected growth rate as detailed below:

  An increase of 1.0 percentage point in the projected gross margin used would have increased the recoverable amount ranging from RM22,000 to RM329,000 and hence, resulted in reversal of impairment loss ranging from RM22,000 to RM329,000.

  A decrease of 1.0 percentage point in the projected gross margin used would have decreased the recoverable amount ranging from RM51,000 to RM418,000 and hence, resulted in impairment loss ranging from RM51,000 to RM 418,000.

iii. Kim Hin Australia Pty. Ltd. ("KHAPL") under Australia operation

Since prior financial year, the plant and equipment and ROU assets of KHAPL have been fully impaired. The recoverable amount is assessed based on value in use calculations and fair value less costs of disposal. Based on the assessment, impairment loss of RM Nil (2023: RM1,413,000) on plant and equipment and RM854,000 (2023: RM3,268,000) on ROU assets (as disclosed in Note 14) are recognised during the financial year.

Fair value of property, plant and equipment is estimated using unobservable inputs and categorised under Level 3 of the fair value hierarchy.

With regard to the assessment of VIU and fair value less costs of disposal of this CGU, management believes that no reasonably possible change in any of the key assumptions would give rise to reversal of impairment loss as the CGU has been incurring persistent losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

13. Property, plant and equipment (cont'd.)

(d) Ceramica Indah Sdn Bhd ("CISB") under Malaysia operation

As at 31 December 2024, the plant and equipment held by CISB amounted to RM388,000 (2023: RM492,000). The recoverable amount is assessed based on fair value less costs of disposal. Based on the assessment, impairment loss of RM571,000 (2023: RM30,000) on plant and equipment is recognised as the recoverable amount is lower than its carrying amount.

Fair value of plant and equipment is estimated using unobservable inputs and categorised under Level 3 of the fair value hierarchy.

(e) In prior financial year, specific impairment of RM2,422,000 had been made on property, plant and equipment held by Kim Hin Ceramics (Shanghai) Co. Ltd. ("KHC Shanghai") under China operation resulting from cessation of manufacturing operation in Shanghai.

(f) In prior financial year, a specific impairment of RM761,000 and RM54,000 had been made on the plant and equipment held by Outset Holdings Pty. Ltd. under Australia operation, resulting from the closure of store in Australia and the remeasurement of assets held for sale immediately prior to classifying them as assets held for sale from plant and equipment as disclosed in Note 12.

(g) Reconciliation to the statements of cash flows

The acquisition of property, plant and equipment during the financial year were by the following means:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	RM'000	RM'000	RM'000
Cash	3,375	9,274	25	45
Hire purchase	-	300	-	-
	3,375	9,574	25	45

(h) Assets held under finance lease

Net carrying amounts of property, plant and equipment held under hire purchase arrangements are as follows:

	Group	
	2024	**2023**
	RM'000	RM'000
Motor vehicle	75	65
Plant, machinery and equipment	334	366
	409	431

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

14. Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Short-term leasehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles and other equipment RM'000	Total RM'000
Group						
Cost						
As at 1 January 2024	49,030	19,501	67,591	1,776	3,256	141,154
Additions	-	-	1,022	225	354	1,601
Transfer to assets held for sale (Note A)	-	(3,296)	-	-	-	(3,296)
Derecognition upon termination	-	-	(1,226)	(10)	-	(1,236)
Derecognition upon expiry	-	-	(383)	(124)	-	(507)
Reclassification	5,715	(5,715)	-	-	-	-
Translation differences	(774)	-	(6,878)	(202)	(296)	(8,150)
As at 31 December 2024	53,971	10,490	60,126	1,665	3,314	129,566
Accumulated depreciation and impairment loss						
As at 1 January 2024	25,021	7,600	42,515	1,396	3,256	79,788
Depreciation charge for the year (Note 7)	1,198	187	7,593	316	-	9,294
Derecognition upon termination	-	-	(368)	-	-	(368)
Derecognition upon expiry	-	-	(383)	(124)	-	(507)
Impairment during the year (Note 7, Note 13(c))	-	-	1,586	-	354	1,940
Transfer to assets held for sale (Note A)	-	(446)	-	-	-	(446)
Reclassification	4,453	(4,453)	-	-	-	-
Translation differences	(323)	-	(4,672)	(173)	(296)	(5,464)
As at 31 December 2024	30,349	2,888	46,271	1,415	3,314	84,237
Net carrying amount						
As at 31 December 2024	23,622	7,602	13,855	250	-	45,329

Note A – This relates to reclassification of leasehold land to assets held for sale as disclosed in Note 12.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

14. Right-of-use assets (cont'd.)

Set out below are the carrying amounts of right-of-use assets recognised and their movements during the year: (cont'd.)

	Short-term leasehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles and other equipment RM'000	Total RM'000
Group (cont'd.)						
Cost						
As at 1 January 2023	48,779	19,501	54,352	1,978	8,994	133,604
Additions	-	-	4,240	200	180	4,620
Derecognition upon termination	-	-	(491)	-	-	(491)
Derecognition upon expiry	-	-	-	(483)	-	(483)
Modification of lease	-	-	885	-	-	885
Reclassification	-	-	5,948	-	(5,948)	-
Translation differences	251	-	2,657	81	30	3,019
As at 31 December 2023	49,030	19,501	67,591	1,776	3,256	141,154
Accumulated depreciation and impairment loss						
As at 1 January 2023	23,719	7,413	23,909	1,453	6,959	63,453
Depreciation charge for the year (Note 7)	1,202	187	9,492	360	599	11,840
Derecognition upon termination	-	-	(289)	-	-	(289)
Derecognition upon expiry	-	-	-	(483)	-	(483)
Impairment during the year (Note 7, Note 13(c))	-	-	3,049	-	219	3,268
Modification of lease	-	-	499	-	-	499
Reclassification	-	-	4,503	-	(4,503)	-
Translation differences	100	-	1,352	66	(18)	1,500
As at 31 December 2023	25,021	7,600	42,515	1,396	3,256	79,788
Net carrying amount						
As at 31 December 2023	24,009	11,901	25,076	380	-	61,366

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

14. Right-of-use assets (cont'd.)

Included in right-of-use assets of the Group are assets with a net carrying amount of RM8,885,000 (2023: RM11,982,000) which are pledged as security for the Group's loans and borrowings as disclosed in Note 25.

	Short-term leasehold land RM'000	Long-term leasehold land RM'000	Total RM'000
Company			
Cost			
As at 1 January and 31 December 2023, and 1 January 2024	27,808	115	27,923
Reclassification	115	(115)	-
As at 31 December 2024	27,923	-	27,923
Accumulated depreciation			
As at 1 January 2023	15,130	114	15,244
Depreciation charge for the year (Note 7)	743	-	743
As at 31 December 2023	15,873	114	15,987
Depreciation charge for the year (Note 7)	743	-	743
Reclassification	114	(114)	-
As at 31 December 2024	16,730	-	16,730
Net carrying amount			
As at 31 December 2023	11,935	1	11,936
As at 31 December 2024	11,193	-	11,193

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

15. Investment properties

	Buildings RM'000	Capital work-in-progress RM'000	Total RM'000
Group			
At 31 December 2024			
Cost			
At 1 January 2024	38,073	-	38,073
Transfer from property, plant and equipment (Note 13, Note A)	6,083	1,550	7,633
Addition	-	715	715
Reclassification	1,201	(1,201)	-
Adjustment	1,333	-	1,333
Translation differences	(1,796)	-	(1,796)
At 31 December 2024	44,894	1,064	45,958
Accumulated depreciation and impairment loss			
At 1 January 2024	6,483	-	6,483
Transfer from property, plant and equipment (Note 13, Note A)	3,014	-	3,014
Depreciation charge for the year (Note 7)	1,478	-	1,478
Impairment during the year (Note 7)	937	-	937
Adjustment	1,333	-	1,333
Translation differences	(513)	-	(513)
At 31 December 2024	12,732	-	12,732
Net carrying amount	32,162	1,064	33,226
Estimated fair value of investment properties			64,891
At 31 December 2023			
Cost			
At 1 January 2023	39,451	-	39,451
Disposal	(495)	-	(495)
Translation differences	(883)	-	(883)
At 31 December 2023	38,073	-	38,073
Accumulated depreciation and impairment loss			
At 1 January 2023	5,619	-	5,619
Disposal	(57)	-	(57)
Depreciation charge for the year (Note 7)	665	-	665
Impairment during the year (Note 7)	159	-	159
Translation difference	97	-	97
At 31 December 2023	6,483	-	6,483
Net carrying amount	31,590	-	31,590
Estimated fair value of investment properties			51,705

Note A – The transfer of property, plant and equipment to investment properties as disclosed in Note 13 reflects a change in use, whereby the properties are no longer utilised for business operations and are now held for capital appreciation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

15. Investment properties (cont'd.)

	Company 2024 RM'000	Company 2023 RM'000
Buildings		
Cost		
At 1 January and 31 December	17,437	17,437
Accumulated depreciation		
At 1 January	3,475	3,126
Depreciation charge for the year (Note 7)	349	349
At 31 December	3,824	3,475
Net carrying amount	13,613	13,962
Estimated fair value of investment properties	27,529	27,903

Disclosure on fair value of the investment properties

The estimated fair value of the properties is based on independent valuations carried out by registered property valuers or directors' valuation derived using recent transacted dealings of comparable properties within the vicinity of the properties.

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Rental income derived from investment properties	1,464	1,362	784	196
Direct operating expenses from investment properties that generated rental income during the year	(277)	(382)	(194)	(181)
Direct operating expenses from investment properties that did not generate rental income during the year	(93)	(53)	(43)	(30)

The Group and the Company have no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. Fair value hierarchy disclosures for investment properties are disclosed in Note 34.

Impairment testing for investment properties

During the financial year, the investment properties of the Group are tested for impairment as the Group recorded continued losses. Based on impairment review, total impairment loss of RM937,000 (2023: RM159,000) is recognised for certain investment properties under Malaysia operation and an investment property in Australia operation during the year.

The recoverable amounts of investment properties are assessed based on fair value less costs of disposal derived using independent valuations carried out by registered property valuers or recent transacted dealings of comparable properties within the vicinity of the properties.

The recoverable amounts of the investment properties are estimated using the comparison method. This method made reference to recent transactions of properties in the vicinity of the Group's plants. The market value of comparable properties is adjusted for differences in key attributes such as location, market conditions, size, structure, and other relevant characteristics. The market value per square foot for the Group's properties subjected to impairment loss in the Malaysia operation ranges from RM442 to RM871, while for the Australia operation, it ranges from RM28,806 to RM38,230 (2023: RM39,782).

The fair values of investment properties are estimated using unobservable inputs and categorised under Level 3 of the fair value hierarchy. There has not been any change in fair value hierarchy in the current and prior financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

15. Investment properties (cont'd.)

Impact of possible changes in key assumption

Market value per square foot

An increase/(decrease) in the market value per square foot by 10% of the investment properties of the Group subjected to impairment loss will result in a reversal of or additional asset impairment of RM187,000 for investment properties in Malaysia operation and RM573,000 (2023: RM229,000) for investment property in Australia operation.

Building pledged as security

Included in buildings of the Group is an asset with a net carrying amount of RM1,608,000 (2023: Nil) which is pledged as security for the Group's loans and borrowings as disclosed in Note 25.

16. Investment in subsidiaries

	Company	
	2024 RM'000	**2023** RM'000
Unquoted shares, at cost	251,949	241,049
Less: Accumulated impairment losses	(161,859)	(155,502)
	90,090	85,547

Subscription of new ordinary shares

The Company had undertaken subscription of new ordinary shares which satisfied by way of capitalising the amounts due from the following subsidiaries during the financial year.

	Company	
	2024 RM'000	**2023** RM'000
Ceramica Indah Sdn. Bhd.	10,000	10,000
World Ceramic International Sdn. Bhd.	800	-
Kim Hin Properties Sdn. Bhd.	100	-
Refined Koalin Industries Sdn. Bhd.	-	10
Unicorn Ceramics Sdn. Bhd.	-	5
	10,900	10,015

Impairment testing

During the financial year, the Company conducted impairment reviews on the recoverable amount of its investment in subsidiaries, which have indicators of impairment or reversal of impairment. The review gave rise to the recognition of net impairment loss on investment in subsidiaries of RM6,357,000 (2023: RM30,784,000) as disclosed below and in Note 7.

The recoverable amount for investment in Johnson Tiles Malaysia Sdn. Bhd. ("JTMSB") is determined by using value in use method as disclosed in Note a. For the remaining investment in subsidiaries, the recoverable amounts are determined by using adjusted net asset method given that these subsidiaries are loss making entities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

16. Investment in subsidiaries (cont'd.)

Name of subsidiaries	Impairment loss/ (reversal of impairment) 2024 RM'000	2023 RM'000
Johnson Tiles Malaysia Sdn. Bhd.	(5,600)	-
Ceramica Indah Sdn. Bhd.	10,000	30,691
Kim Hin Investment Pty. Ltd.	1,142	93
World Ceramics International Sdn. Bhd.	800	-
Refined Koalin Industries Sdn. Bhd.	10	-
Unicorn Ceramics Sdn. Bhd.	5	-
	6,357	30,784

Based on the adjusted net asset method, properties of certain subsidiaries are revalued to fair value less costs of disposal based on independent valuations carried out by registered property valuers or directors' valuation derived using recent transacted dealings of comparable properties within the vicinity of the properties. The estimated fair value would increase/(decrease) if the market value per square foot of the properties were higher/(lower).

Recoverable amount of investment in subsidiaries is estimated using unobservable inputs and categorised under Level 3 of the fair value hierarchy. There has not been any change in fair value hierarchy in the current and prior financial year.

The recoverable amount of the investment in the following subsidiary is assessed based on value in use calculation by using cash flow projections approved by directors covering a 5-year period, as disclosed below:

(a) Johnson Tiles Malaysia Sdn. Bhd. ("JTMSB")

During the financial year, the investment in JTMSB amounting to RM10,000,000, which was fully impaired in the prior year, was assessed for a reversal of impairment due to improved financial performance. Based on the review, the recoverable amount of investment in JTMSB was determined to be RM5,600,000. Accordingly, the Company recognised a reversal of impairment loss of RM5,600,000 on the investment in JTMSB as at 31 December 2024.

Key assumptions used in valuation of JTMSB

- Projected revenue growth rate

  The projected revenue growth rate is based on actual historical trend for the past 2 years adjusted for certain market and economic condition. The average projected revenue growth rate used is 3% per annum.

- Projected gross margin

  The projected gross margin is based on actual historical trends for the past 2 years. The average projected gross margin used is 12.5%.

- Pre-tax discount rate

  The pre-tax discount rate used is 15.6%. Discount rate is used to reflect management's estimate of the risks specific to the CGU. The discount rate is estimated based on its weighted average cost of capital.

Impact of possible changes in key assumption

An increase of 1.0 percentage point in the discount rate used would have decreased the recoverable amount by RM701,000 and hence, resulted in reduced reversal of impairment loss of RM701,000.

A decrease of 1.0 percentage point in the discount rate used would have increased the recoverable amount by RM852,000 and hence, resulted in additional reversal impairment loss of RM852,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

16. Investment in subsidiaries (cont'd.)

Details of the subsidiaries are as follows:

Names of subsidiaries	Principal activities	Country of incorporation and principal place of business	Proportion of ownership interest 2024	Proportion of ownership interest 2023
Held by the Company:				
Ceramica Indah Sdn. Bhd.*	Manufacture and sale of ceramic floor, homogeneous and monoporosa tiles	Malaysia	100%	100%
Kimgres Marketing Sdn. Bhd.*	Trading in building materials	Malaysia	100%	100%
Kim Hin Ceramic (Seremban) Sdn. Bhd.*	Manufacture and sale of ceramic tiles	Malaysia	100%	100%
Kim Hin Ceramics (Shanghai) Co. Ltd.***	Sale of ceramic tiles	People's Republic of China	79.5%	79.5%
Kim Hin Properties Sdn. Bhd.*	Property and investment holding	Malaysia	100%	100%
Kim Hin Investment Pty. Ltd.***	Property letting	Australia	100%	100%
Tileworld Sdn. Bhd.*	Investment holding	Malaysia	100%	100%
Refined Koalin Industries Sdn. Bhd.*	Inactive	Malaysia	100%	100%
Unicorn Ceramics Sdn. Bhd.*	Inactive	Malaysia	100%	100%
World Ceramics International Sdn. Bhd.*	Property letting	Malaysia	100%	100%
Johnson Tiles Malaysia Sdn. Bhd.*	Trading in building materials	Malaysia	100%	100%
Held through Ceramica Indah Sdn. Bhd.:				
Amber Franchising Pty. Ltd.**	Inactive	Australia	100%	100%
Australian Tiles Pty. Ltd.**	Inactive	Australia	100%	100%
Kimgres Australia Pty. Ltd.***	Wholesaler and retailer of ceramic tiles	Australia	100%	100%
Held through Australian Tiles Pty. Ltd.:				
Amber Group Australian Properties Pty. Ltd.**	Inactive	Australia	100%	100%
Outset Holdings Pty. Ltd.**	Investment holding	Australia	100%	100%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

16. Investment in subsidiaries (cont'd.)

Details of the subsidiaries are as follows:

Names of subsidiaries	Principal activities	Country of incorporation and principal place of business	Proportion of ownership interest 2024	2023
Held through Outset Holdings Pty. Ltd.:				
Amber Group Australia Pty. Ltd.**	Wholesaler and retailer of pavers, tiles, natural stone and retaining walls	Australia	100%	100%
Held through Amber Group Australia Pty. Ltd.:				
Norcorp Pty. Ltd.**	Retailer of pavers, tiles, natural stone and retaining walls	Australia	100%	100%
Held through Kimgres Marketing Sdn. Bhd.:				
Kimgres Vietnam Trading Co. Ltd.***	Trading in building materials	Vietnam	70%	70%
Held through Kim Hin Ceramics (Shanghai) Co. Ltd.:				
Shanghai Kuching Realty Co. Ltd.***^	Investment holding	People's Republic of China	79.5%	79.5%
Held through Tileworld Sdn. Bhd.:				
Kim Hin Australia Pty. Ltd.***	Investment holding	Australia	100%	100%
Held through Kim Hin Australia Pty. Ltd.:				
Johnson Tiles Pty. Ltd.***	Importing and distributing of ceramic wall and floor tiles	Australia	100%	100%
Held through Johnson Tiles Pty. Ltd.:				
Coramic Australia Pty. Ltd.***	Inactive	Australia	100%	100%

* Audited by Ernst & Young PLT, Malaysia
** Audited by member firms of Ernst & Young in the respective countries
*** Audited by firms other than Ernst & Young global network firms
^ The total effective equity interests held by the Group is 79.5% whereby it is directly held by Kim Hin Ceramics (Shanghai) Co. Ltd for 100%.

16. Investment in subsidiaries (cont'd.)

Non-controlling interests in Kim Hin Ceramics (Shanghai) Co. Ltd. and Kimgres Vietnam Trading Co. Ltd.

The Group's material non-controlling interests ("NCI"), relate to its subsidiaries, Kim Hin Ceramics (Shanghai) Co. Ltd. and Kimgres Vietnam Trading Co. Ltd. of 20.5% and 30.0% respectively.

(i) The subsidiaries that have material NCI are as follows:

	Kim Hin Ceramics (Shanghai) Co. Ltd.		Kimgres Vietnam Trading Co. Ltd.		Total	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Carrying amount of NCI	10,532	10,060	93	76	10,625	10,136
Profit/(loss) for the year attributable to non-controlling interests	1,010	(2,540)	6	(363)	1,016	(2,903)
Total comprehensive income/(loss) for the year attributable to non-controlling interests	472	(2,333)	17	(357)	489	(2,690)
Dividend paid to non-controlling interests	-	107	-	-	-	107

(ii) Summarised financial information (before elimination of any intra-group transactions) of these subsidiaries that have material NCI, not adjusted for the ownership interest held by the Group, are as follows:

Statement of financial position

	Kim Hin Ceramics (Shanghai) Co. Ltd.		Kimgres Vietnam Trading Co. Ltd.		Total	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Non-current assets	25,543	25,823	129	184	25,672	26,007
Current assets	37,771	35,604	829	2,166	38,600	37,770
Total assets	63,314	61,427	958	2,350	64,272	63,777
Current liabilities	(9,892)	(11,990)	(1,594)	(2,097)	(11,486)	(14,087)
Net assets/(liabilities)	53,422	49,437	(636)	253	52,786	49,690

16. Investment in subsidiaries (cont'd.)

Non-controlling interests in Kim Hin Ceramics (Shanghai) Co. Ltd. and Kimgres Vietnam Trading Co. Ltd.

(ii) Summarised financial information (before elimination of any intra-group transactions) of these subsidiaries that have material NCI, not adjusted for the ownership interest held by the Group, are as follows: (cont'd.)

Statement of profit or loss and other comprehensive income

	Kim Hin Ceramics (Shanghai) Co. Ltd.		Kimgres Vietnam Trading Co. Ltd.		Total	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	21,116	24,540	1,401	1,659	22,517	26,199
Profit/(loss) for the year	4,928	(13,227)	(480)	(748)	4,448	(13,975)
Other comprehensive (loss)/income for the year	(2,646)	778	53	15	(2,593)	793
Total comprehensive income/(loss) for the year	2,282	(12,449)	(427)	(733)	1,855	(13,182)

Statement of cash flow

	Kim Hin Ceramics (Shanghai) Co. Ltd.		Kimgres Vietnam Trading Co. Ltd.		Total	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash generated from/(used in) operating activities	5,788	1,430	(36)	39	5,752	1,469
Net cash generated from/(used in) investing activities	107	(266)	-	(177)	107	(443)
Net cash used in financing activities	-	(533)	-	-	-	(533)
Net increase/(decrease) in cash and cash equivalents	5,895	631	(36)	(138)	5,859	493
Effect of foreign exchange rate changes	(1,726)	1,037	(7)	3	(1,733)	1,040
Cash and cash equivalents at beginning of the year	21,869	20,201	99	234	21,968	20,435
Cash and cash equivalents at end of the year	26,038	21,869	56	99	26,094	21,968

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

17. Other investments

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value through profit or loss				
Investment in unit trusts				
- In Malaysia	7,524	10,168	7,524	10,168
- Outside Malaysia	5,503	7,473	5,503	7,473
Total other investments	13,027	17,641	13,027	17,641
Fair value as at 31 December	13,027	17,641	13,027	17,641

The fair value of other investments is based on prices quotes for similar instruments or valuation techniques based on the market observable inputs (Level 2) as quoted prices of identical instruments from an active market (Level 1) are not available. There has not been any change in fair value hierarchy in the current and prior financial year.

18. Intangible assets

	Goodwill	**Arrange-ments with franchisee**	**Brand**	**Total**
	RM'000	RM'000	RM'000	RM'000
Group				
Cost				
At 1 January 2023, at 31 December 2023 and at 31 December 2024	11,637	10,892	4,857	27,386
Accumulated amortisation and impairment loss				
At 1 January 2023	9,838	3,344	-	13,182
Amortisation charge (Note 7)	-	436	-	436
Impairment loss (Note 7)	-	5,589	-	5,589
At 31 December 2023	9,838	9,369	-	19,207
Amortisation charge (Note 7)	-	418	-	418
Impairment loss net (Note 7)	1,469	(361)	2,310	3,418
At 31 December 2024	11,307	9,426	2,310	23,043
Net carrying amount				
At 31 December 2023	1,799	1,523	4,857	8,179
At 31 December 2024	330	1,466	2,547	4,343

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

18. Intangible assets (cont'd.)

Impairment testing of intangible assets

Goodwill, arrangement with franchisee and brand were acquired through business combinations. The goodwill and brand are with indefinite useful lives and hence subject to annual impairment testing. Impairment assessment for arrangements with franchisee has been carried out as there is indicator of reversal of impairment loss due to an observed improvement in its financial performance. The cash flow projections are based on the 5-years forecasts prepared by management which considered current operating results and latest available industry information. The impairment testing for intangible assets are performed as follows:

(a) Arrangements with franchisee - Outset Holdings Pty. Ltd. ("OHPL") who owned Amber Group Australia Pty Limited, the franchisor of the Amber's trade name, which received franchisee management fee for the right to use of Amber's trade name and involved in wholesale and retail of tiles, pavers, natural stone and retaining walls to franchisees in Australia;

(b) Brand - OHPL owns Amber Group Australia Pty Limited, the franchisor of the Amber's trade name, which received franchisee management fee for the right to use of Amber's trade name and involved in wholesale and retail of tiles, pavers, natural stone and retaining walls through franchised and owned stores in Australia; and

(c) Goodwill – The goodwill arose due to acquisition of 2 stores by Amber Group Australia Pty Limited. The stores are primarily involved in wholesale and retail of tiles, pavers, natural stone and retaining walls in Australia.

The recoverable amounts are determined based on the higher of value in use or fair value less costs of disposal calculations.

<u>Arrangements with franchisee</u>

For arrangements with franchisee, the recoverable amount is determined based on fair value calculations by using multi-period excess earnings method based on the cash flow projection approved by directors covering a 5-year period. Based on management's impairment assessment, a reversal of impairment loss of RM361,000 (2023: Impairment loss of RM5,589,000) is recognised for the arrangements with franchisee in OHPL's CGU.

<u>Key assumptions used in valuation for arrangements with franchisee</u>

(a) Projected earnings before interest and taxes ("EBIT") margin

The projected EBIT margin is based on historical trends for the past 3 years. The average projected EBIT margin used is 4.1% (2023: 3.1%).

(b) Long term growth rate

The forecasted average growth rate is 2.5% (2023: 2.5%) based on the Group's estimates and do not exceed the long-term average growth rate for the industry relevant to the CGU.

(c) Discount rate

The discount rate used is 12% (2023: 12%). Discount rate is used to reflect management's estimate of the risks specific to the CGU. The discount rate is estimated based on its weighted average cost of capital.

(d) Attrition rate

The attrition rate is 4% (2023: 4%) based on historical and expected churn of the franchisee base.

<u>Impact of possible changes in key assumption</u>

An increase of 1.0 percentage point in the discount rate used would have decreased the recoverable amount by RM89,000 (2023: RM104,000) and hence, resulted in impairment loss of RM89,000 (2023: RM104,000).

A decrease of 1.0 percentage point in the discount rate used would have increased the recoverable amount by RM96,000 (2023: RM113,000) and hence, resulted in further reversal of impairment loss of RM96,000 (2023: RM113,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

18. Intangible assets (cont'd.)

Impairment testing of intangible assets (cont'd.)

Brand

The recoverable amount is determined based on fair value calculations by using relief-from-royalty method based on the cash flow projection approved by directors covering a 5-year period. Based on management's impairment assessment, an impairment loss of RM2,310,000 (2023: Nil) is recognised during the year due to the declining performance of the retail stores.

Key assumptions used in valuation of brand

(a) Brand contribution to forecasted sales

The brand is expected to drive 40% (2023: 40%) of CGU's forecasted sales based on historical trends for the past 3 years.

(b) Terminal growth rate

The terminal growth rate is 2.5% (2023: 2.5%) based on the Group's estimates and do not exceed the long-term average growth rate for the industry relevant to the CGU.

(c) Discount rate

The discount rate used is 12% (2023: 12%). Discount rate is used to reflect management's estimate of the risks specific to the CGU. The discount rate is estimated based on its weighted average cost of capital.

(d) Royalty rate

The royalty rate used is 1.1% (2023: 2.0%) of the forecasted sales, determined by taking into reference the royalty rates of brand licensing for comparable products.

Impact of possible changes in key assumption

An increase of 1.0 percentage point in the discount rate used would have decreased the recoverable amount by RM253,000 (2023: RM571,000) and hence, resulted in impairment loss of RM253,000 (2023: Nil).

A decrease of 1.0 percentage point in the discount rate used would have increased the recoverable amount by RM313,000 (2023: RM705,000) and hence, resulted in reversal impairment loss of RM313,000 (2023: Nil).

The fair value of arrangement with franchisee and brand are estimated using unobservable inputs and categorised under Level 3 of the fair value hierarchy. There has not been any change in fair value hierarchy in the current and prior financial year.

Goodwill

For the purpose of annual impairment testing of goodwill, the carrying value has been allocated to two of the Group's CGUs (i.e. Yallah and Maroochydore retail stores) under Australia operation as follows:

	Group	
	2024	**2023**
	RM'000	RM'000
Yallah store	-	906
Maroochydore store	330	893
	330	1,799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

18. Intangible assets (cont'd.)

Impairment testing of intangible assets (cont'd.)

Goodwill (cont'd.)

Based on management's impairment assessment, impairment losses of RM906,000 and RM563,000 are recognised for the goodwill of the Yallah and Maroochydore retail stores, respectively due to declining financial performance of both stores.

Goodwill – Yallah

The recoverable amount is determined based on value in use calculation using cash flow projections approved by directors covering a 5-year period. The key assumptions used in valuation of Yallah are as follows:

(a) Projected revenue growth rate

The projected revenue growth rate is based on actual historical trend for the past 3 years adjusted for certain market and economic condition. The average projected revenue growth rate used is 6% per annum.

(b) Projected gross margin

The projected gross margin is based on actual historical trends for the past 3 years. The average projected gross margin used is 34.4%.

(c) Pre-tax discount rate

The pre-tax discount rate used is 11.0%. Discount rate is used to reflect management's estimate of the risks specific to the CGU. The discount rate is estimated based on its weighted average cost of capital.

Impact of possible changes in key assumption

With regard to the assessment of VIU of the CGU, management believes that no reasonably possible change in any of the above key assumptions would give rise to the reversal of impairment loss.

Goodwill – Maroochydore

The recoverable amount is determined based on value in use calculation using cash flow projections approved by directors covering a 5-year period.

The key assumptions used in valuation of Maroochydore is as follows:

(a) Projected revenue growth rate

The projected revenue growth rate is based on actual historical trend for the past 3 years adjusted for certain market and economic condition. The average projected revenue growth rate used is 10% per annum.

(b) Projected gross margin

The projected gross margin is based on actual historical trends for the past 3 years. The average projected gross margin used is 35.9%.

(c) Pre-tax discount rate

The pre-tax discount rate used is 14.3%. Discount rate is used to reflect management's estimate of the risks specific to the CGU. The discount rate is estimated based on its weighted average cost of capital.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

18. Intangible assets (cont'd.)

Impairment testing of intangible assets (cont'd.)

Goodwill (cont'd.)

Goodwill – Maroochydore (cont'd.)

Impact of possible changes in key assumption

With regard to the assessment of VIU of the CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount except for projected growth rate as detailed below:

An increase of 1.0 percentage point in the projected gross margin used would have increased the recoverable amount by RM443,000 and hence, resulted in lower impairment loss of RM443,000.

A decrease of 1.0 percentage point in the projected gross margin used would have decreased the recoverable amount by RM443,000 and hence, resulted in additional impairment loss of RM443,000.

19. Inventories

	Group	
	2024	**2023**
	RM'000	RM'000
Raw materials	9,277	13,573
Work-in-progress	1,831	2,393
Finished goods	68,185	76,131
Packing materials	750	1,476
Spare parts and sundry inventories	9,490	9,501
Total inventories at the lower of cost and net realisable value	89,533	103,074

The amount of inventories recognised as an expense in cost of sales of the Group was RM212,496,000 (2023: RM238,081,000).

During the financial year, the net reversal of inventories written down to net realisable value of the Group amounted to RM497,000 (2023: net write-down of RM1,248,000). Included in the net amount was the reversal of inventories written down of RM4,563,000 (2023: RM1,663,000) where the related inventories of certain subsidiaries were subsequently sold above their carrying amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

20. Trade and other receivables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade				
Trade receivables (a)	47,896	52,715	-	-
Less: Allowances for expected credit losses	(3,380)	(4,235)	-	-
	44,516	48,480	-	-
Trade deposits to suppliers	2,363	473	-	-
	46,879	48,953	-	-
Non-trade				
Amounts due from subsidiaries (b):				
- Interest bearing	-	-	73,372	76,340
- Non-interest bearing	-	-	15,692	15,755
	-	-	89,064	92,095
Less: Allowances for expected credit losses	-	-	(24,911)	(30,658)
	-	-	64,153	61,437
Sundry receivables	804	1,938	355	128
Deposits	1,140	1,200	104	121
	1,944	3,138	64,612	61,686
Total trade and other receivables	48,823	52,091	64,612	61,686

(a) Trade receivables

The Group's normal trade credit term ranges from 30 to 120 days (2023: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for forward-looking factors specific to the debtors and the economic environment.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2024 RM'000	2023 RM'000
Not past due	27,279	28,060
1 to 30 days past due	10,513	11,198
31 to 60 days past due	3,168	3,622
61 to 90 days past due	1,925	1,972
91 to 120 days past due	737	2,150
More than 121 days past due	894	1,478
	17,237	20,420
Impaired	3,380	4,235
	47,896	52,715

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

20. Trade and other receivables (cont'd.)

(a) Trade receivables (cont'd.)

Receivables that are not past due

Trade receivables that are not past due are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables have been renegotiated during the financial year.

Receivables that are past due

The Group has trade receivables amounting to RM17,237,000 (2023: RM20,420,000) that are past due at the reporting date. These balances mainly relate to customers with the Group or those with ongoing transactions and progressive payments but are slow paymasters and hence, are periodically monitored.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record credit losses are as follows:

	Group Individually impaired	
	2024	**2023**
	RM'000	RM'000
Trade receivables - nominal amounts	3,380	4,235
Less: Allowance for expected credit losses	(3,380)	(4,235)
	-	-

Movement in allowance for expected credit losses:

	Group	
	2024	**2023**
	RM'000	RM'000
At 1 January	4,235	5,222
Written off	(1,179)	-
Provided for the year (Note 7)	706	398
Reversal of expected credit losses (Note 7)	(161)	(1,355)
Translation differences	(221)	(30)
At 31 December	3,380	4,235

(b) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured and repayable on demand. The interest-bearing portion bore interest at rates of 3% to 4.25% (2023: 4% to 4.25%) per annum during the financial year.

The amounts due from subsidiaries that are impaired at the reporting date and the movement of the allowance accounts used to record credit losses are as follows:

	Company Individually impaired	
	2024	**2023**
	RM'000	RM'000
Amount due from subsidiaries - nominal amounts	24,911	30,658
Less: Allowance for expected credit losses	(24,911)	(30,658)
	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

20. Trade and other receivables (cont'd.)

(b) Amounts due from subsidiaries (cont'd.)

Movement in allowance for expected credit losses:

	Company	
	2024	2023
	RM'000	RM'000
At 1 January	30,658	16,005
(Reversal)/provided for the year (Note 7)	(5,747)	14,653
At 31 December	24,911	30,658

The reversal of expected credit losses amounting to RM5,747,000 on amounts due from subsidiaries is recognised during the year due to improvement observed on certain subsidiaries' ability to meet repayment obligations.

21. Other current assets

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Prepayments	2,699	2,391	230	17

22. Cash and bank balances

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	35,625	36,265	654	895
Deposits with financial institutions	7,832	11,074	3,000	6,094
Total cash and bank balances	43,457	47,339	3,654	6,989

The effective interest rates and tenures of deposits with financial institutions at the reporting date are as follows:

	Group		Company	
	2024	2023	2024	2023
Effective interest rate (%)	2.70 - 4.90	2.85 - 5.00	3.30	3.60 - 3.75
Tenure (months)	6 - 12	3 - 12	12	6

For the purpose of cash flow statement, cash and cash equivalents comprise the following at reporting date:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	43,457	47,339	3,654	6,989
Less: Bank overdraft (Note 25)	(123)	(645)	-	-
Less: Short-term deposits with maturity more than 3 months	(7,832)	(9,654)	(3,000)	(6,094)
Cash and cash equivalents	35,502	37,040	654	895

Included in short-term deposits with maturity more than 3 months of the Group are deposits with amount of RM3,086,000 (2023: RM3,000,000) which are pledged as security for the Group's loans and borrowings as disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

23. Share capital and treasury shares

	Number of ordinary shares		Amount	
	Share capital (Issued and fully paid, at no par value) '000	Treasury shares '000	Share capital (Issued and fully paid, at no par value) RM'000	Treasury shares RM'000
Group and Company				
At 1 January 2024 and 31 December 2024	155,616	(15,377)	206,658	(24,309)

Share capital

The holders of the above ordinary shares are entitled to receive dividends as and when declared or paid by the Company as the case may be. All the issued and fully paid ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. This amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance. During the financial year, the Company has not purchased any of its own shares. Of the total 155,616,013 (2023: 155,616,013) issued and fully paid ordinary shares as at 31 December 2024, 15,376,900 (2023: 15,376,900) are held as treasury shares by the Company. As at 31 December 2024, the number of outstanding ordinary shares in issue after the set off is therefore 140,239,113 (2023: 140,239,113) ordinary shares.

24. Other reserves

	Group	
	2024 RM'000	**2023** RM'000
Reserve and Enterprise Expansion Funds		
At 1 January/31 December	7,015	7,015
Translation adjustment account		
At 1 January	11,318	10,654
Translation difference in subsidiaries	(769)	664
At 31 December	10,549	11,318
Total other reserves	17,564	18,333

The nature and purpose of each category of reserve are as follows:

(a) Reserve and Enterprise Expansion Funds

The Reserve and Enterprise Expansion Funds are maintained in compliance with the regulation issued by the governing authority of the People's Republic of China ("PRC") for a subsidiary incorporated in the PRC.

(b) Translation adjustment account

The translation adjustment account represents 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

25. Loans and borrowings

	Group 2024 RM'000	Group 2023 RM'000
Current		
Unsecured:		
Bank overdraft (Note 22)	123	645
Trade facilities	6,268	9,327
Hire purchase	102	154
Secured:		
Term loans:		
RM loan at BLR – 1.75% p.a.	2,376	2,258
AUD loan at 4.46% p.a.	-	600
	8,869	12,984
Non-current		
Unsecured:		
Hire purchase	179	275
Secured:		
Term loans:		
RM loan at BLR – 1.75% p.a.	2,257	4,634
AUD loan at 4.46% p.a.	-	309
	2,436	5,218
Total loans and borrowings	11,305	18,202

The remaining maturities of the loans and borrowings are as follows:

	2024 RM'000	2023 RM'000
On demand or not later than 1 year	8,869	12,984
Later than 1 year and not later than 2 years	2,356	2,783
Later than 2 years and not later than 5 years	80	2,435
	11,305	18,202

Term loans

The effective interest rate of the term loans is 5.10% (2023: 5.10% to 8.28%) per annum. The RM loan is secured by way of fixed charges over certain assets of the Group as disclosed in Note 12, Note 13, Note 14, Note 15 and Note 22 and corporate guarantees from the Company.

Trade facilities

The Group's Malaysian subsidiaries have bankers' acceptance facilities amounting to RM708,000 (2023: RM3,142,000) with terms ranging from 100 days to 118 days (2023: 100 days to 118 days). The effective interest rates range from 3.54% to 5.07% (2023: 3.05% to 5.07%) per annum.

The Group's Australian subsidiary has the trade refinance facilities amounting to RM5,560,000 (2023: RM6,185,000) with terms ranging from 104 days to 178 days (2023: 54 days to 178 days). The effective interest rates range from 9% to 9.1% (2023: 10%) per annum.

The trade facilities of RM708,000 (2023: RM1,772,000) are secured by certain assets of the Group as disclosed in Note 12, Note 13, Note 14, Note 15 and Note 22 and corporate guarantees from the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

25. Loans and borrowings (cont'd.)

Trade facilities (cont'd.)

As at the reporting date, an Australian subsidiary of the Group did not meet certain financial covenants relating to its trade facilities. The covenants required the capital adequacy ratio to be not less than 40% and interest cover ratio to be not less than 3 times at all times. The financier is entitled to conduct a review and may exercise rights under the facility agreement for not meeting the two covenants although there was no actual payment default in the facility. The Australia subsidiary is continuously following up with the financier regarding the covenant requirements. Notwithstanding the above, all trade facilities under the Australian subsidiary were classified under current liabilities as at 31 December 2024 in accordance with its existing repayment terms.

Hire purchase arrangements

The Group has hire purchase arrangements with interest rates ranging from 2.13% to 3.76% per annum (2023: 2.13% to 3.76% per annum).

26. Deferred tax (assets)/liabilities

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	(3,844)	(2,966)	-	50
Recognised in profit or loss (Note 10)	372	(644)	-	(50)
Translation differences	480	(234)	-	-
At 31 December	(2,992)	(3,844)	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	(4,195)	(5,758)	-	-
Deferred tax liabilities	1,203	1,914	-	-
	(2,992)	(3,844)	-	-

26. Deferred tax (assets)/liabilities (cont'd.)

The components and movements of deferred tax (assets)/liabilities during the financial year are as follows:

Deferred tax (assets)/liabilities of the Group:

	Unutilised reinvestment and capital allowances RM'000	Unutilised business losses RM'000	Provisions and others RM'000	Property, plant and equipment RM'000	Intangible assets RM'000	Total RM'000
At 1 January 2023	(3,367)	(2,974)	(8,426)	8,079	3,722	(2,966)
Recognised in profit or loss	(637)	510	1,773	(482)	(1,808)	(644)
Translation differences	-	(26)	(256)	48	-	(234)
At 31 December 2023/ At 1 January 2024	(4,004)	(2,490)	(6,909)	7,645	1,914	(3,844)
Recognised in profit or loss	(928)	(1,018)	3,984	(955)	(711)	372
Translation differences	-	-	599	(119)	-	480
At 31 December 2024	(4,932)	(3,508)	(2,326)	6,571	1,203	(2,992)

Presented after appropriate offsetting as follows:

	Unutilised reinvestment and capital allowances RM'000	Unutilised business losses RM'000	Provisions and others RM'000	Property, plant and equipment RM'000	Intangible assets RM'000	Total RM'000
2023						
Deferred tax assets	(4,004)	(2,490)	(6,909)	7,645	-	(5,758)
Deferred tax liabilities	-	-	-	-	1,914	1,914
	(4,004)	(2,490)	(6,909)	7,645	1,914	(3,844)
2024						
Deferred tax assets	(4,932)	(3,508)	(2,326)	6,571	-	(4,195)
Deferred tax liabilities	-	-	-	-	1,203	1,203
	(4,932)	(3,508)	(2,326)	6,571	1,203	(2,992)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

26. Deferred tax (assets)/liabilities (cont'd.)

Deferred tax liability of the Company

	Property, plant and equipment RM'000
At 1 January 2023	50
Recognised in profit or loss (Note 10)	(50)
At 31 December 2023/ At 1 January 2024	-
Recognised in profit or loss (Note 10)	-
At 1 January 2024/At 31 December 2024	-

27. Derivative assets/(liabilities)

	Group			
	2024		2023	
	Contract/ notional amount RM'000	Liabilities RM'000	Contract/ notional amount RM'000	Assets RM'000
Non-hedging derivatives:				
Current				
Forward currency contracts	911	(14)	4,358	128

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting. At 31 December 2024, forward currency contracts are used to hedge the Group's sales and purchase commitments mainly denominated in USD, AUD and EUR.

As at 31 December 2024, the Group recognised a net loss of RM138,000 (2023: net gain of RM13,000) arising from fair value changes of derivative instruments. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The model incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The fair value hierarchy of derivatives is disclosed in Note 34.

28. Trade and other payables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade				
Trade payables (a)	42,043	40,517	-	-
Trade deposits from customers	2,078	3,884	-	-
	44,121	44,401	-	-
Non-trade				
Sundry payables (b)	10,590	16,907	483	159
Sales and service tax payable	2,993	2,897	-	-
Payroll expenses	2,805	1,882	315	412
Other accruals	3,335	3,066	61	99
Amount due to subsidiary company	-	-	2,046	473
	19,723	24,752	2,905	1,143
Total trade and other payables	63,844	69,153	2,905	1,143

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

28. Trade and other payables (cont'd.)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current	63,127	68,423	2,905	1,143
Non-current	717	730	-	-
Total trade and other payables	63,844	69,153	2,905	1,143

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 120 days (2023: 30 to 120 days) terms.

(b) Sundry payables

Sundry payables are normally settled on an average term of 30 days (2023: 30 days) and are generally non-interest bearing. An amount of RM3,439,000 (2023: RM4,096,000) included in the sundry payables represents Marketing Fund of Amber Group Australia Pty. Ltd. ("the Fund"). The Fund receives contributions from franchisees based on a percentage of store sales and is used for the advertising and marketing of products under Amber brand.

29. Provisions

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Long service leave and annual leave				
At 1 January	5,167	4,766	126	82
Provided during the year	2,533	1,307	30	80
Utilised during the year	(2,083)	(845)	(27)	(36)
Unused amounts forfeited	(6)	(46)	-	-
Translation differences	(426)	(15)	-	-
At 31 December	5,185	5,167	129	126
Analysed as:				
Current	4,815	4,891	129	126
Non-current	370	276	-	-
At 31 December	5,185	5,167	129	126

The provision is made for the estimated cost to be incurred for payment of leave salary to the employees based on their entitlement to annual leave and long service leave. Assumptions used to compute the provision for annual leave and long service leave are based on predefined criteria. The provision during the year is recognised under employee benefits expense as disclosed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

30. Lease liabilities

Group as a lessee

The Group has lease contracts for various items of property, plant, machinery and other equipment used in its operations. Leases of property generally have lease terms between 1.3 to 7.2 years (2023: 2 to 7.2 years), while plant and machinery, motor vehicle and other equipment generally have lease terms of 1.3 to 7.8 years (2023: 2 to 5 years). The Group's obligations under these leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options.

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

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Buildings RM'000	**Plant and machinery** RM'000	**Motor vehicles Other equipment** RM'000	**Total** RM'000
Group				
As at 1 January 2023	33,836	609	2,180	36,625
Reclassification	1,616	-	(1,616)	-
Additions	4,239	200	181	4,620
Accretion of interest (Note 6)	1,136	21	15	1,172
Modification of lease	211	-	-	211
Payment	(10,928)	(445)	(635)	(12,008)
Translation differences	1,833	50	6	1,889
As at 31 December 2023/1 January 2024	31,943	435	131	32,509
Additions	1,022	225	354	1,601
Accretion of interest (Note 6)	881	29	24	934
Derecognition upon termination	(841)	43	-	(798)
Payment	(10,350)	(367)	(446)	(11,163)
Translation differences	(3,059)	(52)	103	(3,008)
As at 31 December 2024	19,596	313	166	20,075

	Group 2024 RM'000	**2023** RM'000
Current	7,655	10,383
Non-current	12,420	22,126
	20,075	32,509

The maturity analysis of lease liabilities is disclosed in Note 37(b).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

30. Lease liabilities (cont'd.)

Group as a lessee (cont'd.)

The following are the amounts recognised in profit or loss:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	RM'000	RM'000	RM'000
Depreciation expense of right-of-use assets (Note 14)	9,294	11,840	743	743
Interest expense on lease liabilities (Note 6)	934	1,172	-	-
Expense relating to short-term leases (included in cost of sales and administrative expenses) (Note 7)	1,426	1,281	-	-
Expense relating to leases of low-value assets (included in administrative expenses) (Note 7)	84	60	7	7

The Group had total cash outflows for leases of RM12,673,000 (2023: RM13,349,000) during the financial year. The Group also had non-cash additions to right-of-use assets and lease liabilities of RM1,601,000 (2023: RM4,620,000) during the financial year.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The discounted potential future lease payments arising from termination and extension options in certain lease contracts are not included in the lease liabilities due to uncertainties as to whether the options will or will not be exercised.

Group as a lessor

The Group has entered into operating leases on its land and buildings consisting of showroom, factories, residential properties and other premises. These leases are negotiated for terms ranging from one to nine years (2023: one to ten years). Certain leases include a clause to enable upward revision of the rental charge on an annual basis or renewal/extension according to prevailing market conditions.

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting period are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	RM'000	RM'000	RM'000
Not later than one year	5,334	5,352	749	227
Later than one year and not later than five years	18,970	21,208	907	907
Later than five years	4,742	5,302	227	227
	29,046	31,862	1,883	1,361

31. Capital commitments

	Group	
	2024	**2023**
	RM'000	RM'000
Property, plant and equipment:		
Authorised and contracted for	1,129	270

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

32. Related party disclosures

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

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

The Directors are of the opinion that all the transactions below have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions entered into between the Group or the Company and related parties took place at terms agreed between the parties during the financial year:

(a) Transactions with directors and/or companies in which certain directors and their close family members have substantial financial interest:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	RM'000	RM'000	RM'000
Income:				
Sale of ceramic tiles:				
Pan Chyi Construction & Development Sdn. Bhd.	11	10	-	-
Pan Chyi Realty Sdn. Bhd.	10	-	-	-
Trend Homes Sdn. Bhd.	46	16	-	-
Sale of miscellaneous raw materials and spare parts:				
Kam Kam Sanitaryware Sdn. Bhd.	-	1	-	-
Rental of office:				
Vertex Mastery Sdn. Bhd.	48	-	-	-

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	RM'000	RM'000	RM'000
Expenditure:				
Purchases of sanitaryware for resale:				
Kam Kam Sanitaryware Sdn. Bhd.	(1,119)	(496)	-	-
Renovation and maintenance costs:				
Pan Chyi Construction & Development Sdn. Bhd.	(249)	(102)	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

32. Related party disclosures (cont'd.)

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions entered into between the Group or the Company and related parties took place at terms agreed between the parties during the financial year: (cont'd.)

(b) Transactions with holding company, Kim Hin (Malaysia) Sdn. Bhd.:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Income:				
Sales of ceramic tiles and sanitaryware	1	-	-	-
Expenditure:				
Rental of office and warehouses	(1,936)	(1,164)	-	-
Insurance commission earned	(49)	(13)	(5)	(11)

(c) Transactions with subsidiaries:

	Company	
	2024	2023
	RM'000	RM'000
Income:		
Dividend income	-	376
Management fees	1,056	1,056
Rental income	227	227
Interest income	3,557	3,317
Expenditure:		
Purchase of tiles	(4)	-

(d) Compensation of key management personnel

The remuneration of directors and other members of key management during the year are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Salaries and other emoluments	9,871	14,270	3,467	3,281
Social security costs	21	39	7	7
Defined contribution plan	1,304	1,817	610	610
Benefits-in-kind	229	257	109	107
	11,425	16,383	4,193	4,005
Included in the total remuneration of key management personnel are:				
Directors' remuneration (Note 9)	5,621	5,643	3,765	3,749

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

33. Fair value of financial instruments

Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values:

	Note
Trade and other receivables (excluding trade deposits to suppliers)	20
Cash and bank balances	22
Loans and borrowings	25
Trade and other payables (excluding trade deposits from customers and sales and service tax payable)	28

(i) Cash and bank balances, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature or insignificant impact of discounting.

(ii) Trade receivables and trade payables

The carrying amounts of trade receivables and trade payables approximate their fair value as they are subject to normal trade credit terms.

(iii) Loans and borrowings

The carrying value of bank borrowings and term loans approximate their fair values either due to their short term nature of they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The financial instrument not carried at fair value but for which fair value is disclosed and fair value of financial instruments that are carried and measured at fair value are disclosed in Note 34.

34. Fair value measurement

Fair value hierarchy

The Group and the Company classify fair value measurement using a fair value hierarchy based on the following levels:

Level 1: The fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: The fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has not been any change in fair value hierarchy in the current and prior financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

34. Fair value measurement (cont'd.)

Fair value hierarchy (cont'd.)

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2024

	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group					
Assets measured at fair value					
Investment in unit trusts	17	-	13,027	-	13,027
Assets for which fair values are disclosed					
Investment properties	15	-	-	64,891	64,891
Liabilities measured at fair value					
Derivative liabilities	27	-	14	-	14
Company					
Assets measured at fair value					
Investment in unit trusts	17	-	13,027	-	13,027
Assets for which fair values are disclosed					
Investment properties	15	-	-	27,529	27,529

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2023

	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group					
Assets measured at fair value					
Investment in unit trusts	17	-	17,641	-	17,641
Derivatives assets	27	-	128	-	128
Assets for which fair values are disclosed					
Investment properties	15	-	-	51,705	51,705
Company					
Assets measured at fair value					
Investment in unit trusts	17	-	17,641	-	17,641
Assets for which fair values are disclosed					
Investment properties	15	-	-	27,903	27,903

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

35. Categories of financial instruments

The table below provides an analysis of the Group's and the Company's financial instruments as at 31 December 2024 and 2023, categorised as follows:

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

	Group		Company	
	AC	**FVTPL**	**AC**	**FVTPL**
	RM'000	RM'000	RM'000	RM'000
At 31 December 2024				
Financial assets				
Trade and other receivables (excluding trade deposits to suppliers)	46,460	-	64,612	-
Other investments	-	13,027	-	13,027
Cash and bank balances	43,457	-	3,654	-
	89,917	13,027	68,266	13,027
Financial liabilities				
Loans and borrowings	11,305	-	-	-
Trade and other payables*	58,773	-	2,905	-
Lease liabilities	20,075	-	-	-
Derivative liabilities	14	-	-	-
	90,167	-	2,905	-
At 31 December 2023				
Financial assets				
Trade and other receivables (excluding trade deposits to suppliers)	51,618	-	61,686	-
Other investments	-	17,641	-	17,641
Cash and bank balances	47,339	-	6,989	-
Derivative assets	-	128	-	-
	98,957	17,769	68,675	17,641
Financial liabilities				
Loans and borrowings	18,202	-	-	-
Trade and other payables*	62,372	-	1,143	-
Lease liabilities	32,509	-	-	-
	113,083	-	1,143	-

* Trade and other payables excluding trade deposits from customers and sales and service tax payable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

36. Changes in liabilities arising from financing activities

	2024 RM'000	2023 RM'000
Group's borrowings (excluding bank overdraft)		
At 1 January	17,557	22,381
Cash:		
Repayment of trade facilities	(2,357)	(789)
Repayment of principal portion of hire purchase	(148)	(110)
Repayment of term loans	(3,061)	(3,423)
Others:		
Translation difference	(809)	(502)
At 31 December	11,182	17,557
Group's lease liabilities		
At 1 January	32,509	36,625
Cash:		
Repayment of principal portion of lease liabilities	(10,229)	(10,836)
Others:		
Accretion of interest	934	1,172
Interest paid	(934)	(1,172)
Additions	1,601	4,620
Modification of lease	(798)	211
Translation difference	(3,008)	1,889
At 31 December	20,075	32,509

37. Financial risk management objectives and policies

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the senior management. The Board of Audit Committee provides independent oversight to the effectiveness of the risk management process.

The Group has not undertaken any derivatives throughout the current and previous financial year except for the use of forward currency contracts. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Customer credit risk is managed by each entity in the Group and is subject to established policy, procedures and control. As at 31 December 2024, the Group had 20 customers (2023: 20) that owed more than RM500,000 each and accounted for approximately 44% (2023: 42%) of receivables outstanding.

Impairment reviews are performed regularly and at the reporting date using the simplified approach. Generally, trade receivables are provided for expected credit loss when past due for more than 120 days.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

37. Financial risk management objectives and policies (cont'd.)

(a) Credit risk (cont'd.)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- A nominal amount of RM5,342,000 (2023: RM8,664,000) relating to corporate guarantees provided by the Company to banks for borrowings granted to a subsidiary of the Company. The maximum exposure if the guarantees were called upon is disclosed in Note 37(b).
- A nominal amount of RM8,355,000 (2023: RM9,498,000) relating to corporate guarantees provided by the Company to banks for bank guarantees granted to the subsidiaries of the Company. The possibility of the cash outflow is remote at this juncture because the corporate guarantees are unlikely to be called upon.

Credit risk concentration profile

The Group does not have any significant or concentration of credit risk that may arise from exposures to a single debtor or to groups of related debtors.

(b) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Total RM'000
Group			
Financial liabilities			
2024			
Trade and other payables*	58,056	717	58,773
Loans and borrowings	9,728	2,504	12,232
Lease liabilities	8,179	12,916	21,095
Derivative liabilities	14	-	14
Total undiscounted financial liabilities	75,977	16,137	92,114
2023			
Trade and other payables*	61,642	730	62,372
Loans and borrowings	13,870	5,512	19,382
Lease liabilities	11,192	23,272	34,464
Total undiscountedfinancial liabilities	86,704	29,514	116,218

* Trade and other payables exclude trade deposit from customers and sales and service tax payable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

37. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Company				
Financial liabilities				
2024				
Other payables, representing total undiscounted financial liabilities	2,905	-	-	2,905
2023				
Other payables, representing total undiscounted financial liabilities	1,143	-	-	1,143

Financial guarantees

As disclosed in Note 37(a), the Company has provided corporate guarantees in favour of its subsidiary in relation to the borrowings.

As at the reporting date, the counterparties to the financial guarantees do not have the right to demand cash as there is no default event by the subsidiary.

The maturity analysis of the financial guarantees is disclosed as follows:

	2024 RM'000	2023 RM'000
Company		
Within one year	3,085	4,030
One to five years	2,257	4,634
	5,342	8,664

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to market risk for changes in interest rates arises primarily from its debt obligations with floating interest rates. Interest rate exposure is managed by maintaining a balanced mix of fixed and floating rate borrowings and regular reviews of its debt portfolio.

Information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

At the reporting date, it is estimated that a 100 basis points increase in interest rate, with all other variables held constant, would increase the Group's loss net of tax by approximately RM40,000 (2023: RM60,000), arising mainly as a result of higher interest expense on floating interest rate borrowing. A decrease in interest rate would have had equal but opposite effect on the aforesaid amount, on the basis that all other variables remained constant.

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

37. Financial risk management objectives and policies (cont'd.)

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily Ringgit Malaysia ("RM"), Australian Dollar ("AUD") and Renminbi ("RMB"). The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD"), AUD and EURO ("EUR").

As at 31 December 2024, the Group uses forward currency contracts to eliminate the currency exposures after it has entered into a firm commitment for certain sales and purchases, with settlement dates range from January 2025 to March 2025.

The Group also hold cash and bank balances denominated in foreign currencies for working capital purposes. At the reporting date, the Group's foreign currency balances denominated in USD, AUD and SGD amounted to RM510,000 (2023: RM400,000) for its Malaysian operations. The Group's overseas subsidiaries hold cash and bank balances denominated in foreign currency, i.e. USD, AUD and EUR other than its functional currency amounted to RM23,516,000 (2023: RM14,780,000).

Exposure to foreign currency risk

The Group's exposure to foreign currency risk (other than the functional currency of the Group entities), based on carrying amounts as at the end of the reporting period are mainly derived from the following:

			Denominated in		
Group	**USD**	**AUD**	**SGD**	**EUR**	**Total**
	RM'000	RM'000	RM'000	RM'000	RM'000
Balances recognised in the statements of financial position					
2024					
Trade and other receivables	7,864	36,742	-	48	44,654
Cash and bank balances	13,324	10,196	500	6	24,026
Trade and other payables	(8,894)	-	(58)	(1,198)	(10,150)
	12,294	46,938	442	(1,144)	58,530
2023					
Trade and other receivables	8,589	35,949	-	-	44,538
Cash and bank balances	5,500	9,679	-	1	15,180
Trade and other payables	(4,703)	-	-	(1,329)	(6,032)
	9,386	45,628	-	(1,328)	53,686

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

37. Financial risk management objectives and policies (cont'd.)

(d) Foreign currency risk (cont'd.)

The Company's exposure to foreign currency risk (other than the functional currency of the Company), based on carrying amounts as at the end of the reporting period are mainly derived from the following:

			Denominated in		
Company	**USD**	**AUD**	**SGD**	**EUR**	**Total**
	RM'000	RM'000	RM'000	RM'000	RM'000
2024					
Other receivable	-	5,092	-	-	5,092
Cash and bank balances	3	2	500	-	505
	3	5,094	500	-	5,597
2023					
Other receivables	-	5,727	-	-	5,727

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including People's Republic of China, Australia and Vietnam.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and the Company's loss net of tax to a reasonably possible strengthening/weakening of 10% (2023: 10%) to the USD, AUD, SGD and EUR exchange rates against the functional currency of the Group and of the Company, with all other variables held constant.

		Group Loss net of tax Decrease/(Increase)		Company Loss net of tax Decrease/(Increase)	
		2024	**2023**	**2024**	**2023**
		RM'000	RM'000	RM'000	RM'000
USD	- Strengthened	923	708	-*	-
	- Weakened	(923)	(708)	-*	-
AUD	- Strengthened	3,554	3,456	387	435
	- Weakened	(3,554)	(3,456)	(387)	(435)
SGD	- Strengthened	34	-	38	-
	- Weakened	(34)	-	(38)	-
EUR	- Strengthened	(90)	(101)	-	-
	- Weakened	90	101	-	-

* Represent amount less than RM1,000

As at 31 December 2024 and 2023, no impact is expected on the equity or other comprehensive income arising from any reasonable possible change in foreign currency rate as the Group and the Company do not have any financial instruments which the effects of changes in fair value or carrying amounts of the financial instruments would be taken directly to equity.

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to market price risk and the risk of impairment in the value of unit trust investments held. The Group and the Company manage the risk of impairment by evaluation of investment securities, continuously monitoring the performance of investments held and assessing market risk relevant to which the investments operate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

37. Financial risk management objectives and policies (cont'd.)

(e) Market price risk (cont'd.)

Sensitivity analysis for equity price risk

At the reporting date, if prices for equity securities increase by 100 basis points with all other variables being held constant, the loss net of tax will be RM99,000 (2023: RM134,000) lower as a result of higher fair value gain on fair value through profit or loss investments in equity instruments. A 100 basis points decrease in underlying equity prices would have had the equal but opposite effect to the amounts shown above.

38. Capital management

The primary objective of the Group's capital management is to maintain an optimal capital structure in order to support its business and enhance its shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions, risk inherent in its business operations or expansion plan of the Group. The initiatives in maintaining the Group's capital structure include issuance of shares, adjusting dividend payment to shareholders, or returning capital to shareholders. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 31 December 2023.

As disclosed in Note 24(a), a subsidiary of the Group is required by the Foreign Enterprise Law of the People's Republic of China to contribute to and maintain a non-distributable reserve fund whose utilisation is subject to the approval by the relevant foreign authority. This externally imposed capital requirement has been complied with by the subsidiary for the financial years ended 31 December 2024 and 2023.

One of the Group's Australian subsidiaries is subjected to loan covenants under its financing arrangement which requires the subsidiary to maintain a minimum capital adequacy ratio of 40% at all times. Further details are disclosed in Note 25.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, loans and borrowings and lease liabilities, less cash and bank balances. Capital includes equity attributable to the owners of the parent less translation adjustment account and the above-mentioned restricted reserve fund.

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade and other payables	28	63,844	69,153	2,905	1,143
Loans and borrowings	25	11,305	18,202	-	-
Lease liabilities	30	20,075	32,509	-	-
Less: Cash and cash balances	22	(43,457)	(47,339)	(3,654)	(6,989)
Net debt/(cash)		51,767	72,525	(749)	(5,846)
Equity attributable to equity holder of the Company		267,383	297,361	198,091	201,496
Less: Other reserves	24	(17,564)	(18,333)	-	-
Capital		249,819	279,028	198,091	201,496
Net debt/(cash)		51,767	72,525	(749)	(5,846)
Capital		249,819	279,028	198,091	201,496
Total capital plus net debt		301,586	351,553	197,342	195,650
Gearing ratio		17%	21%	N/A*	N/A*

* Not applicable as the Company is in a net cash position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

39. Segmental reporting

The Group operates principally in one industry and is organised into four operating segments according to geographical locations based on information reported internally.

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit or loss net of tax and non-controlling interests.

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

Transfer prices between business segments are set on mutually agreed terms. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

At 31 December 2024	Malaysia operation RM'000	China operation RM'000	Australia operation RM'000	Vietnam operation RM'000	Total RM'000
Revenue					
Total sales	177,508	21,116	128,018	1,401	328,043
Less: Inter-segment sales	(14,913)	(1,880)	-	-	(16,793)
	162,595	19,236	128,018	1,401	311,250
Results					
Segment operating (loss)/profit	(18,130)	3,232	(9,662)	(480)	(25,040)
Finance costs	(463)	-	(1,566)	-	(2,029)
(Loss)/profit before tax	(18,593)	3,232	(11,228)	(480)	(27,069)
Income tax (expense)/credit	(282)	1,696	(2,538)	-	(1,124)
(Loss)/profit for the year	(18,875)	4,928	(13,766)	(480)	(28,193)
Non-controlling interests	-	(1,010)	-	(6)	(1,016)
(Loss)/profit attributable to owners of the parent	(18,875)	3,918	(13,766)	(486)	(29,209)
Assets					
Segment assets	219,177	58,353	70,600	958	349,088
Other investments	13,027	-	-	-	13,027
Intangible assets	-	-	4,343	-	4,343
Tax recoverable	249	-	-	-	249
Deferred tax assets	1,941	2,254	-	-	4,195
Assets held for sale	8,993	-	-	-	8,993
Total assets	243,387	60,607	74,943	958	379,895
Liabilities					
Segment liabilities	30,213	9,840	28,903	87	69,043
Loans and borrowings	5,622	-	5,683	-	11,305
Lease liabilities	414	-	19,661	-	20,075
Tax payable	207	54	-	-	261
Deferred tax liabilities	-	-	1,203	-	1,203
Total liabilities	36,456	9,894	55,450	87	101,887
Other information					
Depreciation (Note A)	9,516	1,742	7,598	48	18,904
Amortisation of intangible assets	-	-	418	-	418
Additions to non-current assets (Note B)	4,361	-	1,330	-	5,691
Impairment loss on non-current assets (Note C)	(359)	-	7,229	-	6,870
Inventories (write back)/written down	1,248	(309)	(1,319)	(117)	(497)
Property, plant and equipment written off	-	168	568	-	736
(Gain)/loss on disposal of property, plant and equipment	(26)	57	-	-	31
Interest income	125	276	129	-	530

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

39. Segmental reporting (cont'd.)

	Malaysia operation RM'000	China operation RM'000	Australia operation RM'000	Vietnam operation RM'000	Total RM'000
At 31 December 2023					
Revenue					
Total sales	173,353	24,540	131,085	1,658	330,636
Less: Inter-segment sales	(17,019)	(3,495)	-	-	(20,514)
	156,334	21,045	131,085	1,658	310,122
Results					
Segment operating loss	(7,523)	(13,475)	(15,862)	(738)	(37,598)
Finance costs	(719)	-	(1,727)	-	(2,446)
Loss before tax	(8,242)	(13,475)	(17,589)	(738)	(40,044)
Income tax (expense)/credit	(812)	205	524	-	(83)
Loss for the year	(9,054)	(13,270)	(17,065)	(738)	(40,127)
Non-controlling interests	-	2,540	-	363	2,903
Loss attributable to owners of the parent	(9,054)	(10,730)	(17,065)	(375)	(37,224)
Assets					
Segment assets	237,937	50,988	111,781	1,888	402,594
Other investments	17,641	-	-	-	17,641
Intangible assets	-	-	8,179	-	8,179
Tax recoverable	185	-	-	-	185
Deferred tax assets	1,340	731	3,687	-	5,758
Assets held for sale	-	-	758	-	758
Total assets	257,103	51,719	124,405	1,888	435,115
Liabilities					
Segment liabilities	13,179	11,710	49,290	141	74,320
Loans and borrowings	11,108	-	7,094	-	18,202
Lease liabilities	2,256	-	30,253	-	32,509
Tax payable	438	235	-	-	673
Deferred tax liabilities	-	-	1,914	-	1,914
Total liabilities	26,981	11,945	88,551	141	127,618
Other information					
Depreciation (Note A)	10,216	2,142	10,981	29	23,368
Amortisation of intangible assets	-	-	436	-	436
Additions to non-current assets (Note B)	7,191	963	5,863	177	14,194
Impairment loss on non-current assets (Note C)	1,214	2,422	11,084	-	14,720
Inventories (write back)/written down	(1,310)	54	2,043	461	1,248
Property, plant and equipment written off	3	3,512	21	-	3,536
Gain on disposal of property, plant and equipment	(8,817)	(94)	-	-	(8,911)
Interest income	124	265	116	-	505

Note A : Depreciation comprises property, plant and equipment, right-of-use assets and investment properties.
Note B : Non-current assets comprise property, plant and equipment, right-of-use assets, and investment properties.
Note C : Non-current assets comprise property, plant and equipment, right-of-use assets, investment properties, and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

40. Contingent liabilities

Save as disclosed below, there is no contingent liabilities as at the reporting date:

Syarikat Air Negeri Sembilan ("SAINS") (Water Bill)

This case involved one of the Malaysian subsidiary namely, Kim Hin Ceramic (Seremban) Sdn. Bhd. ("KHCS"). This relates to water supply at Gunung Fibre Optik ("GFO") since August 2016 where the water billing amount was only RM15 every month. KHCS has reported to SAINS that there was some issues with the water meter but there were no action taken by SAINS.

On 23 February 2023, SAINS received a complaint from the villagers and workshop nearby that there is water leakage from an unknown source behind the factory. SAINS officer came over and issued a letter that KHCS should make a payment amounting RM947,000. SAINS has also checked the pipeline at the Nepalese hostel at GFO. SAINS declared that some pipelines were broken internally and has reverted to KHCS on this matter.

The total claim as demanded by SAINS has revised to RM960,000 as of 8 August 2023. However, KHCS believes that as only limited water was utilised, KHCS is only agreeable to pay an amount of RM154,000, of which this is based on the average water bill from March 2024 to December 2024 and intends to counter-propose the settlement of RM154,000 to SAINS during mediation. The trial of the case is fixed on 8 September 2025. A letter from the Court dated 9 April 2025 stating that the Court has fixed a new Case Management date on 28 April 2025 with the purpose of bringing forward the trial date.

Subsequently, the Court has fixed new trial dates on 23 June 2025, 1 July 2025, and 9 July 2025. The original trial date on 8 September 2025 remains maintained.

The external legal counsel is of the opinion that KHCS would have a good chance of success in this case. The Group has made provision of liability of RM154,000 as at 31 December 2024 (2023: RM154,000) in relation to this legal case.

41. Subsequent event

Impact of United States Tariffs

On 2 April 2025, President Donald Trump of the United States ("US") signed an executive order imposing a minimum 10% tariff on all US imports effective 5 April 2025. On 9 April 2025, the US President announced a 90-day pause on tariffs for many trading nations. However, the baseline 10% tariff remains in place for all affected imports into the US, as well as reciprocal tariffs relating to certain countries and industries. These tariffs, some of which may be subject to change, impact all US trading partners including the Group to varying degrees.

The Group anticipates that the US tariffs will result in reductions in orders from its US customers and possible disruptions in supply chains in the next financial year. However, there are many uncertainties as to the duration, possible exemptions and exclusions, as well as the extent of any retaliatory tariffs imposed on the US by other countries. Therefore, it is not possible for the Group to assess and determine the full impact of the US tariff on its revenue, earnings, cash flow and financial condition at this juncture. The Group will continue to monitor the development of these events and shall implement appropriate measures, where required to mitigate the impact of US tariff on the Group's business.

42. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2024 were authorised for issue by the Board in accordance with a resolution of the directors on 29 April 2025.

STATISTICS ON SHAREHOLDINGS
AS AT 28 MARCH 2025

Analysis by Size of Shareholdings as at 28 March 2025

Total number of issued shares	:	155,616,013
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

Category	No. of Shareholders	% of Shareholders	No. of Shares ♦	% of Shares ♦
1 to 99	87	3.476	3,366	0.003
100 to 1,000	574	22.933	397,371	0.283
1,001 to 10,000	1,395	55.733	5,564,525	3.968
10,001 to 100,000	376	15.022	11,953,801	8.524
100,001 to less than 5% issued shares	69	2.756	36,130,225	25.763
5% and above of issued shares	2	0.080	86,189,825	61.459
TOTAL	**2,503**	**100.000**	**140,239,113**	**100.000**

List of Thirty (30) Largest Shareholders as at 28 March 2025

No.	Name	No. of Shares ♦	% ♦
1.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB For Kim Hin (Malaysia) Sdn. Bhd. (PB)	62,254,025	44.391
2.	Kim Hin (Malaysia) Sdn. Bhd.	23,935,800	17.068
3.	Lim Pei Tiam @ Liam Ahat Kiat	6,200,000	4.421
4.	Galister International Ltd.	3,900,000	2.780
5.	UOBM Nominees (Asing) Sdn. Bhd. United Overseas Bank Nominees (Pte) Ltd For China Cruise Company Ltd.	2,582,400	1.841
6.	CitiGroup Nominees (Asing) Sdn. Bhd. Exempt An For Bank of Singapore Limited (Foreign)	2,000,000	1.426
7.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Pay Kaon	1,500,000	1.069
8.	Chua Seng Huat	1,113,225	0.793
9.	Choo Kok Heng	851,200	0.606
10.	HLB Nominees (Tempatan) Sdn. Bhd. Pledge Securities Account for Wong Kie Yung	811,300	0.578
11.	Wong Kie Yung	802,300	0.572
12.	Maybank Nominees (Tempatan) Sdn. Bhd. Chua Eng Ho Wa'a @ Chua Eng Wah	795,600	0.567
13.	Chai Beng Hwa	710,000	0.506
14.	Goh Thong Beng	667,000	0.475
15.	HSBC Nominees (Asing) Sdn. Bhd. Exempt An For The Hongkong And Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)	650,000	0.463
16.	Ho Kok Kiang	638,800	0.455
17.	Gan Kho @ Gan Hong Leong	600,800	0.428
18.	Chua Seng Guan	566,000	0.403
19.	Tan Aik Choon	561,700	0.400
20.	Dato' John Chua Seng Chai	524,650	0.374

STATISTICS ON SHAREHOLDINGS
AS AT 28 MARCH 2025

21.	Asia Selatan (M) Sdn. Bhd.	490,000	0.349
22.	Taman Bunga Merlimau Sdn. Bhd.	486,000	0.346
23.	Cheng Kok Sang	474,800	0.338
24.	Liau Keen Yee	440,000	0.313
25.	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Exempt An For CGS International Securities Singapore Pte. Ltd. (Retail Clients)	398,000	0.283
26.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Sim Leck Seng (E-SS2)	389,200	0.277
27.	Kenanga Nominees (Asing) Sdn. Bhd. Exempt An for Phillip Securities Pte Ltd (Client Account)	359,000	0.255
28.	Pauline Getrude Chua Hui Lin	328,900	0.234
29.	Ong Liang Teck	295,300	0.210
30.	Ngu Meng Chung	272,600	0.194

List of Directors' Shareholdings as at 28 March 2025

No.	Name	Direct	Indirect
1.	Chua Seng Huat	1,113,225	86,189,825*
2.	Dato' John Chua Seng Chai	524,650	86,189,825*
3.	Chua Seng Guan	566,000	86,189,825*
4.	Pauline Getrude Chua Hui Lin	328,900	86,204,175*Δ
5.	Chua Yew Lin	242,400	86,189,825*
6.	Dato Sim Kheng Boon	-	-
7.	Kho Soon Kheng	-	-
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Aw Tai Hui	10,000	-

List of Substantial Shareholders as at 28 March 2025

		No. of shares			
No.	Name of Substantial Shareholders	Direct	% ♦	Indirect	% ♦
1.	Kim Hin (Malaysia) Sdn. Bhd.	86,189,825^	61.459	-	-
2.	Chua Seng Guan	566,000	0.403	86,189,825*	61.459
3.	Dato' John Chua Seng Chai	524,650	0.374	86,189,825*	61.459
4.	Chua Seng Huat	1,113,225	0.793	86,189,825*	61.459
5.	Pauline Getrude Chua Hui Lin	328,900	0.234	86,204,175*Δ	61.469
6.	Chua Yew Lin	242,400	0.172	86,189,825*	61.459
7.	Chua Seng Khoon	-	-	86,189,825*	61.459

Notes:

♦ Exclude treasury shares of 15,376,900 as at 28 March 2025.
* Deemed interest by virtue of shareholdings in Kim Hin (Malaysia) Sdn. Bhd.
Δ Deemed interested by virtue of 14,350 shares held by her spouse, Mr. Charles Pan Chyi.
^ Shares of 62,254,025 held through CIMSEC Nominees (Tempatan) Sdn. Bhd.

PARTICULARS OF THE GROUP'S PROPERTIES

Details of the top 10 properties of the Group as at 31 December 2024, all of which are leasehold/freehold properties, set out below:

No	Location	Description / Existing Use	Year of Revaluation/ Acquisition	Approximate Age Of Building (Year)	Land/Area M2	Leasehold Expiry Date	NBV '000 (RM)
	SARAWAK						
1	Lot 2124 Block 226 Kuching North Land District	Country Land/ Mixed Zone Land; 3 Storeys Old Office Block	1992	40	60,187	13/07/2057	8,938
	Lot 96, 929 & 930, Block 226 Kuching North Land District	Factory Building, Worker Quarters, Warehouse, 3 Storeys New Office	1992	33 33 33 29	66,330	31/12/2038	
	FEDERAL TERRITORY						
2	B-31-05, Pavillion Residences 2, No.77, Jalan Raja Chulan, 50200 Kuala Lumpur	Service Residences	2009	18	223	31/12/2099	1,608
3	39-08, Menara The Stride Bukit Bintang City Centre, No 2, Jalan Hang Tuah, Bukit Bintang, 55100 Kuala Lumpur	Strata office	2017	3	110	freehold	1,162
	NEGERI SEMBILAN						
4	HS(D) 43950 to HS(D) 43963 Lot 10807 To Lot 10820 Mukim Rentau, Daerah Seremban	Industrial Land Factory and Office Building	1989	- 35, 14 27	61,500	freehold	23,127
5	Lot 10806, GRN 116899 Tuanku Jaafar Industrial Estate Sungai Gadut, Daerah Seremban	Industrial Land Warehouse	2013	- 29	44,456	freehold	14,842
6	Hakmilik PN229220, Lot 1780, Pekan Senawang, Daerah Seremban	Industrial Land	2016	-	12,173	20/7/2052	
	Hakmilik H.S.(D) 128462, P.T. 1329 (Plot 75B), Mukim Ampangan, Daerah Seremban	Industrial Land, Factory and Office Building	2016	37	16,187	8/7/2080	24,492
	Hakmilik PN 48805, Lot 61215, Pekan Senawang, Daerah Seremban	Industrial Land, Factory and Office Building	2016	45	40,000	11/12/2074	
	SINGAPORE						
7	#08-10 Goodwood Residence 263, Bukit Timah Road 259704 Singapore	Condominium	2010	11	233	freehold	12,005
	THE PEOPLE'S REPUBLIC OF CHINA						
8	655, Xianju Road Zhujing Development Area Jinshan District, Shanghai 201599	Industrial Land Factory/Office Building	1992	- 30	199,350	05/11/2042	15,760
9	Unit 610, 5th Floor, No. 108 Qibao Wan Xin International Center Lane 1333, Xinlong Road, Shanghai	Office Unit	2018	5	250.79	2069	6,078
	AUSTRALIA						
10	Unit 5102/11 Bale Circuit Southbank, VIC 3026	Condominium	2020	5	190	freehold	5,726

KIM HIN INDUSTRY BERHAD

Registration No.: 197301003569 (18203-V)
(Incorporated in Malaysia)

Number of shares held	
CDS Account No.	

FORM OF PROXY

I/We .... (Name in full) .... (IC/Company No.)

of .... (Address) being a member/

members of KIM HIN INDUSTRY BERHAD ("the Company"), hereby appoint ....

(Name in full) .... (IC No.) of ....

.... (Address) or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Fifty-Second Annual General Meeting ("52nd AGM") of the Company to be held at Kim Hin Industry Berhad's Conference Room, 4 ½ Mile, Kung Phin Road, Off Penrissen Road, 93250 Kuching, Sarawak, Malaysia on Thursday, 29 May 2025, at 2.00 p.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To re-elect Mr. Chua Seng Huat as the Director of the Company pursuant to Clause 118 of the Company's Constitution and, being eligible, offer himself for re-election.		
2.	To re-elect Mr. Chua Seng Guan as the Director of the Company pursuant to Clause 118 of the Company's Constitution and, being eligible, offer himself for re-election.		
3.	To re-elect Mr. Aw Tai Hui as the Director of the Company pursuant to Clause 117 of the Company's Constitution and, being eligible, offer himself for re-election.		
4.	To approve the payment of directors' fees and directors' meeting allowances up to RM486,000 for the period from 1 January 2025 to the next AGM.		
5.	To re-appoint Messrs. Ernst & Young PLT as auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.		
6.	To authorise the Directors to allot and issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016 and to approve the waiver of statutory pre-emptive rights of the shareholders of the Company.		
7.	To approve the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Shareholders' Mandate").		

Please indicate "X" in the appropriate box against each resolution how you wish your vote to be casted. If no specific direction as to voting is indicated, the proxy will vote or abstain at his/her direction.

Dated this .... day of May 2025.

....
Signature of shareholder(s)/Common Seal

Notes

1. *Only Depositors whose names appear in the General Meeting Record of Depositors as at 22 May 2025 be regarded as Members and shall be entitled to attend, speak and vote at the 52nd AGM.*
2. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her place. A proxy need not be a member of the Company. Where a holder appoints two or more proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.*
3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *A corporation which is a member may by resolution of its directors authorise such person as it thinks fit to act as its representative at the meeting pursuant to Section 333 of the Companies Act 2016 and the form of proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney, and the person so appointed may attend and vote at the meeting at which the appointer is entitled to vote.*
6. *The instrument appointing a proxy or representative must be deposited at the registered office at 4 ½ Mile, Kung Phin Road, Off Penrissen Road, 93250 Kuching, Sarawak, Malaysia not less than forty-eight (48) hours before the time for holding the meeting.*
7. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.*
8. *Registration will start at 1:00 p.m. at Kim Hin Industry Berhad's Conference Room, 4 ½ Mile, Kung Phin Road, Off Penrissen Road, 93250 Kuching, Sarawak, Malaysia on Thursday, 29 May 2025.*

Affix Stamp

The Company Secretary
Kim Hin Industry Berhad
Registration No.: 197301003569 (18203-V)
4 1/2 Mile, Kung Phin Road,
Off Penrissen Road,
93250 Kuching, Sarawak, Malaysia.

KIM HIN INDUSTRY BERHAD
Registration No.: 197301003569 (18203-V)

Head Office and Factory
4 1/2 Mile, Kung Phin Road, Off Penrissen Road,
93250 Kuching, Sarawak, Malaysia.
Tel : 082-451567, 458857, 451017
Fax : 082-452135
http : //www.kimhin.com.my
http : //www.kimgres.com