



# **TSA GROUP BERHAD**

Registration No. 202201010003 (1455700-A)

***CREATE MUTUAL AND  
LASTING INTEREST AND VALUES***

***ANNUAL REPORT  
2024***

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## VISION

To continuously provide customers with trusted products and services and be a leading total industrial supplier in Malaysia and the Region.



## MISSION

- **COMMITMENT TO BUSINESS**  
*Sustainable growth in sales and earnings through innovative products development to meet customers' evolving needs.*
- **COMMITMENT TO CUSTOMERS**  
*Act with integrity at all times, upholding our values and ethics, and building trust through long-term relationship.*
- **COMMITMENT TO EMPLOYEES**  
*Equal access to career development opportunities under one "Big-Family" through performance excellence and reward.*
- **COMMITMENT TO SHAREHOLDERS**  
*Value creation through resilience and best-in-class shareholders' returns.*



## VALUES



Wholeheartedly meet customers' needs and requirements



Acknowledge importance of supply chain relationship



Accountable to shareholders through best in class returns



Respect the dignity and contribution of employees through empowerment



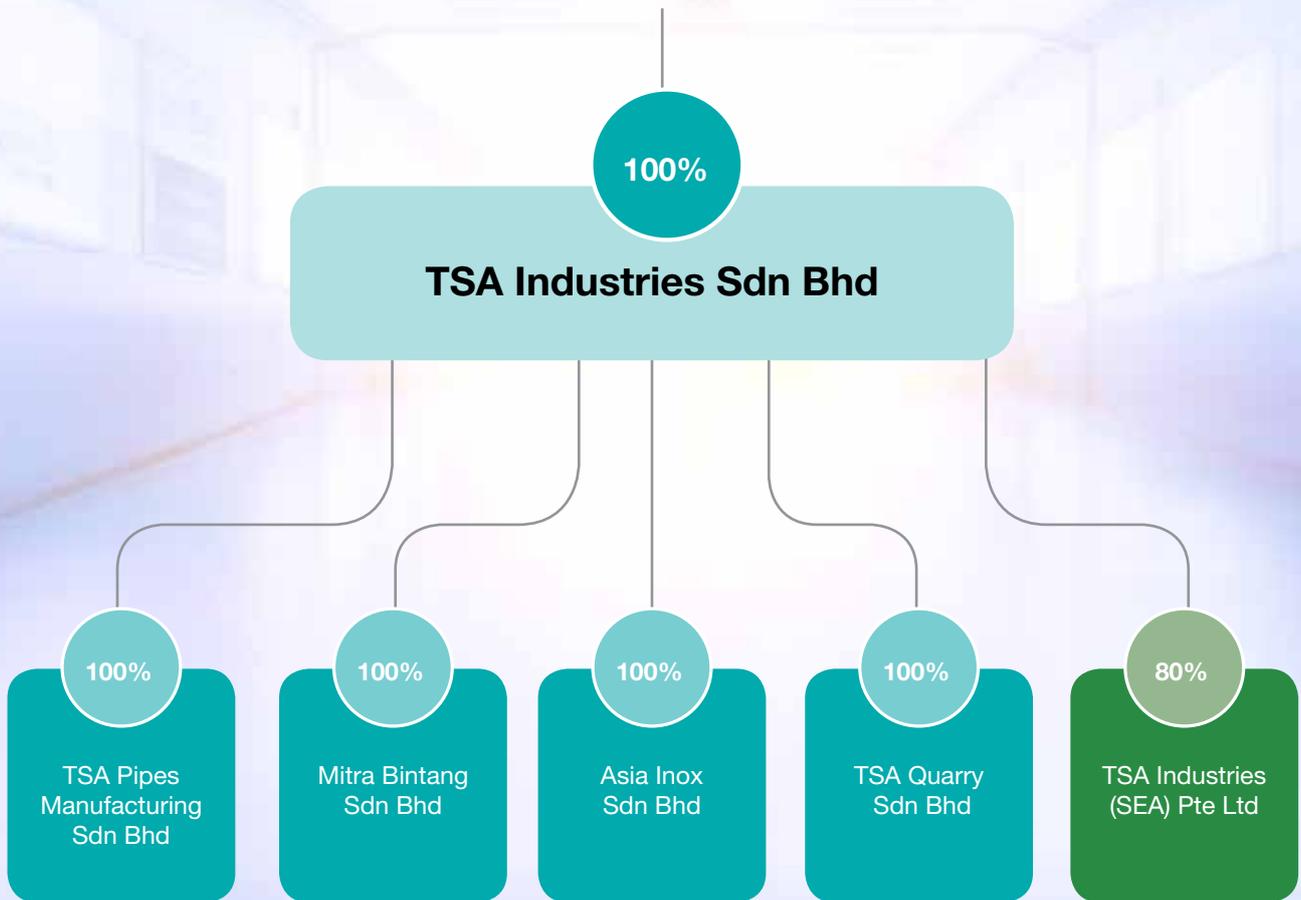
Recognize the concerns and needs of society

# GROUP STRUCTURE

AS AT 28 MARCH 2025



## TSA GROUP BERHAD



## CORPORATE INFORMATION



### Lim Hun Soon @ David Lim

Independent Non-Executive Chairman

### Chong Chin Look Karmjit Kaur A/P Sarban Singh Shahira Binti Abdul Aziz

Independent Non-Executive Directors

### Chew Kuan Fah

Group Managing Director

### Chew Yik Wai Ng Kim Liang

Executive Directors

#### AUDIT AND RISK MANAGEMENT COMMITTEE

**Chong Chin Look**  
(Chairperson)

**Karmjit Kaur A/P Sarban Singh**

**Shahira Binti Abdul Aziz**

#### NOMINATING COMMITTEE

**Shahira Binti Abdul Aziz**  
(Chairperson)

**Chong Chin Look**

**Karmjit Kaur A/P Sarban Singh**

#### REMUNERATION COMMITTEE

**Karmjit Kaur A/P Sarban Singh**  
(Chairperson)

**Chong Chin Look**

**Shahira Binti Abdul Aziz**

#### COMPANY SECRETARY

**Goh Chooi Woon**  
(SSM PC NO. 201908000145)  
(MAICSA 7056110)

#### AUDITORS

**Crowe Malaysia PLT**  
201906000005  
(LLP0018817-LCA) & AF 1018  
Chartered Accountants  
Level 16, Tower C, Megan Avenue II  
12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Tel : (603) 2788 9999

#### SPONSOR

**AmInvestment Bank Berhad**  
(197501002220 (23742-V))  
Level 21, Bangunan AmBank Group  
No.55 Jalan Raja Chulan  
50200, Kuala Lumpur  
Tel : (603) 2036 2633  
Fax : (603) 2032 4263

#### SHARE REGISTRAR

**Tricor Investor & Issuing House Services Sdn Bhd**  
(197101000970 (11324-H))  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite,  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel : (603) 2783 9299  
Fax : (603) 2783 9222

#### PRINCIPAL BANKERS

Al Rajhi Banking & Investment Corporation (Malaysia) Bhd  
AmBank Islamic Berhad  
Hong Leong Bank Berhad  
United Overseas Bank (Malaysia) Bhd

#### REGISTERED OFFICE & HEAD OFFICE

Lot 3998, Jalan 6/2A  
Taman Industri Selesa Jaya  
43300 Balakong  
Selangor  
Tel : (603) 8962 2888  
Fax : (603) 8962 1888

#### STOCK EXCHANGE LISTING

**ACE Market of Bursa Malaysia Securities Berhad**

Stock Name: TSA  
Stock Code: 0297

## KEY FINANCIAL HIGHLIGHTS

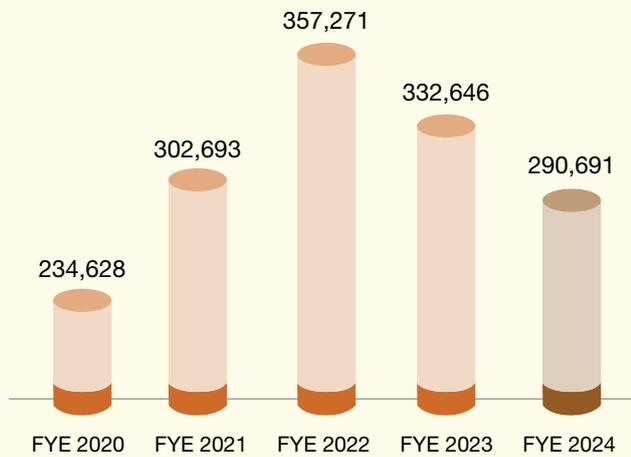
	FYE 2020 <sup>(1)</sup> RM'000	FYE 2021 <sup>(1)</sup> RM'000	FYE 2022 <sup>(1)</sup> RM'000	FYE 2023 RM'000	FYE 2024 RM'000
<b>Revenue</b>					
- continuing operations	234,628	302,693	357,271	332,646	290,691
Profit before taxation <sup>(2)</sup>	15,216	52,552	50,126	24,150	24,181
Profit after taxation <sup>(2)</sup>	5,203	40,284	40,659	17,107	17,660
<b>Profit after taxation attributable to owner of the Company</b>					
- continuing operations	4,906	39,459	39,848	16,327	17,484
- discontinued operations	(172)	(1,311)	(516)	-	-
<b>Financial Position</b>					
Total assets	209,608	260,653	241,366	223,011	277,241
Total borrowings	55,911	69,416	64,746	60,291	71,595
Equity attributable to owners of the Company	119,800	123,007	147,729	139,682	181,764
<b>Key Financial Ratio</b>					
Gearing ratio (times)	0.47	0.56	0.44	0.43	0.39
Net assets per share attributable to owners of the Company (RM) <sup>(3)</sup>	23.96	24.60	29.54	0.60	0.59
<b>Basic and diluted earning per shares (sen)</b>					
- continuing operations	98	789	797	41 <sup>(4)</sup>	6 <sup>(5)</sup>
- discontinued operations	(3)	(26)	(10)	-	-

### Notes:

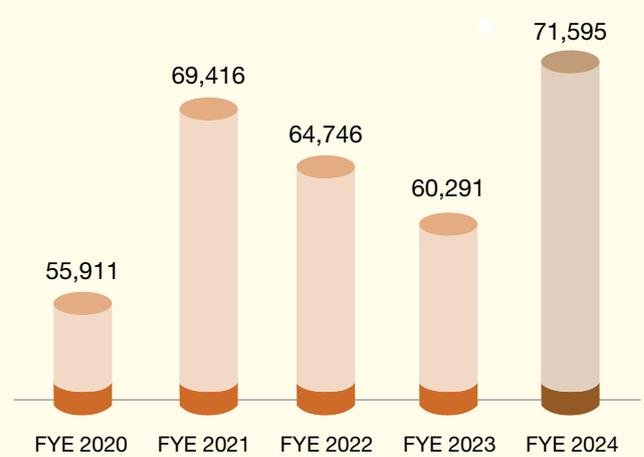
- <sup>(1)</sup> TSA Group Berhad was incorporated in Malaysia on 18 March 2022. The Company completed the acquisition of the entire equity interest of TSA Industries on 31 October 2023. As a result of completion of the acquisition TSA Industries Sdn Bhd, TSA Pipes Manufacturing Sdn Bhd, Mitra Bintang Sdn Bhd, TSA Industries (SEA) Pte Ltd and Asia Inox Sdn Bhd become subsidiaries of TSA Group Berhad. As such, the historical financial information of TSA Group Berhad for FYE 2020-2022 is presented based on the audited financial statement of TSA Industries Sdn Bhd and its subsidiaries.
- <sup>(2)</sup> The results are from continuing operation.
- <sup>(3)</sup> The net assets per share attributable to owners of the Company for FYE 2020 - 2022 is calculated based on the equity attributable to the owner of the Company divided by number of shares issued by TSA Industries Sdn Bhd.
- <sup>(4)</sup> Based on weighted average number of ordinary shares of the Company after the completion of the acquisition of TSA Industries Sdn Bhd via issuance of 231,974,000 shares but before the issuance of new shares pursuant to the IPO of the Company.
- <sup>(5)</sup> Based on weighted average number of ordinary shares of the Company after the completion of the initial public offering ("IPO") of the Company on 2 February 2024 with the issuance of 77,325,000 new ordinary shares.

Key Financial Highlights  
(cont'd)

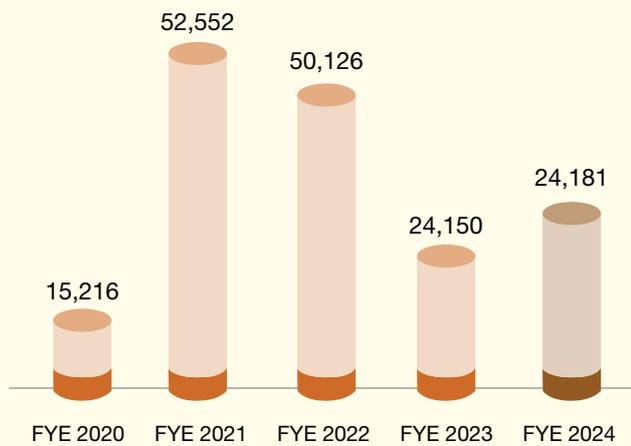
**Revenue (RM'000)**



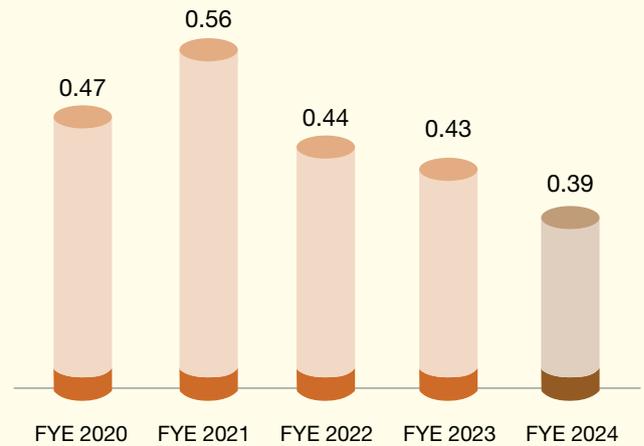
**Total borrowings (RM'000)**



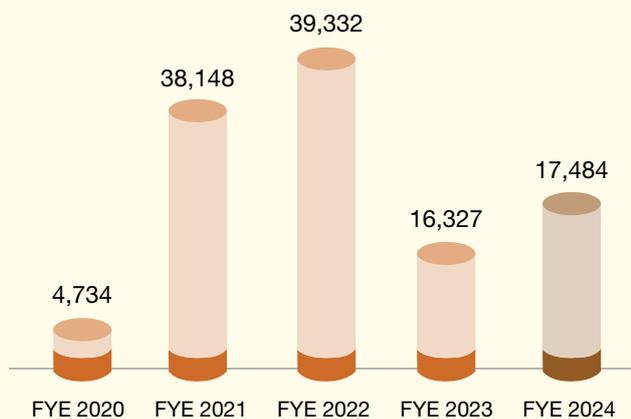
**Profit before taxation (RM'000)**



**Gearing ratio (times)**



**Profit after taxation attributable to owner of the Company<sup>(1)</sup> (RM'000)**



**Net assets per share attributable to owners of the Company (RM)**



Note : <sup>(1)</sup> The results are from continuing and discontinued operations.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS OVERVIEW

TSA Group Berhad, a company listed on Bursa Malaysia Securities Berhad (“Bursa”)’s ACE Market, consisting of TSA Group Berhad and its subsidiaries, is principally involved in the trading of stainless steel and other metal products, hardware and other products, as well as the manufacturing of stainless steel pipes and processing stainless steel products.

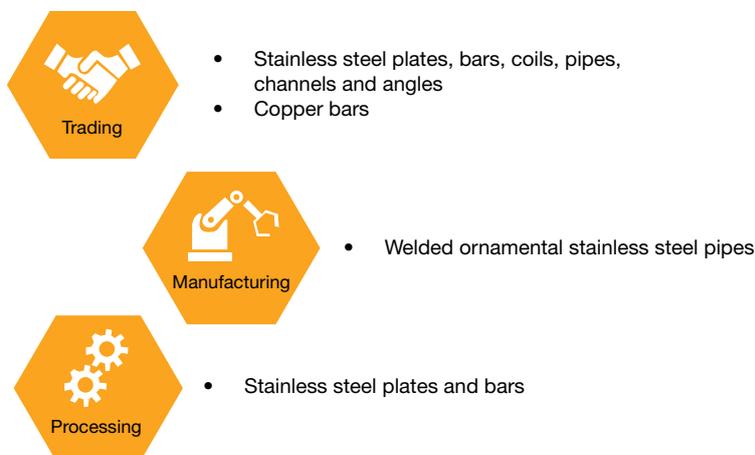
The activities of the Group are carried out by the following companies:

Company	Principal activities
TSA Group Berhad (“TSA”)	Investment holding
Mitra Bintang Sdn Bhd (“Mitra Bintang”)	Investment holding
TSA Industries Sdn Bhd (“TSA Industries”)	Investment holding, distribution and supply of ferrous and non-ferrous metal and other industrial hardware products, and manufacturing and processing of stainless steel pipes and other metal products
TSA Industries (SEA) Pte Ltd (“TSA Singapore”)	Distribution and supply of ferrous and non-ferrous metal and other industrial hardware products
TSA Pipes Manufacturing Sdn Bhd (“TSA Pipes”)	Dormant
Asia Inox Sdn Bhd (“Asia Inox”)	Dormant
TSA Quarry Sdn Bhd (“TSA Quarry”)	Dormant <sup>1</sup>

<sup>(1)</sup> TSA Quarry was incorporated on 4 March 2025.

Our Group’s headquarters and manufacturing facilities are based in Selangor, and our main markets and operations are in Malaysia and Singapore. The Group exports its products to Australia, Bangladesh, Brunei, France, Indonesia, Maldives, Thailand, and the United Kingdom.

Our main business activities and revenue streams include the following:



## Management Discussion and Analysis (cont'd)

### BUSINESS OVERVIEW (CONT'D)

- Trading of metal and other products

The trading of metal and other products is the largest revenue contributor of the Group, where the products traded include the following:

Products	Descriptions
Rolled metal products	Plates, bars, and coils, mainly of stainless steel and also other metals such as copper, aluminium, brass, bronze, lead, and carbon steel
Pipes	Mainly stainless steel, but also include carbon steel, aluminium, bronze, brass, and copper
Channels and angles	Mainly stainless steel, but also include other metals such as aluminium, bronze, copper, brass, carbon steel and other metals
Hardware and others	Include amongst others, expanded metal, engineered plastics, household and industrial cleaning chemicals, ironmongeries, busbar components and switchboard components

- Manufacturing of stainless steel pipes

We manufacture welded ornamental stainless steel pipes with our in-house forming, welding and polishing lines at our facility. Ornamental pipes are mainly used for non-structural, decorative and architectural purposes such as those used for gates, railings, display stands, furniture, bathroom accessories, and car parts and accessories. The types of stainless steel pipes that we manufacture comprise round, square and rectangle profiles, as well as their respective slotted profiles.

- Processing of stainless steel products

We also process purchased stainless steel bars and plates to the desired specifications of our customers through value-added processing activities such as slitting, polishing and perforation.

### OPERATIONS

TSA Group's revenue is primarily contributed by stainless steel products. Stainless steel products are used for a wide range of applications across the manufacturing sector including fabricated metal products and engineering activities in the fabrication of parts, components, tools, equipment and machinery, and the construction industries.

The stainless steel industry in Malaysia is highly dependent on the import value of rolled stainless steel products. Any supply disruption or increase in the cost of procurement such as prices and transportation charges may negatively impact the industry. The prospects and outlook of the stainless steel industry are mainly dependent on demand from the manufacturing sector and the construction industry.

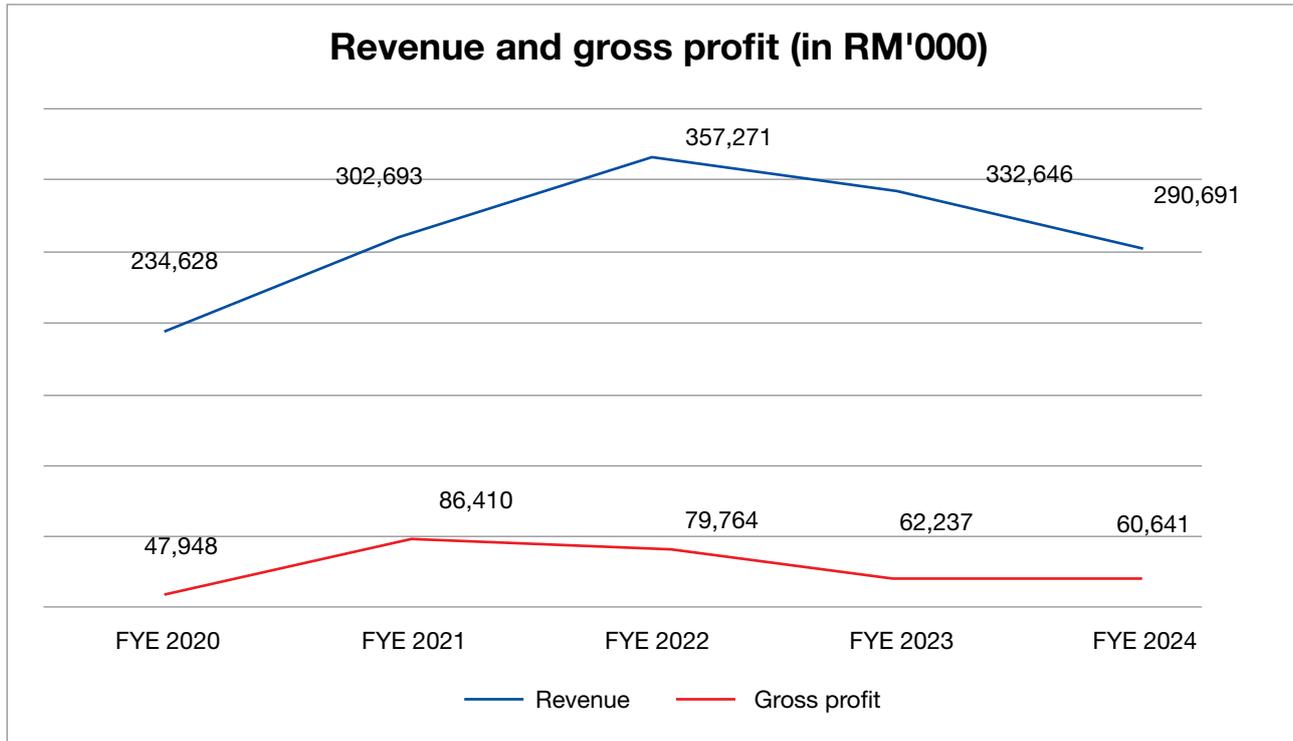
Moreover, stainless steel rolled products, such as plates, sheets, coils and bars, are key input materials for the Group's trading and processing of stainless steel products, and the manufacturing of stainless steel pipes. Stainless steel plates, sheets, coils and bars are commodities and their prices are subject to market price fluctuations. Our revenue is exposed to fluctuations in the price of stainless steel which may affect the demand for our products and/or our profit margin.

As part of our business strategy, we plan to produce cold-rolled stainless steel coils from hot-rolled stainless steel coils through the installation of a stainless steel cold rolling line at our new manufacturing facility, where earthworks commenced in the 1st quarter of 2025. The cold-rolled stainless steel coils are intended to support both our trading operations and our pipes manufacturing and processing activities. We will continue to monitor market conditions and adjust our operational priorities accordingly.

## Management Discussion and Analysis (cont'd)

### FINANCIAL REVIEW

Financial performance for our Group in the past five (5) financial years are as follows:



Key information in relation to our Group's financial performance for the financial years ended 31 December 2023 ("FYE 2023") and 31 December 2024 ("FYE 2024") are as follows:

Continuing operations	FYE 2023 (RM'000)	FYE 2024 (RM'000)	Variance (%)
Revenue	332,646	290,691	(12.6)
Gross profit	62,237	60,641	(2.6)
Profit before tax	24,150	24,181	0.1
Gross profit margin	18.7%	20.9%	2.2
Total assets	223,011	277,241	24.3
Borrowings	60,291	71,595	18.7
Debt / equity (%) <sup>(1)</sup>	43.2%	39.4%	(3.8)

**Notes:**

<sup>(1)</sup> Calculated based on total interest-bearing borrowings excluding lease liabilities divided by total equity attributable to the owner of the company.

## Management Discussion and Analysis (cont'd)

### FINANCIAL REVIEW (CONT'D)

Our Group has recorded a revenue of RM290.7 million in FYE 2024, a reduction of 12.6% as compared to RM332.6 million achieved in FYE 2023, mainly due to softer market demand and lower average selling prices, caused by a confluence of factors, including the downturn in the industrial sector, particularly among part manufacturers, machinery and equipment manufacturers, as well as increased competition and lower nickel prices.

The gross profit for our Group has decreased from RM62.2 million in FYE 2023 to RM60.6 million in FYE 2024, signifying a decrease of 2.6%, in line with the decrease in revenue; on the contrary, there is an improvement to the gross profit margin, from 18.7% in FYE 2023 as compared to 20.9% in FYE 2024, a 2.2% increase, due to the Group focuses on quality sales, which achieved better profit margins.

The Group recorded a profit before tax of RM24.2 million in FYE 2024, representing a slight increase compared to FYE 2023. This was mainly contributed by the recovery of RM3.3 million from a legal case, higher unrealised derivative gains, an increase in interest income arising from higher cash and bank balances and short term investments, as well as a decrease in administrative expenses and finance costs due to lower interest rates on United States Dollar ("USD") borrowings. This positive factors were partially offset by lower gross profit, an increase in other expenses, an increase in net impairment losses on financial assets amounting to RM1.6 million and an increase in selling and distribution expenses of RM0.8 million. Further details on the recovery from the legal case are disclosed in Note 36.1 of the Audited Financial Statements.

The total assets of our Group have increased from RM223.0 million in FYE2023 to RM277.2 million in FYE 2024, representing a 24.3% increase, mainly due to an increase in cash and bank balance and short-term investments following the IPO in February 2024.

The Group's borrowings increased by 18.7%, from RM60.3 million in FYE 2023 to RM71.6 million in FYE 2024, mainly due to higher utilisation of trade and bank facilities to finance inventory purchases.

The debt-to-equity ratio has decreased by 3.8%, from 43.2% in FYE 2023 to 39.4% in FYE 2024, mainly due to the increase in equity through the issuance of new shares pursuant to the IPO.

#### Capital expenditure

As part of our business strategy and plan mentioned earlier, the capital expenditure for the establishment of the cold rolling line comprises the land and the construction cost of a new manufacturing premises in Semenyih and the cost to purchase, install, test and commission the stainless steel cold rolling line including the annealing furnace is estimated at RM120 million, which will be financed by a combination of proceed from IPO, internally generated funds and bank borrowings.

The Group has obtained the relevant authorities' approval and has commenced earthworks for the construction of the said manufacturing premise in the 1st quarter of 2025.

### SIGNIFICANT RISKS TO THE GROUP

Our Group manages its risks through the risk management processes guided by the Group's Risk Management Framework, covering the identification, assessment, evaluation, treatment, and monitoring of key risks faced by our Group.

Through the risk management processes carried out, our Group has identified the following risks which are deemed as important to our Group:

- Fluctuations in stainless steel prices

A prolonged increase in the market prices of stainless steel may reduce demand for stainless steel products. Our customers (i.e. fabricators, manufacturers, construction companies, etc.) if are not able to pass on the price increase to their customers, may seek alternative materials and hence reduce orders from our Group.

However, stainless steel has desirable properties, including corrosion resistance and strength, in other words, our customers may not be able to find suitable alternatives to stainless steel.

To mitigate this risk, our Group has over the years built a huge customer base across various diverse industries and market segments so that we are not over-reliant on one particular group of customers or industry. Furthermore, our team perform ongoing price monitoring to enhance the effectiveness of the procurement planning process.

## Management Discussion and Analysis (cont'd)

### SIGNIFICANT RISKS TO THE GROUP (CONT'D)

- Increasing competition from existing and new competitors

Due to the relatively low barrier of entry, there has been a growing trend of global players (particularly from China), penetrating the local market. By offering more competitive prices, these competitors have been able to gain and expand their market share.

To mitigate this risk, we stay up to date with the latest developments in metal products and market trends. Additionally, we continuously expand our customer base both domestically and internationally, whilst ensuring high product quality, fast delivery lead time and excellent customer services.

- Foreign exchange risk

Our Group is exposed to foreign currency exchange gains or losses arising from timing differences between our billings, actual receipt of payments and conversion/translation into Ringgit Malaysia ("RM"), as well as when our assets, liabilities, revenue and earnings are recorded by our subsidiary company in Singapore is translated from Singapore Dollar ("SGD") into RM for financial reporting and repatriation purposes.

The Group also faces risks associated with our purchases of materials in foreign currencies. A significant proportion of our foreign purchases are denominated in USD, including purchases of stainless steel and other metal products. Fluctuations in foreign currency exchange rates between the RM and foreign currencies, namely USD and SGD, may have a material effect on our reported income and expenses, as they are stated in RM in our combined and consolidated financial statements. An unfavourable foreign exchange rate will also increase the costs of purchasing materials that are denominated in the affected foreign currencies.

To mitigate this risk, we monitor foreign exchange on an ongoing basis and also perform various hedging measures to mitigate the impact of foreign currency fluctuations.

- Increase in costs of operations

The costs of operations have been steadily rising, in recent years, mainly due to the imposition of higher tariffs and the introduction of higher minimum wages by the government.

To mitigate this risk, we perform more effective cost monitoring and optimisation which includes rescheduling machinery on time to reduce electricity usage, monitoring overtime and shift to reduce unnecessary overtime, and also where reasonable, to transfer the increased cost to the customers.

### DIVIDEND

The Board of Directors ("Board") has considered amongst others, the earnings, capital commitments, general financial conditions, distributable reserves, etc. for the proposed dividend for the financial year ended 31 December 2024.

For FYE 2024, The Group has declared a total dividend of 6 sen per ordinary share, with 5 sen per share paid on 27 December 2024 (interim dividend of RM15.5 million) and 1 sen per share paid on 26 March 2025 (final dividend of RM3.1 million), bringing the total amount of dividend declared and paid to RM18.6 million.

## Management Discussion and Analysis (cont'd)

### FORWARD-LOOKING STATEMENT

#### OUTLOOK

Despite the challenging external environment, the Malaysian economy continued to show strength and resilience in 2024, where the Gross Domestic Product ("GDP") grew by 5.1%<sup>(1)</sup>. The Malaysian economy is projected to grow between 4.5% and 5.5% in 2025, expected to be supported by the increase in demand for private consumption and supply of services<sup>(1)</sup>. The construction sector is forecasted to increase by 9.4% in 2025 following better performance in all subsectors, whilst the manufacturing sector is forecasted to expand by 4.5% in 2025 driven by better performance in both export- and domestic-oriented industries<sup>(2)</sup>.

The stainless steel industry provides intermediate inputs to the construction industry and manufacturing sector which our Group supplies. As such, the performance of these industries as well as the general economy of Malaysia would impact our Group.

In addition to domestic economic factors, the Group remains mindful of global developments that may affect the industry. Notably, the imposition of reciprocal tariffs by the United States and subsequent temporary suspension have introduced uncertainties in the global stainless steel market. This may affect demand, pricing, and supply chain dynamics, which in turn could influence the Group's trading and manufacturing activities. The Board continues to closely monitor these developments and assess their potential impact on the Group's performance and strategic direction.

Sources:

<sup>(1)</sup> Bank Negara Malaysia Annual Report 2024, 24 March 2025

<sup>(2)</sup> Budget 2025, Economic Outlook 2025 by Ministry of Finance, 18 October 2024.

#### PROSPECTS

Our Group remains committed to expanding our core business of trading in stainless steel and other metal products, and the manufacturing of stainless steel pipes. Various plans are in the pipeline to increase its product range in order to better serve customer needs and capture new market opportunities.

The prospects of the stainless steel industry are dependent on demand from among others, the manufacturing sector and construction industry. Additionally, global geopolitical and economic factors will also have a significant impact on both the demand and the pricing of stainless steel and other metal commodities.

Amidst this backdrop, our Group remains vigilant in its risk management and strategic planning. While we remain optimistic about the opportunities ahead, we acknowledge that uncertainties remain and will continue to adopt a cautious and flexible approach in navigating the evolving business landscape.

## BOARD OF DIRECTORS & KEY SENIOR MANAGEMENT

TSA extends its sincere gratitude to our shareholders, business partners, valued customers, regulators, and relevant authorities for your unwavering support and continued confidence throughout our journey. Your unwavering trust and collaboration have been instrumental to the Group's continued growth, resilience, and success. We remain committed to upholding the highest standards of excellence and integrity as we move forward together, building a stronger and more sustainable future.



### Board of directors :

1. Lim Hun Soon @ David Lim
2. Chew Kuan Fah
3. Chew Yik Wai
4. Ng Kim Liang
5. Chong Chin Look
6. Karmjit Kaur A/P Sarban Singh – not in the photo
7. Shahira Binti Abdul Aziz

### Key Senior Management :

8. Loh Pei Ling
9. Tan Bee Hong
10. Lai Hoi Lian
11. Low Chan Kheun
12. Wong Foot Nam

### Company Secretary :

13. Goh Chooi Woan

## PROFILE OF DIRECTORS



### Membership of Board Committees:

None

### No. of Board Meeting Attended:

6/6

### Other Directorships

#### Listed Issuer

- Kawan Food Berhad
- Press Metal Aluminium Holdings Berhad

#### Public Company

- Public Investment Bank Berhad
- Rockwills Trustee Berhad
- Malaysian Rating Corporation Berhad

**Mr. Lim Hun Soon @ David Lim** (“**Mr. David Lim**”), our Independent Non-Executive Chairman, was appointed to our Board on 4 November 2022.

Mr. David Lim graduated with a Bachelor of Arts in Economics from the University of Leeds in 1978. He is a professional member of:

- The Malaysian Institute of Accountants (MIA)
- The Malaysian Institute of Certified Public Accountants (MICPA)
- The Chartered Institute of Taxation in the United Kingdom
- The Institute of Chartered Accountants in England and Wales (ICAEW)

Mr. David Lim started his professional career in Peat Marwick Mitchell (now known as KPMG) in the United Kingdom in 1978. He returned to Malaysia in 1982 to continue his career with KPMG. In 1990, he was admitted as a partner of KPMG and later served in:

- KPMG’s Management Committee (1997 - 2001)
- KPMG’s Partnership Supervisory Council (2002 - 2010)

Through these roles, Mr. David Lim gained extensive knowledge from KPMG’s global network.

In 2006, Mr. David Lim played a key role in founding the Audit Committee Institute, Malaysia, a virtual global initiative sponsored by KPMG to support independent directors in enhancing board effectiveness.

Mr. David Lim was also an examiner for Company Law examinations conducted by MICPA for over 10 years. He served as:

- Chairman of the MICPA Code of Ethics Committee (2002 – 2004)
- Member of the MIA Code of Ethics Committee (2002 – 2004)

Mr. David Lim retired from KPMG in 2011.

In 2013, Mr. David Lim was appointed as a Council Member of ICAEW serving for a total of three terms, the maximum permitted tenure.

In 2024, Mr. David Lim was appointed an Independent Non-Executive Director of Fairview International PLC, a company listed on the Main Market of the London Stock Exchange.

Profile of Directors  
(cont'd)**Membership of Board Committees:**

None

**No. of Board Meeting Attended:**

6/6

**Other Directorships**Listed issuer

Nil

Public Company

Nil

**Mr. Chew Kuan Fah**, our Group Managing Director, has served as a Director of the Company since its incorporation on 18 March 2022. He was subsequently re-designated to his current position on 18 October 2022 where he is responsible for developing strategic plans and overseeing the management, operations and sales of our Group.

Mr. Chew graduated with a Diploma in Electrical and Electronic Engineering from Maju Institute Technology, Malaysia in 1988.

Mr. Chew's career journey started as a Project Estimator cum Engineering Assistant at Radio & General Engineering Sdn Bhd in 1984, overseeing electrical contracts and project costings. He transitioned to Scott & English Sdn Bhd in 1987, initially as a Sales Representative and later as a Sales Product Specialist. His responsibilities included sales and marketing. In 1994, he joined KVC Industries Sdn Bhd as a Sales Manager and was promoted to Executive Director (non-board position) in 1996, overseeing sales and product management. He joined Thian Soon Industrial Hardware Sdn Bhd (now known as TSA Industries Sdn Bhd) in 2002 as Sales and Marketing Director, becoming a board member in 2004 and the Managing Director in the same year.

## Profile of Directors (cont'd)



### Membership of Board Committees:

None

### No. of Board Meeting Attended:

6/6

### Other Directorships

Listed Issuer

Nil

Public Company

Nil

**Mr. Chew Yik Wai**, our Executive Director, was appointed to our Board on 18 October 2022. In his capacity, he is responsible for the overall operations of our Group relating to production, procurement and export markets.

Mr. Chew attended secondary education at Sekolah Menengah Dato' Onn, Kuala Lumpur.

Mr. Chew began his career as a storekeeper in 1979, progressing to Counter Sales Support in 1986, managing customer inquiries and invoicing. In 1994, he joined Thian Soon Industrial Hardware Sdn Bhd (now known as TSA Industries Sdn Bhd) as a Purchasing Manager where he was responsible for conducting local and overseas market surveys on pricing and quality and providing market competitive analysis. In 1999, he was promoted to Director, Product Development and Marketing and was later redesignated as Executive Director, Marketing and Product Development (non-board position) in 2007, focusing on new product conception and marketing plan execution. He was redesignated as Executive Director (non-board position) in 2013 and was subsequently appointed to the board of TSA Industries Sdn Bhd in 2022.

Profile of Directors  
(cont'd)**Membership of Board  
Committees:**

None

**No. of Board Meeting  
Attended:**

6/6

**Other Directorships**Listed Issuer

Nil

Public Company

Nil

**Mr. Ng Kim Liang** (“**Mr. Eric**”), our Executive Director, was appointed to our Board on 17 November 2022. He is responsible for overseeing the overall management and the day-to-day operations of the sales and marketing department of our Group. This involves guiding the sales team to achieve annual sales targets and formulating pricing and sales strategies of our Group.

Mr. Eric completed his secondary education at Sekolah Menengah Kebangsaan Kepong, Selangor in 1986.

Mr. Eric's career started in 1987 as a debt recovery and counter sales officer, progressing through various roles in sales, product sourcing, and business operations. After transitioning to Genware Engineering Hardware Supply in 1992, he climbed from Sales Executive to Manager. He continued his trajectory, joining Genware Engineering Hardware Supply Sdn Bhd in 1998, and later moving to Genware Industrial Supply Sdn Bhd in 2001 as a Manager. In the same year, he joined Thian Soon Industrial Hardware Sdn Bhd (now known as TSA Industries Sdn Bhd) as Sales Manager, subsequently advancing to Director, Sales in 2009 where he oversaw the operations of sales and marketing department of TSA Industries Sdn Bhd. In 2022, he was appointed to the board of TSA Industries Sdn Bhd.

## Profile of Directors (cont'd)



### Membership of Board Committees:

- Audit and Risk Management Committee (Chairperson)
- Nominating Committee (Member)
- Remuneration Committee (Member)

### No. of Board Meeting Attended:

6/6

### Other Directorships

#### Listed Issuer

- CEKD Berhad
- Lysaght Galvanized Steel Berhad

#### Public Company

Nil

**Mr. Chong Chin Look**, our Independent Non-Executive Director, was appointed to our Board on 17 November 2022.

Mr. Chong graduated with a Bachelor of Economics degree, majoring in Business Administration, from the University of Malaya in 1987.

Mr. Chong is also a member of the Malaysian Institute of Certified Public Accountants and a Chartered Accountant with the Malaysian Institute of Accountants.

Mr. Chong began his career with KPMG Peat Marwick (now known as KPMG) as an Audit Assistant in 1987. He was later promoted to Audit Senior in 1990, where he gained experience in assurance, audit, taxation, and management consultancy. He left KPMG in 1992 to join Bonia Corporation Berhad ("Bonia") Group of Companies as a Financial Controller, where he was responsible for the overall financial and corporate functions of Bonia and its subsidiaries.

In 1994, Mr. Chong was appointed as a Director of Bonia and assumed the position of Group Finance Director. He held the position of Financial Controller and Group Finance Director until his retirement in 2022.

In July 2022, Mr. Chong was appointed as a Non-Independent Non-Executive Director of Bonia, serving in this role until his resignation in September 2024.

Profile of Directors  
(cont'd)**Membership of Board Committees:**

- Remuneration Committee (Chairperson)
- Audit and Risk Management Committee (Member)
- Nominating Committee (Member)

**No. of Board Meeting Attended:**

6/6

**Other Directorships**Listed Issuer

Three-A Resources Berhad

Public Company

Nil

**Ms. Karmjit Kaur A/P Sarban Singh**, our Independent Non-Executive Director, was appointed to our Board on 17 November 2022.

Ms. Karmjit holds a Bachelor of Arts from York University, Toronto, Canada.

Ms. Karmjit has more than 30 years' experience in the banking sector having worked in commercial and investment banks locally and for a short stint in Melbourne. She held various senior management positions and leadership roles including Senior Director of Affin Hwang Investment Bank (M) Berhad for about 13 years. Her experience covers risk assurance functions, change management and business transformation, and stakeholder engagement.

Ms. Karmjit is currently an ordinary member of Institute of Corporate Directors Malaysia.

## Profile of Directors (cont'd)



### Membership of Board Committees:

- Nominating Committee (Chairperson)
- Audit and Risk Management Committee (Member)
- Remuneration Committee (Member)

### No. of Board Meeting Attended:

6/6

### Other Directorships

#### Listed Issuer

Nil

#### Public Company

- Public Investment Bank Berhad

**Cik Shahira Binti Abdul Aziz**, our Independent Non-Executive Director, was appointed to our Board on 17 November 2022.

Cik Shahira graduated with a Bachelor of Science (Economics) in International Trade and Development with Honours from The London School of Economics and Political Science, University of London in 1990.

Cik Shahira has 27 years of work experience in the capital markets in Malaysia and the ASEAN region. Upon graduation, she joined Rashid Hussain Securities Sdn Bhd ("RHS") and worked in the stockbroking industry for 12 years. She started as a Research Analyst and after 5 years joined the RHS sales team as a licensed Dealer's Representative serving local institutional clients, for another 7 years. In 2003, she left to join Optishift Solutions Sdn Bhd.

Cik Shahira returned to the capital markets and joined Bumiwerks Asset Management Sdn Bhd in 2006. In 2007, she joined Corston-Smith Asset Management Sdn Bhd ("CSAM") as a Corporate Planning and Client Services Manager, where she was responsible for the preparation of material information on the company for prospective clients. Her scope of responsibilities was later expanded to Director, Fund Management where she conducted company visits within the region and identified stock ideas from the ASEAN markets for clients' portfolios. After leaving full-time employment in 2014, she was appointed as a Service Consultant with CSAM until 2017. She then resumed full-time employment with CSAM in 2017 as Director, Fund Management, and was appointed as Co-Chief Executive Officer of CSAM in 2019, overseeing broader operational and administrative matters until her departure in 2021.

### Additional information:

Save as disclosed, none of the Directors have:

1. any family relationship with any Directors and/or major shareholders of the Company;
2. any conflict of interest with the Company;
3. any conviction for offences within the past 5 years other than traffic offences; and
4. any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year.

## PROFILE OF KEY SENIOR MANAGEMENT

### LOH PEI LING

General Manager & Head of Procurement

Malaysian | Female | Age 53

#### Qualification

Diploma in Computer Studies, Kajang Computer Training Centre, Malaysia

#### Date first appointed to the Key Senior Management

21 October 2022

#### Working experience

Ms. Loh Pei Ling joined the Group in 2002 as Head of Purchasing where she was responsible for handling orders, stock planning, developing and maintaining relationships with vendors. She was promoted in 2009 as Deputy General Manager, Procurement and Strategic Product Development and in 2013 promoted as General Manager, Procurement and Strategic Product Development before being redesignated as General Manager and Head of Procurement in 2022. Ms. Loh oversees and manages the Group's procurement department and is responsible for among others, overseeing product quality control, stock planning and control, development and maintaining relationships with vendors and monitoring of overseas' shipments and customs clearance.

### TAN BEE HONG

Head of Finance

Malaysian | Female | Age 53

#### Qualification

Bachelor of Accounting (Honours), University of Malaya, Malaysia  
Member of the Malaysian Institute of Accountants

#### Date first appointed to the Key Senior Management

21 October 2022

#### Working experience

Ms. Tan Bee Hong joined the Group in 2016 as Senior Manager, Finance and Accounts where she was responsible for the accounting and treasury functions. She was redesignated as Head of Finance in 2022. As the Head of Finance, Ms. Tan oversees and manages the Group's accounting and financial matters.

### LAI HOI LIAN

Head of Human Resources

Malaysian | Female | Age 59

#### Qualification

Diploma in Accounting, Institute Vermond, Malaysia

#### Date first appointed to the Key Senior Management

21 October 2022

#### Working experience

Ms. Lai Hoi Lian joined the Group in 2014 as an Assistant Manager, Human Resources before being promoted to the position of Manager, Human Resources in the same year where she was responsible for managing human resource matters. In 2022, she was redesignated as Head of Human Resources. As the Head of Human Resources, Ms. Lai oversees and manages the Group's human resource matters including talent acquisition processes, training, remuneration and employee relations.

## Profile of Key Senior Management (cont'd)

### LOW CHAN KHEUN

Head of Engineering Production & Services

Malaysian | Male | Age 66

#### Qualification

General Certificate of Education and Malaysia Certificate of Education

#### Date first appointed to the Key Senior Management

21 October 2022

#### Working experience

Mr. Low Chan Kheun joined the Group in 2005 as Manager, Production & Business Development and was later promoted to the position of Senior Manager in the same year where he was responsible for managing the manufacturing processes and production line including the development and enforcement of procedures and ensuring continuous identification and implementation of cost, quality and process improvement initiatives in the manufacturing plant. He was re-designated as Head of Engineering Production and Services in 2022. As the Head of Engineering Production and Services, Mr. Low oversees and manages the Group's engineering, production and services including quality control of products.

### WONG FOOT NAM

Head of Sales Administration & Logistics

Malaysian | Male | Age 62

#### Qualification

Form 3 education at Sekolah Menengah Jenis Kebangsaan Confucian, Kuala Lumpur

#### Date first appointed to the Key Senior Management

21 October 2022

#### Working experience

Mr. Wong Foot Nam joined the Group in 1994 as a Purchasing and Counter Sales Manager where he was responsible for walk-in sales. Since then, he has held various positions at the Group including Manager, Customer Support and Manager, Sales Admin cum Logistics where he was responsible for, among others, organising and performing preventive maintenance for machineries and equipment, monitoring stock movement, and solving problems relating to deliveries. In 2022, he was redesignated as Head of Sales Administration & Logistic. As the Head of Sales Administration & Logistic, Mr. Wong oversees customer support services of our Group including logistics.

#### Additional information:

None of the Key Senior Management has:-

1. any directorship in public companies and listed issuers;
2. any family relationship with any Directors and/or major shareholders of the Company;
3. any conflict of interest with the Company;
4. any conviction for offences within the past 5 years other than traffic offences; and
5. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

# SUSTAINABILITY STATEMENT

## INTRODUCTION

The Board of Directors (“Board”) of TSA Group Berhad (“TSA”) is pleased to present this Sustainability Statement (“Statement”), covering the Group (i.e. TSA and its subsidiaries)’s perspective on sustainability matters, i.e. economic, environmental, social and governance (“EESG”).

The Board views the management of EESG as integral towards its business sustainability, and places appropriate emphasis and resources to manage relevant sustainability matters as presented in this Statement. In general, we have adopted EESG practices with a focus on economic performance, environment, procurement practices, conducive working and safe working environment and product quality.

### ABOUT THIS STATEMENT

This Statement has been prepared in accordance with Bursa Malaysia Securities Berhad (“Bursa”)’s ACE Market Listing Requirements (“LR”) and is also guided by the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits, and the Malaysian Code on Corporate Governance (2021 Edition) published by Bursa.

In setting our sustainability goals and directions, we are guided by the United Nation’s Sustainable Development Goals (“SDG”), a framework which was adopted by all United Nations Member States (Malaysia included) in 2005 with the aim to provide peace and prosperity for people and the planet, now and into the future, through a global partnership.



## Sustainability Statement (cont'd)

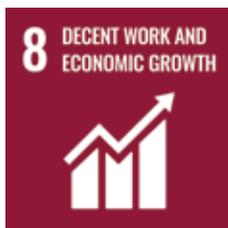
We viewed that the achievement of Malaysia's SDG targets can only be realised if the private sector alongside the government contributes towards these goals. We have during the year, reviewed the SDG that are most relevant to our business, and by considering the business environment and the Group's business direction and strategic goals, will continue to build on four (4) out of the five (5) goals previously identified as follows:



Goal 3: Ensure healthy lives and promote well-being for all at all ages



Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all



Goal 11: Make cities inclusive, safe, resilient and sustainable

The Board of Directors of TSA has made a tactical decision to remove Goal 15 from our sustainability statement, as the Group is currently exploring business expansion into areas which may be related to Goal 15.

### SCOPE

Unless otherwise stated, this Statement covers the entire Group [which comprises TSA and its subsidiaries of TSA Industries Sdn Bhd ("TSA Industries"), TSA Pipes Manufacturing Sdn Bhd ("TSA Pipes"), Mitra Bintang Sdn Bhd ("Mitra Bintang"), Asia Inox Sdn Bhd ("Asia Inox"), TSA Industries (SEA) Pte Ltd ("TSA Singapore"), and TSA Quarry Sdn Bhd ("TSA Quarry").

The principal activities and staff strength of our Group are as follows:

Company	Principal activities	Staff strength
TSA	Investment holding	14
TSA Industries	Investment holding, distribution and supply of ferrous and non-ferrous metal and other industrial hardware products, and manufacturing and processing of stainless steel pipes and other metal products	325
TSA Pipes	Dormant	–
Mitra Bintang	Investment holding	–
Asia Inox	Dormant	–
TSA Singapore	Distribution and supply of ferrous and non-ferrous metal and other industrial hardware products	18
TSA Quarry	Dormant	–

### SUSTAINABILITY GOVERNANCE

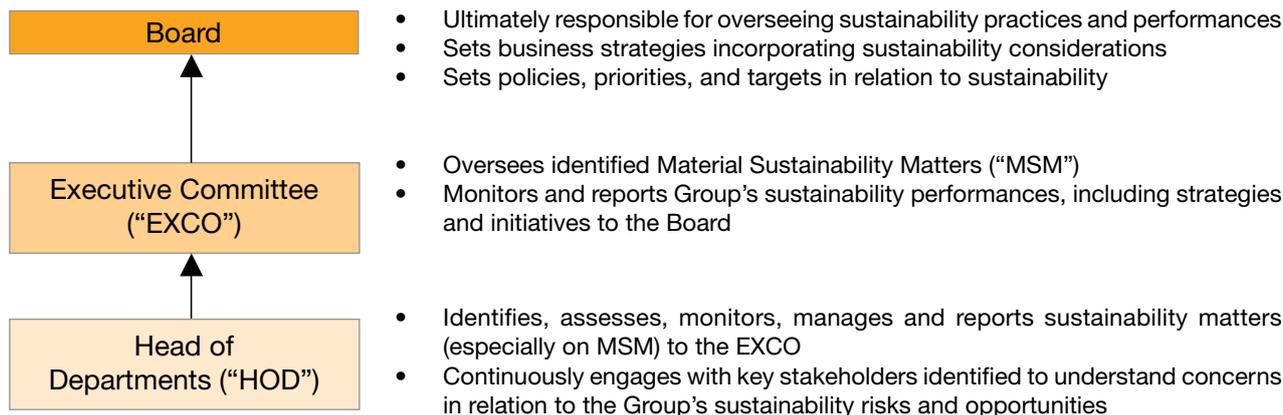
The sustainability governance structure is essential in driving the Group to adopt EESG principles towards becoming an EESG-driven Group. The Group has implemented a set of governance framework and policies to manage sustainability matters. These policies will be reviewed periodically and any updates or changes made to the policies shall be in line with the Group's business direction and compliance with relevant and applicable regulations.

Sustainability Statement  
(cont'd)

**GOVERNANCE STRUCTURE**

The Board is ultimately responsible for governing and supervising the sustainability matters and practices of the Group. An Executive Committee (“EXCO”) has been established to assist the Board on sustainability matters.

The Group’s governance structure in relation to sustainability practices is as follows:



**STAKEHOLDERS ENGAGEMENT**

The Group understands and appreciates the importance of engaging with stakeholders to ensure a more comprehensive, inclusive, impactful approach toward identifying and addressing sustainability matters, leading to better-informed decision-making and value creation for the Group.

The Group has reviewed the key stakeholders identified in the last financial year, taking into consideration the influence and dependency of these stakeholders to and on the Group, with no changes made as it remains relevant and valid.

The key stakeholders, the engagement methods, frequency of engagement and engagement focus/ objectives are summarised as follows:

Stakeholder group	Engagement approach	Frequency	Engagement focus/ objectives
Board	<ul style="list-style-type: none"> <li>• Board meeting</li> <li>• Resolution</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic and as and when required</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic directions</li> <li>• Governance and compliance</li> <li>• Company performance</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Annual General Meeting (“AGM”)</li> <li>• Resolution</li> <li>• Shareholder's meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>• Periodic and as and when required</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Business plan</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Key Performance Indicators (“KPI”)</li> <li>• Annual appraisal</li> </ul>	<ul style="list-style-type: none"> <li>• Annually and as and when required</li> </ul>	<ul style="list-style-type: none"> <li>• Working environment</li> <li>• Safety</li> <li>• Training programmes</li> <li>• Compensation and benefits</li> </ul>

Sustainability Statement  
(cont'd)

**STAKEHOLDERS ENGAGEMENT (CONT'D)**

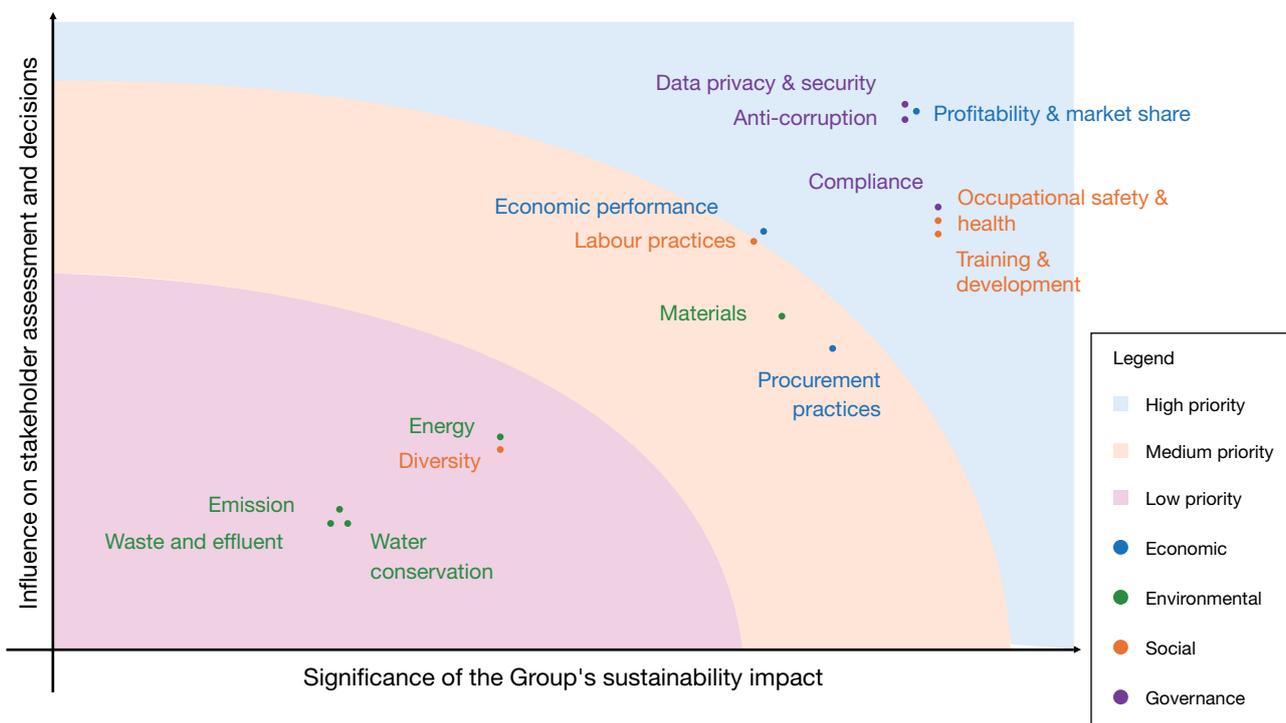
Stakeholder group	Engagement approach	Frequency	Engagement focus/ objectives
Customers	<ul style="list-style-type: none"> <li>Survey form</li> <li>Periodic meeting</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Periodic and as and when required</li> </ul>	<ul style="list-style-type: none"> <li>Product quality</li> <li>Product pricing</li> <li>Service delivery</li> <li>Compliance</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Survey form</li> <li>Periodic meeting</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Periodic and as and when required</li> </ul>	<ul style="list-style-type: none"> <li>Order quantity</li> <li>Payment term</li> </ul>
Financiers/ bankers	<ul style="list-style-type: none"> <li>Periodic meeting</li> </ul>	<ul style="list-style-type: none"> <li>Periodic and as and when required</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Payments review</li> <li>Sustainability</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>Audit</li> <li>Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>As and when required</li> </ul>	<ul style="list-style-type: none"> <li>Compliance</li> </ul>

**MATERIALITY ASSESSMENT PROCESS**

The materiality assessment process focuses on the identification of key and important sustainability matters (i.e. material sustainability matters or MSM) through the following criteria as guided by Bursa’s Sustainability Reporting Guide – 3rd Edition:

- if the sustainability matters reflect the Group’s significant EESG impact; and/ or
- if the sustainability matters substantively influence the assessments and decisions of stakeholders.

As the materiality assessment process was carried out last year, through a workshop session, hence, we have opted to perform a limited review of the results of the past materiality assessment, taking into consideration the focus and objectives of each key stakeholder, and concluded that the MSM (including its ratings) remained the same. The following materiality matrix showed the MSM of the Group:



## Sustainability Statement (cont'd)

### MATERIAL SUSTAINABILITY MATTERS



## ECONOMIC

#### Profitability and market share

Profitability is important as it provides the financial stability necessary to weather economic uncertainties, invest in growth opportunities, fund sustainable initiatives, and attract investors and capital for expansion, while market share on the other hand is important as it provides a competitive advantage and economies of scale, brand recognition and trust, and the ability to attract and retain talents.

This is one of the key focuses of the Group, where the Management performs periodic performance reviews into the financial aspects including profitability and market share on a monthly, quarterly, and annual basis. Furthermore, brainstorming sessions are also frequently conducted to explore a wider range of ideas in problem-solving, leading to a more holistic and comprehensive decision-making.

The financial performance of the Group is reported and discussed in detail in the Management Discussion and Analysis section of this annual report.

#### Economic performance

The Group's overall economic performance is also crucial for the sustainability of the Group. Some of the initiatives carried out and performed by the Group include:

- continuously seek opportunities in new segments and markets, including moving upstream, where relevant and feasible, to identify potential areas for growth, expansion and to increase market presence;
- monthly sales team meeting to discuss strategies and performance, and where required, establish action plans to improve performance deficits;
- direct dealing with overseas customers to better understand customers' needs, enhance customer relationships, provide customised and personalised customer experience, enable quicker response to problems and reduce intermediary fees; and
- installing a Laser Welding machine on the Forming machine, which is expected to improve the pipe production speed and efficiency, without compromising on the quality.

The financial performance of the Group is reported and discussed in detail in the Management Discussion and Analysis section of this annual report.

#### Procurement practices

The Group's sustainability initiatives rely significantly on effective procurement practices, aiming to enhance cost-efficiency by optimising resource utilisation and fostering resilience throughout our supply chain.

Several key controls practised by the Group in relation to procurement practices are as follows:

- the use of an approved vendor list, where prior to qualification, assessments are performed on the vendors to ensure they meet the Group's credit requirements;
- performance appraisals on vendors were performed periodically to assess the quality and timeliness of products and service deliveries;
- assessment and selection of vendors comprise amongst others, criteria such as cost, service quality, track records and commitment towards environmentally and socially responsible business practices. Priorities are often given to vendors that practice good sustainability efforts in their products and services; and
- established payment processes where supporting documents such as Purchase Orders, Invoices or Proforma Invoices are required, and approval shall be obtained from authorised personnel in the payment control processes.

During the financial year under review (i.e. 2024), the Company conducted performance appraisals on approximately 310 suppliers and service providers, compared to 290 in the immediate preceding financial year (i.e. 2023). All entities assessed in both years fully complied with the Company's established performance benchmarks.

## Sustainability Statement (cont'd)



### ENVIRONMENTAL

Protecting and preserving the environment is essential for maintaining the health and well-being of the planet, its ecosystems, and human societies. Protecting and preserving the environment is a shared responsibility, and requires collaborative efforts from governments, international bodies, businesses, Non-Governmental Organizations (“NGO”), communities, individuals, and various other stakeholders.

#### Materials

The availability of materials is key to the continuous operations and operational efficiency of the Group. Insufficient materials would increase production downtime, leading to higher cost per unit, reduce overall production output and potentially cause delays in delivery to customers; whereas overstock of materials would increase stock holding costs (e.g. storage space, utilities, insurances), causing ineffective use of financial resources (i.e. capital being tied up to stock) and increase the risk of obsolescence and damages.

Thus, to function effectively, the stock level is monitored consistently and replenishment or reordering of stocks is done as and when needed by considering the available and expected orders, current stock level and also material lead time.

In order to maintain an optimum level of input materials at the quality expected of the Group, we purchase from both local and overseas suppliers. The proportion of our spending on local and overseas suppliers for the financial year ended (“FYE”) 2023 and 2024 were nearly similar, details of which are as follows:

	FYE 2023	FYE 2024
Local suppliers	14%	12%
Overseas suppliers	86%	88%

#### Energy

Fossil fuel-based energy sources are one of the main contributors to greenhouse gas (“GHG”) emissions, and as energy consumption is significant to our operations, hence energy forms part of the MSM of the Group. The following disclosures in relation to energy for the Group will only cover its material energy consumption business location, i.e. our Malaysia Headquarters in Balakong and the Singapore Office.

Currently, the energy source for our business operations is supplied by Tenaga Nasional Berhad for the Malaysia Headquarters and SP Services Ltd for the Singapore Office. In order to minimise usage and improve energy efficiency, we have employed the following practices:

- perform thorough production planning;
- installation of roof skylight and roof insulation at our manufacturing plant; and
- installation of power factors on factory machinery.

The electricity consumption for the financial year under review and the immediate preceding financial year covering the Malaysia Headquarters and Singapore Office were almost identical, with a minimal increase of 2.8% year-on-year, as shown below:

	FYE 2023	FYE 2024
Electricity consumption	12,160,735.2MJ	12,506,403.6MJ

Sustainability Statement  
(cont'd)

## ENVIRONMENTAL (CONT'D)

Emissions

Emissions, particularly GHG emissions, contribute to climate change and environmental degradation. Failure to manage emissions will have key consequences and hence it is the responsibility of all to manage and minimise emissions to contribute to a more sustainable planet.

To reduce the carbon footprint and minimise air pollution arising from our business operations, we have installed an air-trapped filtering system at our manufacturing plant.

The Group is in the midst of gathering data on greenhouse gas emissions (measured in carbon dioxide (CO<sub>2</sub>) equivalent, covering Scope 1 (emissions from sources that the Group owns or controls directly), Scope 2 (emissions that the Group causes indirectly and come from where the energy the Group purchases and uses is produced) and Scope 3 (encompasses emissions that are not produced by the Group itself and are not the result of activities from assets owned or controlled by the Group, but by those that the Group is indirectly responsible for up and down the Group's value chain) emissions and shall disclose in the future annual reports as and when the data is ready.

During the financial year under review and the immediate preceding financial year, we have complied with the requirements of the Department of Environment ("DOE"), as evidenced by no penalties and/ or fines being levied on the Group.

Waste and effluent

Waste and effluent generation is an unavoidable challenge in industrial activities, especially for the manufacturing sector.

The Group does not produce scheduled waste and has a process to collect waste and effluent from the manufacturing process through the tray filtering system.

The Group adhered to the requirements of the DOE, where the biological oxygen demand ("BOD") shall be below 50 parts per million ("PPM"). During the financial year under review and also for the immediate preceding financial year, we have achieved PPM of 20 and below, which is within the DOE's requirements.

There were no penalties and/ or fines being levied to the Group during the financial year under review and also for the immediate preceding financial year, in relation to waste and effluent.

Water Conservation

Water is a fundamental and indispensable resource that significantly impacts environmental health, human well-being, and economic prosperity. The following disclosures in relation to water for the Group will only cover its material water consumption business location, i.e. our Malaysia Headquarters in Balakong and the Singapore Office

Water is widely used in our operations, including in our manufacturing process, (e.g. cleaning and maintenance of factory and machineries), and at the offices. Currently, our water is sourced from the Air Selangor for the Malaysia Headquarters and SP Services Ltd for the Singapore Office.

We take any wastage of water seriously and have installed and placed signs reminding our employees to conserve water and avoid unnecessary wastage throughout our premises.

During the financial year under review, the Group has consumed a total of 7,295m<sup>3</sup> of water, as compared to 7,259m<sup>3</sup> in the immediate preceding financial year, in our business operations covering the Malaysia Headquarters and Singapore Office.

## Sustainability Statement (cont'd)



### SOCIAL

The Group recognises the dedication of our employees and believes that our talented workforce is a key driving force behind our achievements. As a responsible employer, we are committed to providing a safe workplace, promoting diversity and equal opportunities and constantly upskilling our employees.

#### Occupational safety and health

Committed to prioritising the well-being of our employees, we are dedicated to providing a safe, secure, and conducive working environment to our employees.

The Group understands and complies with all applicable laws and regulations related to safety and sanitation such as the Occupational Safety and Health (Amendment) Act 2022, and has a target of zero accidents.

Apart from the above, other initiatives and actions taken to maintain and enhance the safety standards at the Group include:

- provided periodic training to relevant staff, to remind and emphasise the criticality and importance of safety at the workplace;
- established a Safety Committee which meets quarterly to discuss safety-related matters and where required, to establish the relevant action plans;
- employed a Qualified Safety Officer, whose primary responsibilities include identifying and assessing potential risks and hazards in the workplace, ensuring the availability and enforcement of the safety policies and procedures, providing safety training to employees, investigating accidents, incidents and near misses to identify root causes and implement corrective actions, etc.; and
- periodic safety audits are performed and recommendations, if any, will be implemented on a timely basis.

Health and safety standards training was provided to employees of the Group, including factory workers as follows:

	FYE 2023	FYE 2024
Number of staff trained on health and safety standards	115	54

During the financial year under review, we have identified that 54 staff who were required to attend health and safety standards training due to the nature of their work, and we are pleased to report that all 54 staff were trained during the year.

Further to the above, there were no work-related fatalities recorded during the year under review and also for the immediate preceding financial year.

Additionally, we are pleased to report that there was no lost time due to injuries recorded for the financial year under review.

#### Training and development

The Group is mindful of the need to constantly upskill our workforce to stay competitive, be prepared for and adapt to change, and foster innovation to ensure sustained continuous success.

In addition to on-the-job training, development training is customised to the individual needs. Annually, the Group conducts an employee performance appraisal and through this process, identifies the training needs for each employee, to spur improvement and foster progress. The employee can then request to attend the training, or any other training as recommended by HOD based on the relevance and availability of the external training programs.

Sustainability Statement  
(cont'd)**SOCIAL (CONT'D)**

During the financial year under review, the total hours of training attended by our employees, segregated by employee category are as follows:

Employee category	FYE 2024
Senior Management	60 hours
Middle Management	216 hours
Executive	343 hours
Non-Executive	265 hours

Further to the above, the Group has committed to provide at least six (6) trainings during the financial year under review, and we are pleased to report that we have provided a total of nine (9) trainings during the financial year under review.

Labour practices

In order to foster a positive work environment and build a strong and ethical culture within the Group, we treat our employees fairly and ethically. We complied with and advocated compliance with relevant laws and regulations pertaining to labour practices, covering foreign labour management and the Employment Act.

The Group does not tolerate any negative conduct such as bullying or any form of harassment, and to build a work environment where openness, trust and respect are integral parts of our corporate culture.

During the year under review and for the immediate preceding financial year, there were no substantiated complaints concerning human rights violations by the Group.

Diversity

The Group is aware of its diverse workforce and promotes equal opportunities for all. The Group has committed to recruit, develop, and promote employees without regard for race, gender, language, religion, political or other opinions, caste, national or social origin, birthplace, union affiliation, health status, age, disability, or other distinguishing characteristics.

## Sustainability Statement (cont'd)



### SOCIAL (CONT'D)

The demographics of our directors and employees for the year under review and for the immediate preceding financial year are as follows:

- By age and gender:

Age	FYE 2023		FYE 2024	
	Male	Female	Male	Female
<b>Director</b>				
> 50	71%	29%	71%	29%
41 – 50				
31 – 40				
≤ 30				
<b>Senior Management</b>				
> 50	40%	60%	40%	60%
41 – 50				
31 – 40				
≤ 30				
<b>Middle Management</b>				
> 50	22%	7%	21%	8%
41 – 50	31%	15%	35%	18%
31 – 40	9%	16%	2%	14%
≤ 30				2%
<b>Executive</b>				
> 50		5%	8%	7%
41 – 50	11%	22%	10%	18%
31 – 40	11%	18%	15%	15%
≤ 30	24%	9%	18%	9%
<b>Non-Executive</b>				
> 50	8%		8%	
41 – 50	17%	3%	15%	3%
31 – 40	30%	4%	30%	5%
≤ 30	30%	8%	29%	10%

Sustainability Statement  
(cont'd)



**SOCIAL (CONT'D)**

- Contractor/ temporary staff:

The percentage of employees that are contractors and/ or temporary staff for the year is 34.5%, a 4.1% decrease as compared to 38.6% recorded in FYE 2023, as the Group is focused on reducing dependency on foreign workers. As foreign workers are all hired on a contract basis, hence, reduction in foreign workers contributed to the reduction of contractors/ temporary staff.

- Employee turnover:

The percentages of staff turnover, by employee category, for the financial year under review and the immediate preceding financial year are as follows:

Employee category	FYE 2023	FYE 2024
Senior Management		
Middle Management	2%	6%
Executive	26%	13%
Non-Executive	72%	81%

Other Social Initiatives

The Group has during the financial year under review, invested a total of approximately RM16,000 in the community, where the beneficiaries are external to the Group. These include donations and sponsorship, mainly for orphanages, care centres and a football club. A total of 4 societies/ bodies and a number of blood donors have benefited from the said donations/ sponsorship above.

As a comparison, the Group has during the immediate preceding financial year, invested a total of almost RM15,000 in the community where the beneficiaries are external to the Group. These include donations for fundraising and contributions towards societies in relation to business, culture and religion. A total of 7 societies have benefited from the said community/ society investment above.

Apart from social initiatives to and for beneficiaries that are external to the Group as highlighted above, the Group has also during the financial year, provided school uniforms and accessories subsidies for our employees’ children, where a total of approximately RM10,000 were provided to 29 pax for the abovementioned initiative.

## Sustainability Statement (cont'd)



### GOVERNANCE

#### Anti-corruption policy

Corruption erodes trust, weakens democracy, hampers economic development, and further exacerbates inequality, poverty, social division, and the environmental crisis.

The Group is committed to performing business ethically and with the highest level of integrity. Given the consequences, the Group practices a zero-tolerance approach to any form of bribery and corruption within the Group and its third party.

In line with the Ministerial Guidelines on Adequate Procedures issued by the Prime Minister's Department pursuant to subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission ("MACC") Act 2009, we have established amongst others, the following:

- an Anti-Bribery and Anti-Corruption Compliance and Monitoring Framework, covering amongst others, the commitment of the Group, roles and responsibilities of the governing parties, corruption risk assessment methodology, due diligence checking, etc.;
- conflict of interest and anti-corruption declaration by all employees of the Group;
- provide anti-bribery and anti-corruption training periodically to all employees and relevant external stakeholders of the Group; and
- whistleblowing policies and procedures, where all stakeholders, ranging from employees to the public, can report known or suspected misconduct, wrongdoings, bribery, corruption and instances of fraud, waste, and/ or abuse involving the resources of the Group, confidentially and in good faith, to the Chairperson of the Audit and Risk Management Committee.

During the financial year under review and in the preceding financial year, there were no confirmed incidents of corruption within or involving the Group.

#### Data privacy and security

In the course of our business operations, we obtain and process data of our customers and suppliers, which may include sensitive and confidential data such as pricing, specifications and company information. The Group also has private and confidential data, which in case of data breach or leakage, could be detrimental to the Group, including strategic plan, budget, intellectual property, trade secrets, company policies, Standard Operating Procedures ("SOP").

Data privacy and security are identified as a MSM of the Group, where we have established the following internal controls to reduce and where possible, prevent any potential data breach or leakage:

- declaration from all employees in relation to the Personal Data Protection Act ("PDPA") requirements;
- established non-disclosure agreement clause as part of the contract terms with third parties;
- established general Information Technology ("IT") controls, such as installation of firewalls, anti-viruses, enforcement of password protection, etc.; and
- established Information Technology ("IT") Policy, which provides the dos and don'ts with regard to IT systems.

During the financial year under review and in the preceding financial year, there were no cases of data breaches or leakages throughout the Group's operations.

Sustainability Statement  
(cont'd)

## GOVERNANCE (CONT'D)

### Compliance

Apart from the compliance with DOE as mentioned above, the Group is also required to comply with standards in relation to International Organization for Standardization (“ISO”) 9001:2015, SIRIM Product Certification, Certification of Standards Compliance from Construction Industry Development Board (“CIDB”), MACC Act 2009, Companies Act 2016, etc.

The Group places high priority and importance on compliance with all applicable rules and regulations. We achieve that via the following:

- established policies and procedures (P&P) or SOP to provide guidance to employees;
- periodic training provided to employees, especially on changes or amendments to laws and regulations;
- seek guidance or acquire advice from consultants, where necessary; and
- periodic ISO internal audit being performed on compliance, where recommendations provided are dealt with seriously and implemented accordingly.

During the financial year under review and in the preceding financial year, there were no recorded or known cases pertaining to confidential data or customer data breaches, and there were also no recorded or known cases of cyber-attacks detected.

## CONCLUSION

In conclusion, our commitment to sustainability lies at the core of our business values, shaping our actions and decisions. By integrating environmental stewardship, social responsibility, and ethical practices into our operations, we aspire to create a positive impact that extends beyond financial success. Our pursuit of sustainability reflects not just a corporate responsibility but a genuine belief in the interconnection of economic prosperity, environmental health, and social well-being. As we strive to innovate, collaborate, and adapt in a dynamic world, our dedication to sustainability stands as a testament to our enduring commitment to a better future for our planet, our communities, and generations to come.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement (“CGOS”) sets out the principal features of TSA Group Berhad (“TSA” or “the Company”) and its subsidiaries (collectively referred to as the “Group”)’s corporate governance approach, summary of corporate governance practices during the financial year ended 31 December 2024 (“FYE 2024”) as well as key focus areas and future priorities in relation to corporate governance, through the three (3) key corporate governance principles as promulgated in the Malaysian Code on Corporate Governance (“MCCG”) 2021 in:

- board leadership and effectiveness;
- effective audit and risk management; and
- integrity in corporate reporting and meaningful relationships with stakeholders.

The Board of Directors (“Board”) acknowledges the importance of upholding high corporate governance standards and has applied a balanced approach towards conformance and delivering accountability through effective governance.

This CGOS is made pursuant to Rule 15.25(1) of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa”) and guidance drawn from Guidance Note 11 of the Listing Requirements and the Corporate Governance Guide (4<sup>th</sup> edition) issued by Bursa. This CGOS is augmented with a Corporate Governance Report (“CG Report”) based on a prescribed format as enumerated in Rule 15.25(2) of the Listing Requirements so as to provide a detailed articulation on the application of the Group’s corporate governance practices vis-à-vis the MCCG 2021. The CG Report FYE 2024 of the Company is available on the Company’s website at <https://tsa.com.my/> as well as via an announcement on Bursa’s website.

Apart from the CG Report FYE 2024, this CGOS should also be read in tandem with the other statements in the 2024 Annual Report (e.g. Statement on Risk Management and Internal Control, Audit and Risk Management Committee Report and Sustainability Statement).

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### Board and Board practices

The Board is ultimately responsible and accountable for the Company’s performance and affairs. The Board sets short and long-term objectives and oversees the Company’s achievement of the objectives set. Strategies and initiatives that support the objectives set incorporate elements that enable the long-term sustainability of the Company, considering aspects in relation to environmental, social and governance.

The Board has formalised a Board Charter which sets out and demarcates roles and responsibilities of the Board, Board Committees and the fiduciary duties of individual Directors. Similarly, each Board Committee has a formalised Terms of Reference which highlights the obligations of each Board Committee in assisting the Board in fulfilling its stewardship responsibilities. The Board Charter and the Terms of References of the Board Committees serve as the primary reference and literature that guides the governance and conduct of the Board and Board Committees, will be reviewed periodically and are available at the Company’s website at <https://tsa.com.my/>, and may be amended by the Board or the Board Committee from time-to-time to ensure it reflects and adapt to changing circumstances.

To govern the Group and the Company, the Board has set up policies, which include amongst others, the following:

- Code of Ethics and Conduct;
- Anti-Bribery and Anti-Corruption Compliance and Monitoring Framework;
- Anti-Money Laundering and Countering Financing of Terrorism Standard Operating Procedures;
- Whistleblowing Policies and Procedures;
- Corporate Disclosure and Communication Policies and Procedures;
- Directors and Senior Management’s Remuneration Policy and Procedures;
- Directors’ Fit and Proper Policy;
- Conflict of Interest Policy;
- Independent Director Tenure Policy;
- Risk Management Framework; and
- Related Party Transaction Policies and Procedures.

## Corporate Governance Overview Statement (cont'd)

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

#### Board and Board practices (Cont'd)

The Board consists of seven (7) Directors, three (3) of which are Executive Directors and the remaining four (4) are Independent Non-Executive Directors (“INED”). Out of the seven (7) Directors, two (2) are female, accounting for 28.6% female Directors on the Board. The Board is committed to achieving a minimum of 30% female directors. As additional time is needed to identify and appoint a suitable female candidate, the target timeline to fulfill this commitment has been extended to February 2026.

The Board is chaired by Mr. Lim Hun Soon @ David Lim, an INED, who is primarily responsible for the orderly conduct and effective function of the Board, including leading discussions at meetings, encouraging active participation and allowing dissenting views to be expressed freely, and promotes constructive and respectful relations between Board members. The Group Managing Director, Mr. Chew Kuan Fah is responsible for all aspects of management and development of the Company, including implementing the programme to achieve the Company's goals and vision for the future, in accordance with the strategies, policies, programme and performance requirements approved by and/ or in-line with the Board. To ensure check and balance, as well as objective review by the Board on deliberations emanating from the Board Committees, the Chairman of the Board, is not a member of any of the Board Committees.

To preserve the value an INED brings to the Company, i.e. objectivity to the oversight function of the Board through independence in mind and independence in appearance, the Board has limited the tenure of an INED to a cumulative term of nine (9) years. During the FYE 2024, the Board has adopted an Independent Director Tenure Policy whereby INED who has reached the threshold of 9 years' tenure may continue to serve on the Board as a Non-Independent Director. During the financial year under review, none of the INED in the Company has served for nine (9) years.

The Board is supported by three (3) Board Committees, namely the Audit and Risk Management Committee (“ARMC”), the Nominating Committee (“NC”) and the Remuneration Committee (“RC”). The ARMC assists the Board in providing oversight on the Company's financial accounting and reporting, disclosure, internal controls, accounting and reporting practices, governance structure, compliance, related party transactions, internal audit and external audit process, conflict of interest and risk management. The NC oversees the matters relating to the nomination of new Directors, and reviewing the composition, size and diversity of the Board. The NC ensures that the Board comprises Directors who are fit and proper with the required mix of skills, experience, and other requisite qualities of Directors through annual review and the assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director. The RC is primarily responsible for examining and making recommendations to the Board as to the remuneration packages for Directors and Senior Management pursuant to the provision of the Directors and Senior Management Policy and Procedures, which reflects the performances of these personnel.

#### Nominating Committee

The NC is comprised wholly of INED as follows:

- Cik Shahira Binti Abdul Aziz (Chairperson)
- Mr. Chong Chin Look (Member)
- Ms. Karmjit Kaur A/P Sarban Singh (Member)

The NC facilitates annual assessment of the Board, Board Committees, and individual Directors through various key criteria, including skills, quality of information and decision making, boardroom activities, contribution and performance, time commitment, competencies, commitment to personal development in relation to sustainability, etc.

Apart from the annual assessment, the NC is also responsible for the appointment of new Directors, the re-election of Directors, and the re-appointment of Non-Executive Directors. This includes considering and recommending the retirement of one-third (1/3) of the Directors at each Annual General Meeting (“AGM”), and that all Directors shall retire at least once every three (3) years, according to the Company's Constitution. To avoid “groupthink”, the NC considers diversity in the form of skills, experience, age, cultural background, and gender, apart from criteria such as competency and capability, personal qualities (such as honesty, integrity, diligence, independence of mind and fairness) and time-commitment of a Director and Senior Management. To appoint the right person to the leadership team with the right skills, experience, and credibility (including Board mix), the NC is authorised to utilise independent sources such as the directors' register, industry and professional associations, open advertisements, and independent search firms to source for potential candidates.

## Corporate Governance Overview Statement (cont'd)

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

#### Summary of activities of the NC during the FYE 2024

During the year under review, NC guided by its Term of Reference ("TOR") has undertaken the following activities in the discharge of its duties:

- (a) Annually assessed on the size, composition and effectiveness of the Board and Board Committees, and the contribution of each of the Directors to the Board and Board Committees;
- (b) Reviewed the succession planning of the Board of Directors and Senior Management;
- (c) Annually assessed on the length of service of each Independent Non-Executive Director and their independence and ability to exercise their independent judgement or the ability to act in the best interest of the Company;
- (d) Reviewed the Fit and Proper Policy and recommended the same for the Board's approval;
- (e) Reviewed the meeting attendance of the Board and Board Committees' members and the sufficiency of the time commitment in the Company;
- (f) Reviewed the term of office and performance of the ARMC and each of its members to determine whether the ARMC and members have carried out their duties in accordance with its TOR;
- (g) Reviewed and recommended to the Board of the re-election of Directors who will be retiring pursuant to the Company's Constitution; and
- (h) Reviewed the training programmes attended by the Directors and identified the training needs of the Directors.

#### Remuneration Committee

The RC comprised wholly of INED as follows:

- Ms. Karmjit Kaur A/P Sarban Singh (Chairperson)
- Mr. Chong Chin Look (Member)
- Cik Shahira Binti Abdul Aziz (Member)

The RC supervises remuneration-related matters, including periodic review of the Directors and Senior Management's Remuneration Policy and Procedures, and reviews and recommends to the Board and subsequently to the shareholder's approval at the AGM, the fees and any benefits payable to the Non-Executive Directors. The remuneration packages for Executive Directors and Senior Management are premised on the basis of reasonable and fair, based on market trends and conditions, as well as linked to the Company's and individual performances; whereas remuneration packages for INED are based on their experiences, level of responsibilities assumed, attendance and special skills or expertise.

The detailed remuneration of individual directors for FYE 2024 is reported in the Corporate Governance Report accompanying this Annual Report.

The Board decided to disclose the Senior Management team's remuneration for the FYE 2024, on an unnamed and aggregated basis in the range of RM50,000.00 as it considers disclosure of such information on a named and detailed basis to be detrimental to the Company and the individual, in view of the competitive nature of the human resource market and sensitivity of such information.

## Corporate Governance Overview Statement (cont'd)

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

#### Company Secretary

The Board is supported by a suitably qualified and competent Company Secretary (who has the requisite credentials and is qualified under the Companies Act 2016), responsible for providing sound governance advice, ensuring adherence to rules and procedures, and advocating the adoption of corporate governance best practices. The Board as a whole, is responsible and has the authority to appoint and remove the Company Secretary. Criteria considered include amongst others, performance, competency, and capability of the Company Secretary.

The Company Secretary, together with the Board and Board Committees' Chairman, set the agenda for each meeting. The notice of Board and Board Committees' meetings is issued at least five (5) business days prior to Board and Board Committees' meetings. The Board and Board Committees members are provided with Board Papers before the meetings. Furthermore, Directors are provided with the authority to request additional information necessary from the Management team to support informed decision-making.

The Company Secretary acts as the Secretary of the Board and all Board Committees, supporting the documentation of the meeting discussions, comments, deliberations, and decisions made during the meetings. Upon conclusion of the meetings, the Company Secretary ensures the timely circulation of the minutes to the respective Directors for comments and confirmation.

#### Board and Board Committee meeting attendance

For the effective functioning of the Board, Directors are required to allocate sufficient time to prepare and attend Board and Board Committee meetings.

The meetings of the Board and Board Committees attended by the Directors for FYE 2024 are as follows:

	Board	ARMC	NC	RC
Mr. Lim Hun Soon @ David Lim (Independent Non-Executive Chairman)	6/6	–	–	–
Mr. Chew Kuan Fah (Group Managing Director)	6/6	–	–	–
Mr. Chew Yik Wai (Executive Director)	6/6	–	–	–
Mr. Ng Kim Liang (Executive Director)	6/6	–	–	–
Mr. Chong Chin Look* (Independent Non-Executive Director)	6/6	6/6	1/1	1/1
Ms. Karmjit Kaur A/P Sarban Singh^ (Independent Non-Executive Director)	6/6	6/6	1/1	1/1
Cik Shahira Binti Abdul Aziz# (Independent Non-Executive Director)	6/6	6/6	1/1	1/1

#### Notes:

- \* : Chairman of ARMC
- ^ : Chairperson of RC
- # : Chairperson of NC

## Corporate Governance Overview Statement (cont'd)

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

#### Board Training

All existing Directors have attended the Mandatory Accreditation Programme (“MAP”) and MAP II as required by the Listing Requirements. During the course of the year, they have also attended other training programmes for Directors and seminars on areas such as sustainability, governance, and tax that include the following:

Name of Director	Course Title	Date
Mr. Lim Hun Soon @ David Lim	Fireside Chat with Former Central Bank Governors on “Central banking in an Evolving International Financial System” (organised by FIDE FORUM)	6-2-2024
	PBB In-House Training: Virtual Talk on The Global Landscape: Near-Term Volatility (conducted by Professor Pushan Dutt, INSEAD)	4-3-2024
	PBB In-House Training: Virtual Talk on Generative AI: What Comes Next After ChatGPT? Predicting the Next 5 GenAI Tools! (conducted by Professor Amit Joshi, IMD)	15-3-2024
	Directors Masterclass Series : What Directors Must Know - Recent Developments in Climate Science (organised by FIDE FORUM)	17-4-2024
	Engagement Session with FIDE FORUM Members on BNM Annual Report 2023, Economic and Monetary Review 2023 and Financial Stability Review 2023 (organised by FIDE FORUM in collaboration with BNM)	30-5-2024
	PBB In-House Training: Virtual Talk on ABAC and AML – Senior Management and the Board’s Responsibilities and Perspective (conducted by Chionh Chye Kit, Cynopsis Solutions)	5-6-2024
	Sustainability Training Programme - ESG & Internal Audit - Strengthening the Third Line of Defence	1-7-2024
	IFCTF 2024 Masterclass Programme themed “Combatting Financial Crime and AML/CFT/CPF: A Technical Deep Dive” (organised by Asian Institute of Chartered Bankers)	19-8-2024
	Case Studies - Wirecard’s Reluctant Whistleblower and Other Financial Deceptions (organised by Securities Industry Development Corporation)	15-10-2024
	Directors’ Remuneration Report Launch (organised by FIDE FORUM)	11-11-2024
	Cybersecurity Awareness Training	29-11-2024
	Mr. Chew Kuan Fah	Mandatory Accreditation Programme Part II - Leading for Impact
Mission in Action		18 & 19-10-2024
Mr. Chew Yik Wai	Mandatory Accreditation Programme Part II - Leading for Impact	29 & 30-5-2024
	Mission in Action	18 & 19-10-2024

## Corporate Governance Overview Statement (cont'd)

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

#### Board Training (Cont'd)

Name of Director	Course Title	Date
Mr. Ng Kim Liang	Mandatory Accreditation Programme Part II - Leading for Impact	29 & 30-5-2024
	Mission in Action	18 & 19-10-2024
Mr. Chong Chin Look	Affin Hwang - Malaysia Market Outlook 2024 - Propelling Malaysia Forward	10-1-2024
	Mandatory Accreditation Programme Part II - Leading for Impact	20 & 21-5-2024
	AHAM Capital - Navigating the Post-Budget Landscape: Investment Opportunities in Malaysia	23-10-2024
Ms. Karmjit Kaur A/P Sarban Singh	ICDM x Human Inc Masterclass - Unleashing the transformative power of AI	10-6-2024
	Mandatory Accreditation Programme Part II - Leading for Impact	30 & 31-7-2024
	Insights Across Borders : Thriving in the Bermuda Triangle of Technology, Risk & Talent	1-8-2024
	Corporate Venture Capital : Driving the future of innovation & financial returns	19-9-2024
	BCP is out Directors Preparedness for AI Powered Attacks on People, Technology & Governance	27-9-2024
	Board Ethics : Growing Concerns from New Technology, Stakeholder Interest & Conflict Of Interest	16-10-2024
	ICDM BARMC Dialogue & Networking Session   Board's Role in Whistleblowing Oversight	24-10-2024
	Demonstrating Climate Change Risk Governance in organizations	5-11-2024
	Board of Directors Steering the Path with NetZero Strategy	22-11-2024
	Boardroom Insights 2025 Navigating Governance, Risk and Strategic Foresight	17-12-2024
	Cik Shahira Binti Abdul Aziz	Business: Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape
Mandatory Accreditation Programme Part II - Leading for Impact		12 & 13-6-2024
A Delicate balance - Board & Management Relationship		27-6-2024
FIDE Core Module A		1 to 4-7-2024
FIDE Core Module B		5 to 8-8-2024
Aligning Risk Management to Strategy and Purpose		7-10-2024

## Corporate Governance Overview Statement (cont'd)

### **PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT**

#### Audit and Risk Management Committee

The ARMC comprised solely of INED as follows:

- Mr. Chong Chin Look (Chairman)
- Ms. Karmjit Kaur A/P Sarban Singh (Member)
- Cik Shahira Binti Abdul Aziz (Member)

The Company recognises the need for objectivity is particularly imperative for the Chairman of the ARMC, as the committee has a specific role in providing objective oversight in the areas of financial accounting and reporting, disclosure, internal controls, accounting and reporting practices, governance structure, compliance, related party transactions, conflict of interest and risk management. Hence, the Chairman of the ARMC is not the Chairman of the Board.

The ARMC Chairman is a member of the professional accountancy body, which is in accordance with Rule 15.09(1)(c) of Bursa's Listing Requirements, and all three (3) members are financially literate, able to understand matters under the purview of the ARMC and possess the necessary skills to discharge their duties effectively.

To avoid the ability to significantly influence the audit and preparation of the Company's financial statements, the ARMC has in the ARMC's Terms of Reference, formalised the policy which requires a former partner of the external audit firm (including those providing advisory services, tax consulting, and other similar services) to observe a cooling-off period of at least three (3) years before being able to be appointed to the ARMC.

#### Risk Management and Internal Control Framework

The Board is ultimately responsible for ensuring the overall adequacy and effectiveness of the Group's risk management and internal control framework. The ARMC is tasked to assist the Board on the Group's risk management matters, including overseeing the overall effectiveness of the risk management framework, the adequacy and effectiveness of internal controls, and reviewing the Group's risks including in the areas of cybersecurity, anti-corruption, operations and financial.

The Group's risk management practices are guided by the Risk Management Framework which was developed by Management. The Risk Management process includes the identification, assessment, monitoring, reporting, and mitigation of risks affecting the Company's business and supporting activities.

The Board reviews the adequacy and operating effectiveness of the Group's risk management and internal control framework on an annual basis, based on, amongst others, the audit activities overseen by the ARMC, the assurance from the Group Managing Director and the Head of Finance and input from other parties and processes. Details of the features of the Group's risk management and internal control framework and the Board's commentary on its adequacy and effectiveness are disclosed in the Statement on Risk Management and Internal Control, whereas the summary of activities carried out during the financial year under review is disclosed in the ARMC Report included in this 2024 Annual Report.

## Corporate Governance Overview Statement (cont'd)

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

#### External auditors

The external auditors for the Company and the Group is Messrs. Crowe Malaysia PLT. Their primary role is to form an opinion on the financial statements of the Company, including accounting and other records relating to those financial statements and thereafter report to the shareholders in AGM. To ensure the effectiveness of the external auditors, ARMC has assessed the suitability, objectivity, and independence of the external auditors through the assessment form of the "Review of the Effectiveness of External Auditors and Internal Audit Function of the Company". Based on the annual assessment's result under the year of review, the ARMC is satisfied with the performance and independence of the external auditors and has recommended to the Board of the re-appointment of Messrs. Crowe Malaysia PLT for shareholders' approval at the forthcoming 3<sup>rd</sup> AGM.

In assessing the independence of the external auditors, the ARMC has also considered the nature and fees of any non-audit services provided by the external auditors and/or their affiliates, which for FYE 2024, amounting to as follows:

	Company (RM'000)	Group (RM'000)
Audit services	60	211
Non-audit services:		
- external auditors	8	8
- a corporation affiliated to the external auditors	15	153
Total: Non-audit services	<b>23</b>	<b>161</b>

The non-audit services were mainly for the services related to the tax compliance fees, review of the Statement of Risk Management and Internal Control, professional fees for tax advisory services, transfer pricing and e-invoices.

#### Internal auditors

The Company's internal audit function is outsourced to Sterling Business Alignment Consulting Sdn Bhd, an independent professional firm. The firm has during the financial year under review, performed internal audits and follow-up audits to assess the effectiveness, adequacy, and integrity of the Company's internal control systems. The internal auditors have full and direct access to the ARMC, and the ARMC received reports on all internal audits conducted, including significant results and recommendations for improvement. The ARMC, through its internal auditors, monitored action plans and the status thereof on a regular basis.

Further details on the internal audit function are available in the ARMC Report, CG Report and the Statement on Risk Management and Internal Control of the 2024 Annual Report.

## Corporate Governance Overview Statement (cont'd)

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

#### Engagement with Stakeholders

The Board understands the importance and need for communication with its stakeholders, such as the shareholders, employees, customers, business partners, and the general public. Various communication channels were established, including announcements on Bursa's website, the Company's corporate website, general telephone number, fax number and email address as well as annual reports, press releases, quarterly results, and other information which are also available on the corporate website.

Through these channels, relevant information such as the Company's commercial activities and financial performances, the Group's background and products, policies regarding how the Group's businesses are run, and sustainability information including environmental, social, and governance matters are communicated to the stakeholders. Furthermore, engagement channels which facilitate two-way communications are in place, such as through AGM, employee appraisal processes, and business meeting forums. These engagement/ communication strategies and channels are reviewed annually by the Board, considering amongst others, their adequacy and effectiveness.

#### Conduct of General Meetings

General meetings serve as a principal forum through which shareholder dialogue is carried out, allowing shareholders to review the Group's performance, and understand the Group's long-term strategic direction, as well as financial and non-financial information. In the 2<sup>nd</sup> AGM, the Company had despatched the notice to its shareholders at least 28 days' notice before the AGM and to provide shareholders sufficient time to read and understand the Annual Report, resolutions to be tabled and make the required attendance and voting arrangements.

The 2<sup>nd</sup> AGM of the Company was conducted as a fully virtual meeting by leveraging remote shareholder participation and electronic voting facilities. Management has assessed and considered cyber hygiene practices including data privacy and security to prevent cyber threats to the remote AGM facility (i.e. Tricor Investor & Issuing House Online).

All the Board members attended the 2<sup>nd</sup> AGM, to provide Shareholders with the opportunity to seek pertinent clarifications from the Directors and Senior Management. Shareholders were provided with the opportunity to submit questions prior to and during the AGM, in addition to speaking (and also in the form of real-time submission of typed texts) and voting remotely through the TIH Online system. All the Directors together with the Head of Finance, External Auditors, Internal Auditors and Company Secretary were present to respond to the questions raised by the Shareholders.

The minutes of the 2<sup>nd</sup> AGM were published on the corporate website on 10 July 2024 before the deadline of 30 business days after the general meeting.

This Corporate Governance Overview Statement together with the CG Report were approved by the Board on 17 April 2025.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

Rule 15.26 (b) of the ACE Market Listing Requirements (“LR”) of Bursa Malaysia Securities Berhad (“Bursa”) requires the Board of Directors (“Board”) of a listed corporation to include in its Annual Report a statement about the state of risk management and internal control of the listed corporation as a group. Accordingly, the Board of TSA Group Berhad (“TSA” or “Company”) is pleased to provide the following statement which outlines the nature and scope of TSA and its subsidiaries (“Group”)’s risk management and internal control systems which have been in place for the financial year ended 31 December 2024 and up to the date of approval of this statement for inclusion in the annual report.

## BOARD’S RESPONSIBILITY

The Board acknowledges its responsibility to maintain a sound and robust system of risk management and internal control to safeguard shareholders’ investments and the Group’s assets and promote long-term success and sustainability. The Board is assisted by the Audit and Risk Management Committee (“ARMC”) to oversee and monitor the effectiveness of the Group’s risk management and internal control system. Key risks identified and action plans to address the risks will be highlighted by the Risk Management Working Group (“RMWG”), a Management Committee, to the ARMC at least on a yearly basis, where the ARMC then reports the same to the Board.

The Board and the ARMC have received assurance from the Group Managing Director and Head of Finance that the Group’s risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control systems of the Group.

In view of the limitations inherent in any system of risk management and internal control, the Board is aware that the system is designed to manage, rather than to eliminate, the risk of failure to achieve the Group’s corporate objectives. Accordingly, the system can only provide reasonable, but not absolute, assurance against material misstatement or loss.

## RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE

Risk management and internal controls are regarded as an integral part of the Group’s business management processes. An effective system of internal control provides a reasonable assurance that assets of the Group are safeguarded against loss from unauthorised use or disposition and gives a proper account of the assets, and that all transactions are properly authorised and that they are recorded as necessary to enable the preparation of a true and fair view of the financial statements; while an effective risk management helps the Group achieve its performance and profitability targets by providing risk information to enable better decisions, both in the setting of Group strategy and in daily decision making as that strategy is executed.

The key elements of the Group’s risk management and internal control system are as follows:

- Organisation structure

The Group has established an organisational structure with formally defined lines of responsibility and delegation of authority, augmented by hierarchical reporting culminating in the Board. The organisational structure enables each department to focus on the respective roles and responsibilities assigned to them and enhances operational efficiency and effectiveness.

- Code of Ethics and Conduct

The Group has a formalised Code of Ethics and Conduct to provide a behavioural framework which sets out the Group’s standards of integrity, acceptable conduct and behaviour. The Code of Ethics and Conduct was communicated to all directors and employees of the Group.

## Statement on Risk Management and Internal Control (cont'd)

### RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE (CONT'D)

The key elements of the Group's risk management and internal control system are as follows: (Cont'd)

- Policies and Procedures

The Group has established policies and procedures for the Group's core business functions, which are clearly communicated to all relevant parties. These policies and procedures are reviewed and updated from time to time to adapt to the changing business environment.

- Business performance monitoring

Business performance is monitored periodically, focusing on both financial and operational results. The management team receives and periodically discusses business performance, which includes action plans to address areas of concern, if required. The Board and ARMC receive quarterly financial reports on business performance, which include Management's action plans to address areas of concern, if any.

- Risk Management Framework

The Board has established a Risk Management Framework ("RMF") to guide the identification, assessment, evaluation, treatment and monitoring of key risks. The RMF is designed to inculcate a risk management philosophy and culture into day-to-day business activities as well as decision-making processes within the Group, with a view to supporting the overall business objectives of the Group. The risk management processes, which are carried out on an ongoing basis, are as follows:

- Risk identification

This process involves the identification of key risks that could have a material negative impact on TSA's ability to achieve its business goals. During this process, risks are considered from sources such as external, regulatory, legal, corporate governance, financial, customer, products and services, suppliers, human capital, and operations.

The key risks are identified through but not limited to the following methods:

- o brainstorming/ discussion groups;
- o reviewing process, systems design review, and systems analysis;
- o scenario analysis; and
- o strengths, weaknesses, opportunities and threats ("SWOT") analysis.

- Evaluation of controls

This process involves the identification of existing internal controls implemented to address the key risks identified. Controls include any existing management activities standards, processes, procedures, practices or actions performed to manage the risk or to minimise the adverse effects of risk.

- Rating of risks

Risks identified are then assessed and ranked based on the likelihood of happening and the impact of the risk materialising, giving different risk ratings to each identified risk. This allows risks to be prioritised and resources to be effectively used in managing these key risks identified.

Both the likelihood and impact ratings are guided by the Risk Ratings Table, which provides a guideline for assigning likelihood and impact ratings. The likelihood and impact ratings are then plotted into a risk matrix to derive the final risk rating/ level.

## Statement on Risk Management and Internal Control (cont'd)

### RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE (CONT'D)

The key elements of the Group's risk management and internal control system are as follows: (Cont'd)

- Risk Management Framework (Cont'd)

- Risk response and treatment

The risk response and treatment process includes actions, measures and strategies undertaken by Management to bring key risks to an acceptable rating level. The implementation of risk treatment plans is generally the responsibility of the risk owners and risk delegate.

Risk treatment should be deployed based on the risk strategy of the Group in addressing different categories of risks, which often will also include the cost and benefit analysis. The types of risk treatment available are:

- o risk avoidance – avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk;
- o risk termination/ elimination – removing the risk source;
- o risk transfer – sharing the risk with another party or parties;
- o risk treatment/ reduction – reduce the likelihood or the consequences; and
- o risk tolerance/ acceptance – accept risk without risk treatment but is subjected to continuous monitoring and review.

- Risk monitoring and management

Key risks identified are monitored by risk owners and risk delegates to ensure the risk ratings remain relevant and that controls in place remain effective and adequate amidst changing circumstances. Any changes will be reported, and appropriate action plans will be devised with a view to realign the risk rating to an acceptable level.

The Group adopts a decentralised approach to risk management, whereby all employees take ownership and accountability for risks at their respective levels. The process of risk management and treatment is the responsibility of the Heads of Department.

### INTERNAL AUDIT FUNCTION

The Group has engaged Sterling Business Alignment Consulting Sdn Bhd (“Sterling”), an independent professional firm, as the internal auditors. The internal auditors are primarily responsible for independently assessing and reporting to the Board, through the ARMC, the adequacy and integrity of the Group's risk management and internal control system. The ARMC receives reports on all internal audits (“IA”) and follow-up audits conducted.

The internal auditors' team is headed by Dr. So Hsien Ying, who has over 30 years of experience in corporate planning, business process improvement, risk management, IA, and internal control reviews. She is a Doctor in Business Administration (Wales), Master in Business Administration (Finance) (Hull), BSc Economics (Hons) (London), a Certified Internal Control Professional (US), a permanent member of the Internal Control Institute (US), an associate member of the Institute of Internal Auditors Malaysia (“IIAM”) and a member of the Malaysian Alliance of Corporate Directors.

The internal auditors adopt a risk-based approach when developing the internal audit plan, which addresses the core business processes of the Group based on their risk profile. Scheduled internal audits and follow-up audits were carried out by the internal auditors based on the internal audit plan presented to and approved by the ARMC for FYE 2024. The internal audit work is guided by the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) Internal Control – Integrated Framework.

## Statement on Risk Management and Internal Control (cont'd)

### INTERNAL AUDIT FUNCTION (CONT'D)

The IA function has, during the FYE 2024, carried out work summarised as follows:

- Reviewed and tested the adequacy and operating effectiveness of controls associated with “credit control and collection”, “procurement”, “internal regulatory monitoring and compliance”, “warehouse and inventory management”, “production and production planning”, and “quality control”;
- Reported internal audit findings and made recommendations (in relation to the six areas covered above) to improve the internal control and risk management system to the ARMC;
- Performed follow-up audit on the six areas covered above, assessing the status of implementation of the management actions against the deadline and
- Reported the results of the follow-up audit (in relation to the six areas covered above) to the ARMC.

The total costs incurred for the IA function for the FYE 2024 amounted to RM38,000.

### REVIEW OF THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In accordance with Rule 15.23 of the ACE Market Listing Requirements of Bursa, the Company’s external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 (“AAPG 3”), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Company’s Annual Report for the financial year ended 31 December 2024, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in this Annual Report, in all material respects:

- i. has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- ii. is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Board and Management.

### CONCLUSION

The Board is of the view that the Group’s risk management and internal control systems during the financial year under review up to the date of approval of this statement are adequate and effective in safeguarding shareholders’ investments, the Group’s assets and the interests of customers, regulators and employees.

The Board is of the view that there were no material losses incurred by the Group during the financial year ended 31 December 2024 as a result of weaknesses in risk management and internal controls of the Group. The Group continues to take the necessary measures to strengthen the risk management processes and internal control environment of the Group.

This Statement on Risk Management and Internal Control was approved by the Board on 17 April 2025.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“Board”) is pleased to present the Audit and Risk Management Committee (“ARMC”) Report for the financial year ended 31 December 2024 (“FYE 2024”).

## INTRODUCTION

The ARMC assists the Board of TSA Group Berhad (“Company”) in fulfilling its duties and responsibilities with respect to the reliability and integrity of the Company’s financial accounting and reporting, disclosure, internal controls, accounting and reporting practices, governance structure, compliance and risk management of the Company and its subsidiaries.

The ARMC is guided by a written Terms of Reference (“TOR”), which provides amongst others, the authorities, duties and responsibilities of the ARMC. The TOR of the ARMC is made available on the Company’s website at <https://tsa.com.my/>.

The features of the Group’s risk management and internal control system are stated in the Statement of Risk Management and Internal Control of this Annual Report. This statement focuses on the ARMC’s roles and responsibilities of being an audit committee.

## COMPOSITION AND MEETINGS

The ARMC is comprised solely of Independent Non-Executive Directors, aligned with Step Up Practice 9.4 of the Malaysian Code on Corporate Governance (“MCCG”), where it is important for ARMC to be independent in order to exercise their judgement in an impartial manner in fulfilling the ARMC’s mandate.

In alignment with Practice 9.1 of the MCCG, the Chairman of the ARMC, i.e. Mr. Chong Chin Look, is distinct from the Chairman of the Board. He has been a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants (“MIA”) since 1992 and 1993 respectively.

The composition of the ARMC also complies with the ACE Market Listing Requirements (“LR”) of Bursa Malaysia Securities Berhad (“Bursa”) and the ARMC’s TOR as follows:

- Composed of not fewer than three (3) members;
- All the ARMC members are Non-Executive Directors, with a majority of them being Independent Directors and none of them are alternate Directors; and
- At least one (1) of the ARMC members is a member of the Malaysian Institute of Accountants or fulfils other requirements prescribed under the LR.

All members of the ARMC possess financial literacy, competency and experience, enabling them to understand matters falling within the purview of the ARMC, including the financial reporting process. They have the necessary expertise to review the Group’s financial reporting process and information, ensuring that the financial reports accurately reflect our Group’s actual performance.

## Audit and Risk Management Committee Report (cont'd)

### COMPOSITION AND MEETINGS (CONT'D)

The details of the ARMC members and their attendance at the ARMC meetings held during the FYE 2024 are as follows:

Name	Designation (in ARMC)	Meetings attended
Mr. Chong Chin Look (Independent Non-Executive Director)	Chairman	6/6
Ms. Karmjit Kaur A/P Sarban Singh (Independent Non-Executive Director)	Member	6/6
Cik Shahira Binti Abdul Aziz (Independent Non-Executive Director)	Member	6/6

The minutes of each ARMC meeting were recorded and tabled for confirmation at the subsequent ARMC meeting and tabled to the Board for the notation in the same quarter of the Board Meeting. The ARMC Chairman reports to the Board on activities undertaken and key recommendations for the Board's consideration and decision.

The ARMC has during the financial year, held two (2) private sessions with the external auditors without the presence of the Management and Executive Board members. These sessions allowed the ARMC to discuss sensitive issues or concerns with the external auditors, and obtain frank and honest feedback without potential influence or pressure from the Management. The matters discussed were the extent of cooperation provided by the Company, the quality of the financial management and reporting, and any other observations that they might have during the annual audit.

Further to the private sessions held, in order for the ARMC to discharge its work effectively, the ARMC also engages the Management and external auditors on a continuous basis, to keep abreast of matters and issues affecting our Group. Senior Management personnel (e.g. Head of Finance), the Internal Auditors, other Board members and selected employees may attend the ARMC meetings upon invitation of the ARMC to facilitate discussion of matters on the agenda which require their insights. Representatives of the external auditors attend the scheduled meetings to table their annual audit plan, audit findings and the final draft financial statements.

The Nominating Committee has performed a review of the terms of office and the performance of the ARMC, including that of each individual ARMC member. The Board, with the concurrence of the Nominating Committee, has determined that the ARMC and its members have carried out their duties in accordance with their terms of reference.

### SUMMARY OF WORKS OF THE ARMC DURING THE FYE 2024

The Chairman of the ARMC reports to the Board at each Board meeting on the activities carried out by the ARMC in the discharge of its duties and responsibilities. The major works undertaken by the ARMC during the FYE 2024, focused on ensuring compliance with the latest requirements of the Malaysian Financial Reporting Standards and LR and proposed for the Board's approval, were the review of the following:

#### 1. Financial Reporting

- Draft Financial Statements of the Company and the Group for the FYE 2023;
- Quarterly financial results of the Group, for the quarter ended 30 September 2023, 31 December 2023, 31 March 2024, 30 June 2024 and 30 September 2024;

## Audit and Risk Management Committee Report (cont'd)

### SUMMARY OF WORKS OF THE ARMC DURING THE FYE 2024 (CONT'D)

The Chairman of the ARMC reports to the Board at each Board meeting on the activities carried out by the ARMC in the discharge of its duties and responsibilities. The major works undertaken by the ARMC during the FYE 2024, focused on ensuring compliance with the latest requirements of the Malaysian Financial Reporting Standards and LR and proposed for the Board's approval, were the review of the following: (Cont'd)

#### 2. External and Internal Audit

- The external auditors' Audit Review Memorandum for the Group, which outlined amongst others, strategy, responsibilities, audit approach, areas of audit emphasis and the scope of work for the FYE 2023 and FYE 2024, and the external auditors' fees;
- The audit services and non-audit services provided by the external auditors and a corporation affiliated to the external auditors and the fees paid/ payable for the respective types of services, and concluded that the auditors remained independent and, together with the Board, are satisfied with the services and performance of Messrs. Crowe Malaysia PLT ("Crowe"). The fees for FYE 2024 are:

Fees	The Company RM'000	The Group RM'000
Audit services	60	211
Non-audit services:		
- external auditors	8	8
- a corporation affiliated to the external auditors	15	153
<b>Total: Non-audit services</b>	<b>23</b>	<b>161</b>

The non-audit services are mainly for the services related to the tax compliance fees, review of the Statement of Risk Management and Internal Control, and professional fees for tax advisory services and E-invoice implementation;

- Discussed with the external auditors, the assistance and cooperation given by the Group's and Company's officers;
- Effectiveness of the external auditors and internal audit function, including recommending the re-appointment of the external auditors;
- Internal audit report and follow-up report, which covers findings, areas requiring improvements and recommendations provided by the internal auditors and Management's response and action plans;

#### 3. Related Party Transactions and Conflict of Interest

- Related Party Transactions ("RPT") and Recurrent RPT ("RRPT") entered into by the Company and/or its subsidiaries with any related parties;
- Conflict of interest or potential conflict of interests involving the directors and senior key management;

## Audit and Risk Management Committee Report (cont'd)

### SUMMARY OF WORKS OF THE ARMC DURING THE FYE 2024 (CONT'D)

The Chairman of the ARMC reports to the Board at each Board meeting on the activities carried out by the ARMC in the discharge of its duties and responsibilities. The major works undertaken by the ARMC during the FYE 2024, focused on ensuring compliance with the latest requirements of the Malaysian Financial Reporting Standards and LR and proposed for the Board's approval, were the review of the following: (Cont'd)

#### 4. Other Matters

- Statements/ reports to be included as part of the Annual Report for the FYE 2023, including the ARMC Report, Statement on Risk Management and Internal Control, Additional Compliance Information, and List of Properties;
- Budget for the year 2024/2025, and subsequently the revised budget 2024;
- The overall adequacy and effectiveness of the system of internal controls;
- Risk profile of the Group, which covers risks identified arising from the Group's operations, the rating/ priority of these risks, the existing internal controls in place and management action plans;
- Hazard Identification, Risk Assessment and Risk Control ("HIRARC") report, which covers the potential hazards and management's action plans in relation to safety risks; and
- Reviewed the Solvency Tests prior to recommending the declaration of the interim and final single-tier dividends paid out to the Company's shareholders for the FYE 2024 to the Board for approval, having been satisfied that the Company will remain solvent after the distribution is made, pursuant to the Companies Act 2016.

Subsequent to the FYE 2024, the ARMC has during the Financial Year Ending 31 December 2025 undertaken the following activities:

#### 1. Financial Reporting

- Draft Financial Statements of the Company and the Group for the FYE 2024;
- Quarterly financial results of the Group for the quarter ended 31 December 2024;

#### 2. External and Internal Audit

- Effectiveness of the external auditors, including recommending the re-appointment of the external auditors;
- Internal audit follow-up report, which covers the status of implementation by the Group, of the recommendations of the internal auditors;

#### 3. Related Party Transactions and Conflict of Interest

- RPT and, RRPT entered into by the Company and/or its subsidiaries with any related parties;
- Conflict of interest or potential conflict of interests involving the directors and senior management;

#### 4. Other Matters

- Reviewed the status and changes in material litigation, law and regulations, compliance with loan covenants and regulatory updates on the Group's businesses.
- Reviewed the ARMC Report, the Statement on Risk Management and Internal Control, Additional Compliance Information and List of Properties prior to recommending the same for the Board's approval for inclusion in our Company's Annual Report.

## Audit and Risk Management Committee Report (cont'd)

### INTERNAL AUDIT FUNCTION

The Group has engaged Sterling Business Alignment Consulting Sdn Bhd (“Sterling”), an independent professional firm, as the internal auditors of the Group. The internal auditors are primarily responsible for providing independent and objective assessments of the adequacy and effectiveness of the Group’s risk management, internal control and governance processes established by the Management of the Group. Guided by the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) Internal Control – Integrated Framework, the internal auditors evaluated the effectiveness of the Group’s internal control systems and reported directly to the ARMC.

Please refer to the Corporate Governance Report accompanying this Annual Report for details of the internal audit (“IA”) function, including the composition of the IA function, name and qualification of the person responsible for internal audit, and whether the internal auditors are free from any relationships or conflict of interest, which could impair their objectivity and independence.

The IA function has, during the FYE 2024 carried out work summarised as follows:

- Reviewed and tested the adequacy and operating effectiveness of controls associated with “credit control and collection”, “procurement”, “internal regulatory monitoring and compliance”, “warehouse and inventory management”, “production and production planning”, and “quality control”;
- Reported internal audit findings and made recommendations (in relation to the 6 areas covered above) to improve the internal control and risk management system to the ARMC;
- Performed follow-up audit on the 6 areas covered above, assessing the status of implementation of the management actions against the deadline; and
- Reported the results of the follow-up audit (in relation to the 6 areas covered above) to the ARMC.

The total costs incurred for the IA function for the FYE 2024 amounted to RM38,000.

### CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST SITUATION

The ARMC has obtained affirmation and declaration from the Directors that apart from related party transactions, there was no conflict of interest or potential conflict of interest, such as involvement in any business similar to or competing with the Group.

This Report has been reviewed by the ARMC and approved by the Board for inclusion in this Annual Report on 17 April 2025.

## OTHER CORPORATE DISCLOSURE

### 1. UTILISATION OF PROCEEDS

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 2 February 2024 in conjunction with its Initial Public Offering (“IPO”), where the Company undertook, amongst others, a public issue of 77,325,000 new ordinary shares in the Company at an issue price of RM0.55 per share, raising gross proceeds of RM42.53 million. The details of utilisation of the said proceeds raised from the IPO amounting to RM42.53 million as at 31 March 2025 are as follows:

Utilisation of proceeds	Proposed utilisation	Actual utilisation as at 31 Mar 2025	Balance unutilised	Estimated timeframe for utilisation from the date of the Listing
	RM'000	RM'000	RM'000	
Capital expenditure for the establishment of Semenyih Manufacturing Premises	5,100	–	5,100	Within 24 months
Working capital	12,329	–	12,329	Within 36 months
Repayment of bank borrowings	20,000	20,000	–	Within 5 months
Estimated listing expenses	5,100	5,100	–	Within 1 month
<b>Total</b>	<b>42,529</b>	<b>25,100</b>	<b>17,429</b>	

### 2. AUDIT AND NON-AUDIT SERVICES

The audit services and non-audit services provided by external auditors and a corporation affiliated to the external auditors and fees paid/payable for the respective types of services for the financial year ended 31 December 2024 (“FYE 2024”) are as follows:

	The Company RM'000	The Group RM'000
Audit services	60	211
Non-audit services <sup>(1)</sup> :		
- external auditors	8	8
- A corporation affiliated to the external auditors	15	153
<b>Total: Non-audit services</b>	<b>23</b>	<b>161</b>

Note: (1) The non-audit services are mainly for the services related to the tax compliance fees, review of the Statement of Risk Management and Internal Control, and professional fees for tax advisory services and E-invoice implementation.

Other Corporate Disclosure  
(cont'd)**3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

There were no material contracts entered into by the Company and/or its subsidiary involving Directors' and/or major shareholders' interest which were still subsisting as at the end of FYE 2024 or which were entered into since the end of the financial year or entered into since the end of the previous financial year.

**4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")**

There were no material recurrent related party transactions of a revenue or trading nature during the financial year ended 31 December 2024 other than those disclosed as follows:-

Transacting parties	Nature of transaction	Interested Directors, Major Shareholders and Persons Connected	Aggregate value made during the financial year 31 December 2024 RM'000
Genetec Technology Bhd. ("Genetec") <sup>(1)</sup>	Sale of industrial hardware products to Genetec	Chen Khai Voon ("CKV") and KVC Corporation Sdn Bhd ("KVC Corp")	76
CLT Engineering Sdn. Bhd. ("CLT") <sup>(2)</sup>	Sale of industrial hardware products to CLT	CKV and KVC Corp	44
KVC Industrial Supplies Sdn. Bhd ("KVC Industrial")	Sale of industrial hardware products to KVC Industrial	CKV, Sa Chee Peng, Synergy Cal Solutions Sdn Bhd, KVC Corp and KVC Properties Sdn Bhd	860
	Purchase of industrial hardware products from KVC Industrial		16
Mitra ACNC Sdn. Bhd.	Rental expenses	CKV, KVC Corp, Chew Kuan Fah, Chew Yik Wai and Ng Kim Liang	18
		<b>TOTAL</b>	<b>1,014</b>

Those recurrent related party transactions did not exceed the threshold prescribed under Rule 10.09(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Notes :

- (1) CKV is a major shareholder of Genetec. Following his disposal of Genetec's shares in August 2024, he ceased to be a major shareholder of Genetec.
- (2) CLT is a subsidiary of Genetec.

**5. EMPLOYEE SHARE SCHEME**

The Company did not establish any employee share scheme and does not have any subsisting employee share scheme during the FYE 2024.

## STATEMENT OF DIRECTORS' RESPONSIBILITY

Pursuant to the Companies Act 2016, the Directors are responsible for preparing the financial statements that give a true and fair view of the state of affairs of the Group and the Company at the end of each financial year and of their results and cash flows for the financial year then ended.

In ensuring the preparation of the financial statements, the Directors have:

- adopted suitable and appropriate accounting policies and applied them consistently throughout the year;
- made judgments and estimates that are reasonable and prudent;
- ensured that applicable approved accounting standards have been complied with; and
- applied the going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records that accurately reflect the financial position of the Group and of the Company, and enable the preparation of the financial statements in compliance with the provisions of the Companies Act 2016.

The Directors are also having general responsibilities for taking reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect other irregularities.

This statement is made in accordance with a resolution passed by the Board on 17 April 2025.

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# DIRECTORS' REPORT

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

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	17,660	19,945
Attributable to:-		
Owners of the Company	17,484	19,945
Non-controlling interest	176	-
	17,660	19,945

## DIVIDENDS

Dividends paid or declared by the Company since 31 December 2023 are as follows:-

	RM'000
<b>Ordinary Share</b>	
<u>In respect of the financial year ended 31 December 2024</u>	
An interim dividend of 5 sen per ordinary share, paid on 27 December 2024	15,465

On 24 February 2025, the Company declared a final dividend of 1 sen per ordinary share amounting to RM3,093,000 in respect of the current financial year, paid on 26 March 2025, to shareholders whose names appeared in the record of depositors on 11 March 2025. The financial statements for the current financial year do not reflect this final dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

## RESERVES AND PROVISIONS

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

Directors' Report  
(cont'd)**ISSUES OF SHARES AND DEBENTURES**

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM120,000,250.20 to RM162,529,000.20 (before deducting share issuance expenses of RM1,796,747) by way of issuance of 77,325,000 new ordinary shares at an issue price of RM0.55 each pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company; and

- (b) there were no issues of debentures by the Company.

**OPTIONS GRANTED OVER UNISSUED SHARES**

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

**BAD AND DOUBTFUL DEBTS**

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

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

**CURRENT ASSETS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

**VALUATION METHODS**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## Directors' Report (cont'd)

### CONTINGENT AND OTHER LIABILITIES

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

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

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

### CHANGE OF CIRCUMSTANCES

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

### ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Lim Hun Soon @ David Lim  
Chew Kuan Fah  
Chew Yik Wai  
Ng Kim Liang  
Chong Chin Look  
Karmjit Kaur A/P Sarban Singh  
Shahira Binti Abdul Aziz

The name of director of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, is as follows:-

Lai Chun Wai

Directors' Report  
(cont'd)**DIRECTORS' INTERESTS**

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

	At 1.1.2024	Bought	Sold	At 31.12.2024
	←----- Number of Ordinary Shares -----→			
<b>The Company</b>				
<i>Direct Interests</i>				
Chew Kuan Fah	57,994,490	5,041,962	–	63,036,452
Chew Yik Wai	18,557,920	–	–	18,557,920
Ng Kim Liang	11,598,700	–	–	11,598,700
<i>Indirect Interests</i>				
Chew Kuan Fah *	27,604,906	–	(11,041,962)	16,562,944
Chew Yik Wai *	27,604,906	–	(11,041,962)	16,562,944
Ng Kim Liang *	27,604,906	–	(11,041,962)	16,562,944

\* *Deemed interested by virtue of their shareholdings in Barisan Jutawan Sdn. Bhd.*

By virtue of his shareholdings in the Company, Chew Kuan Fah is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 30(b) to the financial statements.

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

## Directors' Report (cont'd)

### DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM'000	The Company RM'000
Fees	233	233
Salaries, bonuses and other benefits	2,522	2,503
Defined contribution benefits	264	262
	3,019	2,998

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company was RM4,269.

### INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

### SUBSIDIARIES

The details of the subsidiaries' name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

### SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 37 to the financial statements.

### SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 38 to the financial statements.

Directors' Report  
(cont'd)**AUDITORS**

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM'000	The Company RM'000
Audit fees	211	60
Non-audit fee	8	8
	219	68

Signed in accordance with a resolution of the directors dated 17 April 2025.

**Chew Kuan Fah**

**Chew Yik Wai**

## STATEMENT BY DIRECTORS

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

We, Chew Kuan Fah and Chew Yik Wai, being two of the directors of TSA Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 70 to 128 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 17 April 2025.

**Chew Kuan Fah**

**Chew Yik Wai**

## STATUTORY DECLARATION

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

I, Tan Bee Hong, being the officer primarily responsible for the financial management of TSA Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 70 to 128 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Tan Bee Hong, NRIC Number: 720318-01-5874  
at Kuala Lumpur  
in the Federal Territory  
on this 17 April 2025

**Tan Bee Hong**  
MIA Membership : 25064

Before me

Shaiful Hilmi Bin Halim (W804)

Commissioner of oath

# INDEPENDENT AUDITORS' REPORT

to the Members of TSA Group Berhad

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of TSA Group Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 70 to 128.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

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

<b>Recoverability of Trade Receivables</b> Refer to Note 10 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>The trade receivables of the Group amounting to approximately RM66.4 million, of which RM9.9 million are past due or exceeded credit terms granted by the Group.</p> <p>Management recognised the allowance for impairment losses on trade receivables based on specific known facts or customers' ability to pay. We focused on this area as determination of whether trade receivables are recoverable involves significant management judgement.</p>	<p>Our audit procedures included:-</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of:- <ul style="list-style-type: none"> <li>• the Group's control over the receivable collection process;</li> <li>• how the Group identifies and assesses the impairment of receivables; and</li> <li>• how the Group makes the accounting estimates for impairment.</li> </ul> </li> <li>• Reviewed the ageing analysis of trade receivables and tested its reliability.</li> </ul>

## Independent Auditors' Report (cont'd)

### Key Audit Matters (Cont'd)

<b>Recoverability of Trade Receivables (Cont'd)</b> Refer to Note 10 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
	<p>Our audit procedures included:- (Cont'd)</p> <ul style="list-style-type: none"> <li>Reviewed subsequent cash collections for major trade receivables and overdue amounts.</li> <li>Made inquiries of management regarding the action plans to recover overdue amounts.</li> <li>Compared and challenged management's view on the recoverability of overdue amounts to historical patterns of collection.</li> <li>Examined other evidence including customer correspondences and repayment schedules.</li> <li>Evaluated the reasonableness and adequacy of the allowance for impairment loss recognised for identified exposures.</li> <li>Tested the adequacy of the Group's impairment of trade receivables by assessing the relevant assumptions and historical data from the Group's previous collection experience.</li> </ul>
<b>Valuation of Inventories</b> Refer to Note 9 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>The carrying amount of inventories held by the Group amounting to approximately RM73 million.</p> <p>We focused on this area as the assessment of net realisable value and the estimation of allowances for obsolete and slow-moving inventories are areas involved of significant judgement.</p> <p>Inventories are stated at the lower of cost or net realisable value. In determining net realisable value of the inventories, an estimation of the net realisable value is performed by management based on the most reliable evidence available as at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the financial year ended 31 December 2024.</p>	<p>Our audit procedures included:-</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the Group's process for measuring the amount of inventories write down.</li> <li>Reviewed the ageing analysis of inventories and tested its reliability.</li> <li>Reviewed the net realisable value of inventories.</li> <li>Evaluated the reasonableness and adequacy of the allowance for obsolete and slow-moving inventories.</li> </ul>

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

## Independent Auditors' Report (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 information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

### Responsibilities of the Directors for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

## Independent Auditors' Report (cont'd)

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

Independent Auditors' Report  
(cont'd)

**OTHER MATTER**

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

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur

17 April 2025

**Chua Wai Hong**  
02974/09/2025 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

as at 31 December 2024

	Note	The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	5	–	–	120,000	120,000
Property, plant and equipment	6	39,946	40,219	15	–
Right-of-use assets	7	15,025	15,620	–	–
Deferred tax assets	8	1,195	1,071	–	–
		56,166	56,910	120,015	120,000
<b>CURRENT ASSETS</b>					
Inventories	9	73,130	59,348	–	–
Trade receivables	10	66,424	76,975	–	–
Other receivables, deposits and prepayments	11	8,990	9,874	405	1,046
Amount owing by a related party	12	569	252	–	–
Amount owing by subsidiaries	13	–	–	18,953	–
Short-term investments	14	20,072	–	10,029	–
Current tax assets		–	346	–	–
Derivative assets	15	842	–	–	–
Fixed deposit with a licensed bank	16	566	553	–	–
Cash and bank balances		50,482	18,753	13,545	25
		221,075	166,101	42,932	1,071
<b>TOTAL ASSETS</b>		<b>277,241</b>	<b>223,011</b>	<b>162,947</b>	<b>121,071</b>

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

Statements of Financial Position  
(cont'd)

	Note	The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	17	160,732	120,000	160,732	120,000
Reserves	18	21,032	19,682	1,034	(3,446)
Equity attributable to owners of the Company		181,764	139,682	161,766	116,554
Non-controlling interest		2,778	3,247	–	–
<b>TOTAL EQUITY</b>		<b>184,542</b>	<b>142,929</b>	<b>161,766</b>	<b>116,554</b>
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities	19	1,082	1,454	–	–
Borrowings	20	8,717	9,789	–	–
Deferred tax liabilities	8	1,802	1,733	–	–
		11,601	12,976	–	–
<b>CURRENT LIABILITIES</b>					
Trade payables	21	6,648	6,596	–	–
Other payables and accruals	22	8,325	7,505	1,094	503
Dividend payable	23	197	–	–	–
Amount owing to a subsidiary	13	–	–	–	4,014
Lease liabilities	19	1,355	1,391	–	–
Borrowings	20	62,878	50,502	–	–
Current tax liabilities		1,695	823	87	–
Derivative liabilities	15	–	289	–	–
		81,098	67,106	1,181	4,517
<b>TOTAL LIABILITIES</b>		<b>92,699</b>	<b>80,082</b>	<b>1,181</b>	<b>4,517</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>277,241</b>	<b>223,011</b>	<b>162,947</b>	<b>121,071</b>

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2024

	Note	The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
REVENUE	24	290,691	332,646	21,000	–
COST OF SALES		(230,050)	(270,409)	–	–
GROSS PROFIT		60,641	62,237	21,000	–
OTHER INCOME		8,906	3,294	4,642	–
		69,547	65,531	25,642	–
ADMINISTRATIVE EXPENSES		(19,645)	(20,632)	(5,514)	(3,305)
DISTRIBUTION EXPENSES		(12,795)	(11,968)	–	–
OTHER EXPENSES		(6,789)	(3,680)	(2)	–
FINANCE COSTS		(4,515)	(5,055)	(31)	(24)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	25	(1,622)	(46)	–	–
PROFIT/(LOSS) BEFORE TAXATION	26	24,181	24,150	20,095	(3,329)
INCOME TAX EXPENSE	27	(6,521)	(7,043)	(150)	–
PROFIT/(LOSS) AFTER TAXATION		17,660	17,107	19,945	(3,329)
OTHER COMPREHENSIVE INCOME					
<u>Items that Will be Reclassified</u> Subsequently to Profit or Loss					
Foreign currency translation differences		(837)	783	–	–
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR		16,823	17,890	19,945	(3,329)
<b>PROFIT/(LOSS) AFTER TAXATION</b> <b>ATTRIBUTABLE TO:-</b>					
Owners of the Company		17,484	16,327	19,945	(3,329)
Non-controlling interest		176	780	–	–
		17,660	17,107	19,945	(3,329)
<b>TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-</b>					
Owners of the Company		16,815	16,953	19,945	(3,329)
Non-controlling interest		8	937	–	–
		16,823	17,890	19,945	(3,329)
<b>Earnings per share (RM)</b>					
Basic/Diluted	28	0.06	0.07		

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

## STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2024

	Note	Non-distributable			Distributable		Total Equity RM'000	
		Share Capital RM'000	Foreign Exchange Translation Reserve RM'000	Reorganisation Deficit RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000		Non-controlling Interest RM'000
<b>The Group</b>								
Balance at 1.1.2023		5,000	788	-	141,941	147,729	2,310	150,039
Profit after taxation for the financial year		-	-	-	16,327	16,327	780	17,107
Other comprehensive income for the financial year:								
- Foreign currency translation differences		-	626	-	-	626	157	783
Total comprehensive income for the financial year		-	626	-	16,327	16,953	937	17,890
Effect of group restructuring exercise	17	115,000	-	(115,000)	-	-	-	-
Distributions to owners:								
- Dividends to owners of the Company	29	-	-	-	(25,000)	(25,000)	-	(25,000)
Balance at 31.12.2023		120,000	1,414	(115,000)	133,268	139,682	3,247	142,929

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

## Statements of Changes in Equity (cont'd)

	Share Capital RM'000	Non-distributable		Distributable		Total Equity RM'000
		Foreign Exchange Translation Reserve RM'000	Reorganisation Deficit RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	
Note						
<b>The Group</b>						
Balance at 1.1.2024	120,000	1,414	(115,000)	133,268	139,682	142,929
Profit after taxation for the financial year	-	-	-	17,484	17,484	17,660
Other comprehensive expenses for the financial year:						
- Foreign currency translation differences	-	(669)	-	-	(669)	(837)
Total comprehensive income for the financial year	-	(669)	-	17,484	16,815	16,823
Contributions by and distributions to owners:						
- Issuance of shares pursuant to public issue	42,529	-	-	-	42,529	42,529
- Share issuance expenses for the public issue	(1,797)	-	-	-	(1,797)	(1,797)
- Dividend to owners of the Company	-	-	-	(15,465)	(15,465)	(15,465)
- Dividends by a subsidiary to non-controlling interest	-	-	-	-	-	(477)
Balance at 31.12.2024	40,732	-	-	(15,465)	25,267	24,790
	160,732	745	(115,000)	135,287	181,764	184,542

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

Statements of Changes in Equity  
(cont'd)

	Note	Share Capital RM'000	(Accumulated Losses)/ Distributable Retained Profit RM'000	Total Equity RM'000
<b>The Company</b>				
Balance at 1.1.2023		#	(117)	(117)
Loss after taxation/Total comprehensive expenses for the financial year		-	(3,329)	(3,329)
Contribution by the owners:				
- Issuance of shares	17	120,000	-	120,000
Balance at 31.12.2023/1.1.2024		120,000	(3,446)	116,554
Profit after taxation/Total comprehensive income for the financial year		-	19,945	19,945
Contributions by and distributions to owners:				
- Issuance of shares pursuant to public issue	17	42,529	-	42,529
- Share issuance expenses for the public issue	17	(1,797)	-	(1,797)
- Dividend	29	-	(15,465)	(15,465)
		40,732	(15,465)	25,267
Balance at 31.12.2024		160,732	1,034	161,766

Note:-

# - Amount less than RM1,000.

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

# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM/(FOR)</b>				
<b>OPERATING ACTIVITIES</b>				
Profit/(Loss) before taxation	24,181	24,150	20,095	(3,329)
Adjustments for:-				
Bad debts recovered	(87)	(76)	-	-
Depreciation of:				
- property, plant and equipment	1,854	1,944	2	-
- right-of-use assets	1,748	1,332	-	-
Fair value (gain)/loss on derivatives	(1,131)	289	-	-
Gain on disposal of property, plant and equipment	-	(16)	-	-
Interest expense	4,515	5,055	31	24
Interest income	(1,880)	(505)	(627)	-
Inventories written down/(back)	638	(1,096)	-	-
Impairment loss on trade receivables	1,641	55	-	-
Property, plant and equipment written off	-	46	-	-
Reversal of impairment losses on trade receivables	(19)	(9)	-	-
Unrealised loss on foreign exchange	3,616	756	-	-
Operating profit/(loss) before working capital changes	35,076	31,925	19,501	(3,305)
(Increase)/Decrease in inventories	(15,124)	25,133	-	-
Decrease/(Increase) in trade and other receivables	8,355	(8,003)	641	(1,046)
Increase in amount owing by a related party	(317)	(140)	-	-
Increase in amount owing by subsidiaries	-	-	(18,953)	-
Increase/(Decrease) in trade and other payables	127	(7,673)	591	498
(Decrease)/Increase in amount owing to a subsidiary	-	-	(4,045)	3,990
Decrease in amount owing to directors	-	(1,193)	-	(235)
<b>CASH FROM/(FOR) OPERATIONS</b>	<b>28,117</b>	<b>40,049</b>	<b>(2,265)</b>	<b>(98)</b>
Interest paid	(3,735)	(5,053)	-	-
Interest received	1,880	505	627	-
Income tax paid	(5,476)	(7,796)	(63)	-
Income tax refunded	137	38	-	-
<b>NET CASH FROM/(FOR)</b> <b>OPERATING ACTIVITIES</b>	<b>20,923</b>	<b>27,743</b>	<b>(1,701)</b>	<b>(98)</b>

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

Statements of Cash Flows  
(cont'd)

	Note	The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FOR					
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	31(a)	(1,213)	(7,575)	(17)	–
Proceeds from disposal of property, plant and equipment		–	16	–	–
Increase in deposit pledged with financial institution		(13)	(9)	–	–
<b>NET CASH FOR INVESTING ACTIVITIES</b>		<b>(1,226)</b>	<b>(7,568)</b>	<b>(17)</b>	<b>–</b>
CASH FLOWS FROM/(FOR)					
FINANCING ACTIVITIES					
Dividends paid		(15,745)	(25,000)	(15,465)	–
Repayment of lease liabilities	31(b)	(1,559)	(1,127)	–	–
Net repayment of hire purchase payables	31(b)	(318)	(275)	–	–
Net repayment of term loans	31(b)	(1,172)	(694)	–	–
Net drawdown of onshore foreign currency loan	31(b)	13,911	13,418	–	–
Net drawdown/(repayment) of structured and trade commodity financing	31(b)	5,470	(19,471)	–	–
Net (repayment)/drawdown of banker's acceptances	31(b)	(8,734)	1,077	–	–
Payment of share issuance expenses		(1,797)	–	(1,797)	–
Proceeds from issuance of ordinary shares		42,529	–	42,529	–
<b>NET CASH FROM/(FOR)</b> <b>FINANCING ACTIVITIES</b>		<b>32,585</b>	<b>(32,072)</b>	<b>25,267</b>	<b>–</b>
<b>NET INCREASE/(DECREASE) IN</b> <b>CASH AND CASH EQUIVALENTS</b>		<b>52,282</b>	<b>(11,897)</b>	<b>23,549</b>	<b>(98)</b>
<b>EFFECTS OF FOREIGN</b> <b>EXCHANGE TRANSLATION</b>		<b>(481)</b>	<b>(773)</b>	<b>–</b>	<b>–</b>
<b>CASH AND CASH EQUIVALENTS AT</b> <b>BEGINNING OF THE FINANCIAL YEAR</b>		<b>18,753</b>	<b>31,423</b>	<b>25</b>	<b>123</b>
<b>CASH AND CASH EQUIVALENTS AT</b> <b>END OF THE FINANCIAL YEAR</b>	31(d)	<b>70,554</b>	<b>18,753</b>	<b>23,574</b>	<b>25</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 31 December 2024

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office, which is also the principal place of business, is located at Lot 3998, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 17 April 2025.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 16: Lease Liability in a Sale and leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

## Notes to the Financial Statements (cont'd)

### 3. BASIS OF PREPARATION (CONT'D)

3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as follows:-

#### MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

## Notes to the Financial Statements (cont'd)

### 4. MATERIAL ACCOUNTING POLICY INFORMATION

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

##### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made 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 other than as disclosed below:-

##### **(a) Depreciation of Property, Plant and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

##### **(b) Impairment of Property, Plant and Equipment and Right-of-use Assets**

The Group and the Company determine whether an item of its property, plant and equipment and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Note 6 and Note 7 to the financial statements.

##### **(c) Write-down of Inventories**

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 9 to the financial statements.

##### **(d) Impairment of Trade Receivables**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amounts of trade receivables and amount owing by a related party (trade balance) as at the reporting date are disclosed in Note 10 and Note 12 to the financial statements.

##### **(e) Impairment of Non-Trade Receivables**

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking information. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Note 11 and Note 13 to the financial statements.

Notes to the Financial Statements  
(cont'd)**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

## 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Key Sources of Estimation Uncertainty (Cont'd)***(f) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax liabilities of the Group and of the Company as at the reporting date are RM1,695,045 (2023 - RM823,478) and RM87,391 (2023 - Nil) respectively. In the previous financial year, the carrying amount of current tax assets of the Group as at the reporting date was RM346,432.

**(g) Deferred Tax Assets**

Deferred tax assets are recognised for all deductible temporary differences or unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences or unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 8 to the financial statements.

**(h) Discount Rates used in Leases**

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

*Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

**(a) Classification between Investment Properties and Owner-occupied Properties**

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

## Notes to the Financial Statements (cont'd)

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### *Critical Judgements Made in Applying Accounting Policies (Cont'd)*

##### **(b) Lease Terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

#### 4.2 FINANCIAL INSTRUMENTS

##### **(a) Financial Assets**

###### Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

###### Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

##### **(b) Financial Liabilities**

###### Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

###### Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

##### **(c) Equity**

###### Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

##### **(d) Derivatives**

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

## Notes to the Financial Statements (cont'd)

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.2 FINANCIAL INSTRUMENTS (CONT'D)

##### (e) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

#### 4.3 BASIS OF CONSOLIDATION

The Group applies the acquisition method of accounting for all business combinations except for those involving entities under common control which are accounted for applying the merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the financial statements of the Group at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflect the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as reorganisation deficit. The reorganisation deficit is adjusted against suitable reserves of the merger entities to the extent that laws or statutes do not prohibit the use of such reserves.

#### 4.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries, which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

#### 4.5 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Building	2%
Factory equipment and office equipment, furniture and fittings	10% - 20%
Motor vehicles	20%

Capital work-in-progress included in property, plant and equipment are not depreciated until such time when the assets are available for use.

## Notes to the Financial Statements (cont'd)

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

##### (a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

##### (b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

##### (c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

#### 4.7 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

### 5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost	120,000	120,000

Notes to the Financial Statements  
(cont'd)**5. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024 %	2023 %	

*Subsidiary of the Company*

TSA Industries Sdn. Bhd. ("TSA Industries")	Malaysia	100	100	Investment holding, distribution and supply of ferrous and non-ferrous metal and other industrial hardware products and manufacturing and processing of stainless steel pipes and other metal products
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*Subsidiaries of TSA Industries*

Mitra Bintang Sdn. Bhd. ("Mitra Bintang")	Malaysia	100	100	Investment holding
TSA Pipes Manufacturing Sdn. Bhd.	Malaysia	100	100	Dormant
Asia Inox Sdn. Bhd.	Malaysia	100	100	Dormant
TSA Industries (SEA) Pte. Ltd. ("TSA Industries (SEA)") ^	Singapore	80	80	Distribution and supply of ferrous and non-ferrous metal and other industrial hardware products

^ This subsidiary was audited by other firm of chartered accountants.

- (a) In the previous financial year, the Company had undertaken a restructuring exercise via acquisition of ordinary shares representing 100% equity interest in TSA Industries for a total purchase consideration of RM120,000,150.20 which was satisfied entirely by the issuance of 231,974,000 shares at an issue price of RM0.5173 each.
- (b) The non-controlling interest at the end of the reporting period comprises the following:-

	Effective Equity Interest		The Group	
	2024 %	2023 %	2024 RM'000	2023 RM'000
TSA Industries (SEA)	20	20	2,778	3,247

## Notes to the Financial Statements (cont'd)

### 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (c) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interest is as follows:-

	<b>TSA Industries (SEA)</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At 31 December</b>		
Non-current assets	2,409	3,629
Current assets	28,359	40,727
Non-current liabilities	(753)	(1,865)
Current liabilities	(16,133)	(26,266)
<b>Net assets</b>	<b>13,882</b>	<b>16,225</b>
<b>Financial Year Ended 31 December</b>		
Revenue	42,889	54,706
Profit after taxation	879	3,901
Total comprehensive income	42	4,684
Total comprehensive income attributable to non-controlling interest	8	937
Dividends paid/payable to non-controlling interest	477	-
Net cash flows from operating activities	3,499	3,438
Net cash flows for investing activities	(264)	(802)
Net cash flows for financing activities	(2,450)	(2,827)

### 6. PROPERTY, PLANT AND EQUIPMENT

	<b>At</b>	<b>Additions</b>	<b>Depreciation</b>	<b>Foreign</b>	<b>At</b>
	<b>1.1.2024</b>	<b>(Note 31(a))</b>	<b>Charges</b>	<b>Exchange</b>	<b>31.12.2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>(Note 26)</b>	<b>Adjustments</b>	<b>RM'000</b>
			<b>RM'000</b>	<b>RM'000</b>	
<b>The Group</b>					
<i>Carrying Amount</i>					
Freehold land	5,649	-	-	-	5,649
Building	13,873	-	(415)	-	13,458
Factory equipment and office equipment, furniture and fittings	4,094	1,200	(1,083)	(49)	4,162
Motor vehicles	764	443	(356)	(13)	838
Building under construction	#	-	-	-	#
Capital work-in-progress	15,839	-	-	-	15,839
	<b>40,219</b>	<b>1,643</b>	<b>(1,854)</b>	<b>(62)</b>	<b>39,946</b>

Note:-

# - Amount less than RM1,000.

Notes to the Financial Statements  
(cont'd)

## 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1.1.2023 RM'000	Additions (Note 31(a)) RM'000	Disposals RM'000	Write Off RM'000	Depreciation Charges (Note 26) RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2023 RM'000
<b>The Group</b>							
Carrying Amount							
Freehold land	5,649	-	-	-	-	-	5,649
Building	14,288	-	-	-	(415)	-	13,873
Factory equipment and office equipment, furniture and fittings	3,155	2,079	(#)	(35)	(1,107)	2	4,094
Motor vehicles	979	198	-	(11)	(422)	20	764
Building under construction	#	-	-	-	-	-	#
Capital work-in-progress	10,474	5,365	-	-	-	-	15,839
	34,545	7,642	(#)	(46)	(1,944)	22	40,219

Note:-

# - Amount less than RM1,000.

Notes to the Financial Statements  
(cont'd)

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

	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment Loss RM'000	Carrying Amount RM'000
<b>The Group</b>				
<b>2024</b>				
Freehold land	5,649	–	–	5,649
Building	20,757	(7,299)	–	13,458
Factory equipment and office equipment, furniture and fittings	20,755	(16,593)	–	4,162
Motor vehicles	7,107	(6,269)	–	838
Building under construction	235	–	(235)	#
Capital work-in-progress	15,839	–	–	15,839
	70,342	(30,161)	(235)	39,946
<b>2023</b>				
Freehold land	5,649	–	–	5,649
Building	20,757	(6,884)	–	13,873
Factory equipment and office equipment, furniture and fittings	19,632	(15,538)	–	4,094
Motor vehicles	6,735	(5,971)	–	764
Building under construction	235	–	(235)	#
Capital work-in-progress	15,839	–	–	15,839
	68,847	(28,393)	(235)	40,219

- (a) The freehold land and building of the Group have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 20 to the financial statements.
- (b) Included in the property, plant and equipment of the Group were motor vehicles held under hire purchase arrangements with a total carrying amount of RM730,024 (2023 - RM687,751). These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Note 20 to the financial statements.

Note:-

# - Amount less than RM1,000.

Notes to the Financial Statements  
(cont'd)

## 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1.1.2024 RM'000	Additions (Note 31(a)) RM'000	Depreciation Charges (Note 26) RM'000	At 31.12.2024 RM'000
<b>The Company</b>				
<i>Carrying Amount</i>				
Office equipment, furniture and fittings	–	17	(2)	15

	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
<b>The Company</b>			
<b>2024</b>			
Office equipment, furniture and fittings	17	(2)	15

## 7. RIGHT-OF-USE ASSETS

	At 1.1.2024 RM'000	Additions (Note 31(a)) RM'000	Depreciation Charges (Note 26) RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2024 RM'000
<b>The Group</b>					
<i>Carrying Amount</i>					
Industrial leasehold land	12,838	–	(184)	–	12,654
Premises	2,782	1,237	(1,564)	(84)	2,371
	15,620	1,237	(1,748)	(84)	15,025

## Notes to the Financial Statements (cont'd)

### 7. RIGHT-OF-USE ASSETS (CONT'D)

	At 1.1.2023 RM'000	Additions (Note 31(a)) RM'000	Depreciation Charges (Note 26) RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2023 RM'000
<b>The Group</b>					
<i>Carrying Amount</i>					
Industrial leasehold land	13,022	–	(184)	–	12,838
Premises	647	3,284	(1,148)	(1)	2,782
	13,669	3,284	(1,332)	(1)	15,620

The Group leases various premises of which the leasing activities are summarised below:-

- (a) Industrial leasehold land      The lease is for a period of 99 (2023 - 99) years. The industrial leasehold land of the Group has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 20 to the financial statements.
- (b) Premises      The Group has leased a number of premises that run between 2 to 5 (2023 - 2 to 5) years.

The Group also has leases with lease terms of 12 months or less and leases of motor vehicle with low value. The Group has applied the 'short-term lease' and 'lease of low-value asset recognition exemptions for these leases.

### 8. DEFERRED TAX ASSETS/(LIABILITIES)

	At 1.1.2024 RM'000	Recognised in Profit or Loss (Note 27) RM'000	Exchange Difference RM'000	At 31.12.2024 RM'000
<b>The Group</b>				
<b>2024</b>				
<i>Deferred Tax Assets</i>				
Provisions	604	570	–	1,174
Property, plant and equipment, Lease liabilities	467	(431)	(15)	21
	1,071	139	(15)	1,195
<i>Deferred Tax Liabilities</i>				
Property, plant and equipment, Right-of-use assets	(1,733)	(87)	18	(1,802)

Notes to the Financial Statements  
(cont'd)**8. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

	At 1.1.2023 RM'000	Recognised in Profit or Loss (Note 27) RM'000	Exchange Difference RM'000	At 31.12.2023 RM'000
<b>The Group</b>				
<b>2023</b>				
<i>Deferred Tax Assets</i>				
Provisions	1,355	(751)	–	604
Property, plant and equipment, Lease liabilities	–	459	8	467
	1,355	(292)	8	1,071
<i>Deferred Tax Liabilities</i>				
Property, plant and equipment, Right-of-use assets	(1,350)	(375)	(8)	(1,733)

The deferred tax assets have been recognised by certain subsidiaries on the basis of their previous history of recording profits to the extent that it is probable that future profits will be available against which the temporary differences can be utilised.

**9. INVENTORIES**

	The Group	
	2024 RM'000	2023 RM'000
Raw materials	24,328	6,861
Packaging material	423	535
Work-in-progress	1,042	1,071
Finished goods	47,284	50,318
Goods-in-transit	53	563
	73,130	59,348
Recognised in profit or loss:-		
Inventories recognised as cost of sales	218,347	260,059
Amount written down to net realisable value	638	–
Reversal of inventories previously written down	–	(1,096)

## Notes to the Financial Statements (cont'd)

### 10. TRADE RECEIVABLES

	The Group	
	2024	2023
	RM'000	RM'000
Trade receivables	68,922	77,927
Allowance for impairment losses (Note 35.1(b)(iii))	(2,498)	(952)
	66,424	76,975

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

### 11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Other receivables:-				
Third parties	10,368	10,368	-	-
Advances to suppliers	3,929	4,674	-	-
	14,297	15,042	-	-
Allowance for impairment losses (Note 35.1(b)(iii))	(10,368)	(10,368)	-	-
	3,929	4,674	-	-
Deposits	1,208	1,124	1	-
Prepayments	3,853	4,076	404	1,046
	8,990	9,874	405	1,046

Included in other receivables of the Group is the advance payment of RM10.368 million made to certain suppliers upon TSA Industries entered into agreements with the suppliers to purchase steam coal. However, the suppliers had subsequently failed to fulfil its obligations in delivering the coal pursuant to the agreements. Accordingly, an allowance for impairment loss has been fully made in the financial statements due to the uncertainty in recovering the amount.

### 12. AMOUNT OWING BY A RELATED PARTY

The amount owing is trade in nature and subject to normal trade credit term granted by the Group. The amount owing is to be settled in cash.

Notes to the Financial Statements  
(cont'd)**13. AMOUNT OWING BY/(TO) SUBSIDIARIES**

	Note	The Company 2024 RM'000	2023 RM'000
Amount owing by	(a)	18,953	–
Amount owing to	(b)	–	(4,014)

- (a) The amount owing by subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing are to be settled in cash.
- (b) The amount owing to a subsidiary is non-trade in nature, unsecured, which bears an interest rate of 6.08% (2023 - 6.08%) per annum and is repayable on demand. During the financial year, the amount owing was fully settled in cash.

**14. SHORT-TERM INVESTMENTS**

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Money market funds, at fair value (Note 31(d))	20,072	–	10,029	–

The money market funds represent investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which are redeemable with one (1) day notice at known amounts of cash, and are subject to an insignificant risk of changes in value.

**15. DERIVATIVE ASSETS/(LIABILITIES)**

	Contract/Notional Amount		The Group	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Forward currency contracts	25,152	(16,186)	842	(289)

The Group classified derivative financial instruments as financial assets or liabilities at fair value through profit or loss. None of the derivatives are designated as hedges as the Group does not apply hedge accounting.

Forward currency contracts are used to hedge the Group's purchases denominated in United States Dollar (USD) for which firm commitments existed at the end of the reporting period. The settlement dates of the forward currency contracts range between 9 to 59 (2023 - 12 to 113) days after the end of the reporting period.

## Notes to the Financial Statements (cont'd)

### 16. FIXED DEPOSIT WITH A LICENSED BANK

The fixed deposit with a licensed bank of the Group at the end of the reporting period bore an effective interest rate of 2.25% (2023 - 2.25%) per annum. The fixed deposit has a maturity period of 365 (2023 - 365) days.

The fixed deposit with a licensed bank of the Group at the end of the reporting period has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 20 to the financial statements.

### 17. SHARE CAPITAL

	The Group			
	2024 Number of Shares ('000)	2023 Number of Shares ('000)	2024 RM'000	2023 RM'000
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 January	231,975	5,001	120,000	5,000
Effect of group restructuring exercise	–	226,974	–	115,000
Issuance of new ordinary shares pursuant to public issue	77,325	–	42,529	–
Share issuance expenses	–	–	(1,797)	–
At 31 December	309,300	231,975	160,732	120,000

	The Company			
	2024 Number of Shares ('000)	2023 Number of Shares ('000)	2024 RM'000	2023 RM'000
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 January	231,975	1	120,000	#
Issuance of new ordinary shares pursuant to acquisition of entire equity interest of TSA Industries	–	231,974	–	120,000
Issuance of new ordinary shares pursuant to public issue	77,325	–	42,529	–
Share issuance expenses	–	–	(1,797)	–
At 31 December	309,300	231,975	160,732	120,000

Note:-

# - Amount less than RM1,000

Notes to the Financial Statements  
(cont'd)

**17. SHARE CAPITAL (CONT'D)**

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) During the financial year, the Company increased its issued and paid-up share capital from RM120,000,250.20 to RM162,529,000.20 (before deducting share issuance expenses of RM1,796,747) by way of issuance of 77,325,000 new ordinary shares at an issue price of RM0.55 each pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

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

- (c) In the previous financial year, the Company increased its issued and paid-up share capital from RM100 to RM120,000,250.20 by way of issuance of 231,974,000 new ordinary shares at an issue price of RM0.5173 each for the acquisition of the entire equity interest of TSA Industries.

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

**18. RESERVES**

	Note	The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Foreign exchange translation reserve	(a)	745	1,414	–	–
Reorganisation deficit	(b)	(115,000)	(115,000)	–	–
Retained profits/(Accumulated losses)		135,287	133,268	1,034	(3,446)
		21,032	19,682	1,034	(3,446)

- (a) The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary whose functional currency is different from the Group's presentation currency.
- (b) The reorganisation deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries upon internal restructuring exercise.

## Notes to the Financial Statements (cont'd)

### 19. LEASE LIABILITIES

	The Group	
	2024 RM'000	2023 RM'000
At 1 January	2,845	685
Additions (Notes 7 and 31(b))	1,237	3,284
Interest expense recognised in profit or loss (Note 26)	138	129
Repayment of principal	(1,559)	(1,127)
Repayment of interest expense	(138)	(129)
Foreign exchange adjustments	(86)	3
<b>At 31 December</b>	<b>2,437</b>	<b>2,845</b>
Analysed by:-		
Current liabilities	1,355	1,391
Non-current liabilities	1,082	1,454
	<b>2,437</b>	<b>2,845</b>

### 20. BORROWINGS

	The Group	
	2024 RM'000	2023 RM'000
<b>Non-current</b>		
Term loan 1	7,517	8,614
Term loan 2	739	815
Hire purchase payables	461	360
	<b>8,717</b>	<b>9,789</b>
<b>Current</b>		
Term loan 1	1,138	1,147
Term loan 2	81	76
Banker's acceptances	–	8,734
Onshore foreign currency loan	52,038	36,292
Structured and trade commodity financing	9,359	3,986
Hire purchase payables	262	267
	<b>62,878</b>	<b>50,502</b>
	<b>71,595</b>	<b>60,291</b>

## Notes to the Financial Statements (cont'd)

### 20. BORROWINGS (CONT'D)

- (a) At the end of the reporting period, the effective interest rates of the Group's borrowings are summarised below:-

	The Group	
	2024 %	2023 %
Term loan 1	5.19	5.23
Term loan 2	7.39	7.39
Hire purchase payables	3.77 - 6.34	3.77 - 7.29
Banker's acceptances	-	4.51 - 4.60
Onshore foreign currency loan	5.55 - 6.05	6.55 - 7.10
Structured and trade commodity financing	5.87 - 6.61	4.84 - 7.36

- (b) The borrowings are secured by:-

- (i) A lien holder caveat over a building of Mitra Bintang;
- (ii) A legal charge over a piece of industrial leasehold land of TSA Industries;
- (iii) The fixed deposits of TSA Industries;
- (iv) Assignment of life assurance policy of a director;
- (v) Corporate guarantee of the Company and a related party; and
- (vi) Joint and several guarantee of a director of the Company and a third party.

- (c) At the end of the previous reporting period, the banker's acceptances were secured by:-

- (i) A legal charge over a piece of industrial leasehold land of TSA Industries;
- (ii) Assignment of life assurance policy of a director;
- (iii) Joint and several guarantees of certain directors; and
- (iv) Corporate guarantee of the former ultimate holding company.

- (d) The major covenants of the borrowings are as follows:-

- (i) Tangible net worth of TSA Industries shall not fall below:-
  - (a) RM50,000,000 for certain borrowings from a financial institution; and
  - (b) RM100,000,000 for certain borrowings from a financial institution.
- (ii) Gearing ratio of TSA Industries shall not exceed:-
  - (a) 1.2 times for certain borrowings from a financial institution;
  - (b) 1.5 times for certain borrowings from a financial institution; and
  - (c) 2.0 times for certain borrowings from financial institutions.
- (iii) Advances to related companies and directors of TSA Industries shall be capped at RM27,400,000 for certain borrowings from a financial institution.

The Group has complied with the covenants throughout the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

## Notes to the Financial Statements (cont'd)

### 21. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 120 (2023 - 30 to 120) days.

### 22. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other payables:-				
Third parties	700	463	33	-
Advances received from customers	1,004	1,315	-	-
Goods and services tax payable	212	104	-	-
	1,916	1,882	33	-
Deposit	82	82	-	-
Accruals	6,327	5,541	1,061	503
	8,325	7,505	1,094	503

### 23. DIVIDEND PAYABLE

This represents the dividend payable to a non-controlling interest in shares held in TSA Industries (SEA) amounting to RM197,268 (2023 - Nil).

### 24. REVENUE

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Revenue from Contract with Customers</b>				
<u>Recognised at a point in time</u>				
Sale of goods	290,691	332,646	-	-
<b>Revenue from Other Sources</b>				
Dividend income from a subsidiary	-	-	21,000	-
	290,691	332,646	21,000	-

## Notes to the Financial Statements (cont'd)

### 24. REVENUE (CONT'D)

- (a) The information on the disaggregation of revenue by geographical market is disclosed in Note 33.2 to the financial statements.
- (b) The Group has applied the practical expedient for not adjusting the sales price for the effects of a significant financing component when the period between the transfer of the promised goods or services to the customer and payment by the customer is 1 year or less.
- (c) Revenue from the sale of goods is recognised at a point in time when goods have been delivered and accepted by customers, net of discount or when the goods have reached the destination set by the customers.
- (d) The information of the revenue from other sources is summarised below:-

#### Dividend income

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

### 25. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group	
	2024	2023
	RM'000	RM'000
Impairment losses (Note 35.1(b)(iii)):		
- trade receivables	1,641	55
Reversal of impairment losses (Note 35.1(b)(iii)):		
- trade receivables	(19)	(9)
	1,622	46

### 26. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees:				
- auditors of the Company	188	178	60	50
- other auditors	23	22	-	-
- non-audit fees:				
- auditors of the Company	8	439	8	439
- local affiliates of auditors of the Company	153	104	15	24
Directors' remuneration (Note 32)	3,676	3,262	2,998	85

Notes to the Financial Statements  
(cont'd)

**26. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)**

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Material Expenses/(Income)</b>				
Depreciation of:				
- property, plant and equipment	1,854	1,944	2	-
- right-of-use assets	1,748	1,332	-	-
Inventories written down/(back)	638	(1,096)	-	-
Initial Public Offering ("IPO") expenses <sup>(1)</sup>	246	1,681	246	1,681
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- a subsidiary	-	-	31	24
- hire purchase payables	53	37	-	-
- onshore foreign currency loan	3,091	2,538	-	-
- structured and trade commodity financing	598	1,346	-	-
- term loans	537	552	-	-
- banker's acceptances	58	403	-	-
- others	40	50	-	-
Interest expense on lease liabilities	138	129	-	-
Lease expenses:				
- short-term leases	225	532	5	-
- variable lease payments	618	738	-	-
Property, plant and equipment written off	-	46	-	-
Staff costs (including other key management personnel as disclosed in Note 32)				
- wages, salaries and others	20,871	20,518	1,025	-
- defined contribution plan	1,810	1,763	123	-
(Gain)/Loss on foreign exchange:				
- realised	(2,057)	(2,329)	-	-
- unrealised	3,616	756	-	-
Fair value (gain)/loss on derivatives	(1,131)	289	-	-
Gain on disposal of property, plant and equipment	-	(16)	-	-
Interest income on financial assets				
measured at amortised cost	(1,808)	(505)	(598)	-
Government grant	(56)	(20)	-	-
Management fee	-	-	(4,015)	-
Compensation of loss (Note 36.1)	(3,264)	-	-	-

Note:-

(1) In the previous financial year, included in the IPO expenses were non-audit fees related to Reporting Accountants' work pursuant to the Company's listing exercise amounted to RM431,000.

Notes to the Financial Statements  
(cont'd)**27. INCOME TAX EXPENSE**

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax expense:				
Malaysia:				
- for the financial year	6,795	5,578	150	-
- (over)/underprovision in the previous financial year	(124)	67	-	-
	6,671	5,645	150	-
Overseas:				
- for the financial year	30	713	-	-
- (over)/underprovision in the previous financial year	(128)	18	-	-
	(98)	731	-	-
	6,573	6,376	150	-
Deferred tax (Note 8):				
- originating and reversal of temporary differences	(187)	734	-	-
- under/(over)provision in the previous financial year	135	(67)	-	-
	(52)	667	-	-
	6,521	7,043	150	-

A reconciliation of the income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(Loss) before taxation	24,181	24,150	20,095	(3,329)
Tax at the statutory tax rate of 24% (2023 - 24%)	5,803	5,796	4,823	(799)
Tax effects of:-				
Tax-exempt income	(77)	(60)	(5,047)	-
Non-taxable income	(526)	(120)	-	-
Non-deductible expenses	1,498	1,762	374	799
Utilisation of deferred tax assets previously not recognised	-	(27)	-	-
Differential in tax rates of foreign subsidiary	(60)	(326)	-	-
(Over)/Underprovision of current tax in the previous financial year	(252)	85	-	-
Under/(Over)provision of deferred taxation in the previous financial year	135	(67)	-	-
	6,521	7,043	150	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

## Notes to the Financial Statements (cont'd)

### 28. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2024 RM'000	2023 RM'000 (Restated)
Profit attributable to owners of the Company (RM'000)	17,484	16,327
Weighted average number of ordinary shares in issue ('000):		
Ordinary shares at 1 January	231,975	5,001
Effect of new ordinary shares issued pursuant to:		
- acquisition of subsidiary	-	226,974
- public issue	70,353	-
Weighted average number of ordinary shares in issue	302,328	231,975
Basic earnings per share (RM)	0.06	0.07*

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares at the end of the reporting period.

Note:-

\* In the calculation of earnings per share for the financial year ended 31 December 2023, it is assumed that 231,975,000 ordinary shares were in issue.

### 29. DIVIDENDS

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>In respect of the financial year 31 December 2022</u> A second interim dividend of RM4 per ordinary share, paid on 4 April 2023 and 5 April 2023 respectively	-	20,000	-	-
<u>In respect of the financial year 31 December 2023</u> A first interim dividend of RM1 per ordinary share, paid on 30 October 2023	-	5,000	-	-
<u>In respect of the financial year 31 December 2024</u> An interim dividend of RM0.05 per ordinary share, paid on 27 December 2024	15,465	-	15,465	-
	15,465	25,000	15,465	-

Subsequent to the end of the financial year, the Company declared a final dividend of 1 sen per ordinary share amounting to RM3,093,000 in respect of the current financial year, paid on 26 March 2025. The financial statements for the current financial year do not reflect this final dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

Notes to the Financial Statements  
(cont'd)

### 30. RELATED PARTY DISCLOSURES

#### (a) Holding Companies and Subsidiaries

In the previous financial year, the immediate and ultimate holding companies were KVC Properties Sdn. Bhd. and KVC Corporation Sdn. Bhd., respectively.

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

#### (b) Significant Related Party Transactions and Balances

In addition to the related party transactions information disclosed in the statements of cash flows and Note 26 to the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Subsidiaries:</b>				
Dividend income	–	–	(21,000)	–
Interest charged by	–	–	31	24
Management fee	–	–	(4,015)	–
<b>Related party:</b>				
Sales to	(860)	(351)	–	–
Purchases from	16	76	–	–
Rental expense	18	16	–	–

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in Notes 12 and 13 to the financial statements.

### 31. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Property, Plant and Equipment</b>				
Cost of property, plant and equipment purchased (Note 6)	1,643	7,642	17	–
Less: Acquired through hire purchase arrangements	(430)	(67)	–	–
	1,213	7,575	17	–
<b>Right-of-use Assets</b>				
Cost of right-of-use assets acquired (Note 7)	1,237	3,284	–	–
Less: Addition of lease liabilities (Note 31(b))	(1,237)	(3,284)	–	–
	–	–	–	–

Notes to the Financial Statements  
(cont'd)

## 31. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Lease Liabilities RM'000	Hire Purchase Payables RM'000	Onshore Foreign Currency Loan RM'000	Structured and Trade Commodity Financing RM'000	Term Loans RM'000	Banker's Acceptances RM'000	Total RM'000
<b>The Group</b>							
<b>2024</b>							
At 1 January	2,845	627	36,292	3,986	10,652	8,734	63,136
<u>Changes in Financing Cash Flows</u>							
Proceeds from drawdown	-	-	129,339	26,878	-	6,132	162,349
Repayment of principal	(1,559)	(318)	(115,428)	(21,408)	(1,172)	(14,866)	(154,751)
	(1,559)	(318)	13,911	5,470	(1,172)	(8,734)	7,598
<u>Other Changes</u>							
Foreign exchange adjustments	(86)	(16)	1,836	(98)	-	-	1,636
Acquired through hire purchase arrangements	-	430	-	-	-	-	430
Acquisition of new leases (Notes 19 and 31(a))	1,237	-	-	-	-	-	1,237
Interest expense accrued	-	-	(564)	(221)	-	-	(785)
Interest expense recognised in profit or loss	138	53	3,091	598	537	58	4,475
Repayment of interests	(138)	(53)	(2,528)	(376)	(542)	(58)	(3,695)
	1,151	414	1,835	(97)	(5)	-	3,298
At 31 December	2,437	723	52,038	9,359	9,475	-	74,032

Notes to the Financial Statements  
(cont'd)

## 31. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Lease Liabilities RM'000	Hire Purchase Payables RM'000	Onshore Foreign Currency Loan RM'000	Structured and Trade Commodity Financing RM'000	Term Loans RM'000	Banker's Acceptances RM'000	Total RM'000
<b>The Group</b>							
<b>2023</b>							
At 1 January	685	795	22,573	22,377	11,344	7,657	65,431
<u>Changes in Financing Cash Flows</u>							
Proceeds from drawdown	-	-	91,298	37,269	500	27,308	156,375
Repayment of principal	(1,127)	(275)	(77,880)	(56,740)	(1,194)	(26,231)	(163,447)
	(1,127)	(275)	13,418	(19,471)	(694)	1,077	(7,072)
<u>Other Changes</u>							
Foreign exchange adjustments	3	40	301	1,080	-	-	1,424
Acquired through hire purchase arrangements	-	67	-	-	-	-	67
Acquisition of new leases (Notes 19 and 31(a))	3,284	-	-	-	-	-	3,284
Interest expense recognised in profit or loss	129	37	2,538	1,346	552	403	5,005
Repayment of interests	(129)	(37)	(2,538)	(1,346)	(550)	(403)	(5,003)
	3,287	107	301	1,080	2	-	4,777
At 31 December	2,845	627	36,292	3,986	10,652	8,734	63,136

## Notes to the Financial Statements (cont'd)

### 31. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Payment of short-term leases	225	532	5	-
Variable lease payments not included in the measurement of lease liabilities	618	738	-	-
Interest paid on lease liabilities	138	129	-	-
Payment of lease liabilities	1,559	1,127	-	-
	2,540	2,526	5	-

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed deposit with a licensed bank	566	553	-	-
Cash and bank balances	50,482	18,753	13,545	25
Short-term investments (Note 14)	20,072	-	10,029	-
	71,120	19,306	23,574	25
Less: Fixed deposit pledged to a licensed bank (Note 16)	(566)	(553)	-	-
	70,554	18,753	23,574	25

### 32. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>(a) Directors</b>				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	233	73	233	73
- salaries, bonuses and other benefits	2,522	2,479	2,503	12
	2,755	2,552	2,736	85
Defined contribution benefits	264	265	262	-
	3,019	2,817	2,998	85

Notes to the Financial Statements  
(cont'd)**32. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)**

The key management personnel compensation during the financial year are as follows:- (Cont'd)

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>(a) Directors (Cont'd)</b>				
<i>Director of the Subsidiary</i>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	598	398	-	-
Defined contribution benefits	59	47	-	-
	657	445	-	-
<b>Total directors' remuneration (Note 26)</b>	<b>3,676</b>	<b>3,262</b>	<b>2,998</b>	<b>85</b>
The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM4,269 (2023 - Nil).				
<b>(b) Other Key Management Personnel</b>				
Short-term employee benefits	1,000	941	377	-
Defined contribution benefits	113	106	44	-
	1,113	1,047	421	-

**33. OPERATING SEGMENTS****33.1 BUSINESS SEGMENT**

The Group operates predominantly in one business segment i.e. manufacturing of welded stainless steel pipes; and trading in stainless steel and other metal products. Accordingly, the information by business segment is not presented.

**33.2 GEOGRAPHICAL INFORMATION**

Revenue is based on the country in which the customers are located.

	The Group	
	2024 RM'000	2023 RM'000
<b>Revenue</b>		
Malaysia	239,058	267,370
Singapore	39,876	51,552
Bangladesh	5,003	4,462
Thailand	1,206	3,296
Indonesia	2,976	2,608
Others	2,572	3,358
	290,691	332,646

## Notes to the Financial Statements (cont'd)

### 33. OPERATING SEGMENTS (CONT'D)

#### 33.2 GEOGRAPHICAL INFORMATION (CONT'D)

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	The Group	
	2024 RM'000	2023 RM'000
<b>Non-current Assets</b>		
Malaysia	52,767	52,571
Singapore	2,204	3,268
	<hr/>	<hr/>
	54,971	55,839

#### 33.3 MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

### 34. CAPITAL COMMITMENTS

	Note	The Group	
		2024 RM'000	2023 RM'000
Purchase of machineries	(a)	12,880	13,210
Purchase of machineries	(b)	3,625	3,717
Contracted consultant		308	308
Contracted contractor		9,400	–
		<hr/>	<hr/>
		26,213	17,235

- (a) On 20 December 2021, TSA Industries entered into a Sale Contract to acquire certain machineries for a total consideration of approximately USD5,291,000 (equivalent to RM22,067,000).
- (b) On 3 January 2023, TSA Industries entered into a contract to acquire certain machineries for a total consideration of approximately USD2,025,000 (equivalent to RM8,918,000).

Notes to the Financial Statements  
(cont'd)**35. FINANCIAL INSTRUMENTS**

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

**35.1 FINANCIAL RISK MANAGEMENT POLICIES**

The policies in respect of the major areas of treasury activity are as follows:-

**(a) Market Risk****(i) Foreign Currency Risk**

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currency of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

*Foreign Currency Exposure*

<b>The Group</b>	<b>United States Dollar RM'000</b>	<b>Singapore Dollar RM'000</b>	<b>Others RM'000</b>	<b>Ringgit Malaysia RM'000</b>	<b>Total RM'000</b>
<b>2024</b>					
<b>Financial Assets</b>					
Trade receivables	457	13,643	–	52,324	66,424
Amount owing by a related party	–	–	–	569	569
Short-term investments	–	–	–	20,072	20,072
Derivative assets	842	–	–	–	842
Fixed deposit with a licensed bank	–	–	–	566	566
Cash and bank balances	1,622	13,509	36	35,315	50,482
	2,921	27,152	36	108,846	138,955

Notes to the Financial Statements  
(cont'd)

**35. FINANCIAL INSTRUMENTS (CONT'D)**

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) **Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

The Group	United States Dollar RM'000	Singapore Dollar RM'000	Others RM'000	Ringgit Malaysia RM'000	Total RM'000
<b>2024</b>					
<u>Financial Liabilities</u>					
Trade payables	383	624	–	5,641	6,648
Other payables and accruals	–	436	–	6,591	7,027
Dividend payable	–	197	–	–	197
Hire purchase payables	–	202	–	521	723
Onshore foreign currency loan	52,038	–	–	–	52,038
Structured and trade commodity financing	9,359	–	–	–	9,359
Term loans	–	–	–	9,475	9,475
	61,780	1,459	–	22,228	85,467
Net financial (liabilities)/ assets	(58,859)	25,693	36	86,618	53,488
Less: Net financial assets denominated in the respective entities' functional currencies	–	(14,417)	–	(86,618)	(101,035)
Add: Forward foreign currency contracts (contracted notional principal)	25,152	–	–	–	25,152
Currency Exposure	(33,707)	11,276	36	–	(22,395)

Notes to the Financial Statements  
(cont'd)**35. FINANCIAL INSTRUMENTS (CONT'D)**

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)**

## (i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

The Group	United States Dollar RM'000	Singapore Dollar RM'000	Others RM'000	Ringgit Malaysia RM'000	Total RM'000
<b>2023</b>					
<u>Financial Assets</u>					
Trade receivables	773	22,774	–	53,428	76,975
Amount owing by a related party	–	–	–	252	252
Fixed deposit with a licensed bank	–	–	–	553	553
Cash and bank balances	1,106	2,291	51	15,305	18,753
	1,879	25,065	51	69,538	96,533
<u>Financial Liabilities</u>					
Trade payables	244	136	–	6,216	6,596
Other payables and accruals	–	341	–	5,663	6,004
Hire purchase payables	–	397	–	230	627
Banker's acceptances	–	–	–	8,734	8,734
Onshore foreign currency loan	36,292	–	–	–	36,292
Structured and trade commodity financing	1,534	–	–	2,452	3,986
Term loans	–	–	–	10,652	10,652
Derivative liabilities	289	–	–	–	289
	38,359	874	–	33,947	73,180
Net financial (liabilities)/ assets	(36,480)	24,191	51	35,591	23,353
Less: Net financial assets denominated in the respective entities' functional currencies	–	(23,460)	–	(35,591)	(59,051)
Add: Forward foreign currency contracts (contracted notional principal)	16,186	–	–	–	16,186
Currency Exposure	(20,294)	731	51	–	(19,512)

## Notes to the Financial Statements (cont'd)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

##### *Foreign Currency Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

		The Group	
		2024	2023
		RM'000	RM'000
<b>Effects on Profit After Taxation/Effects on Equity</b>			
USD/RM	- strengthened by 5%	(1,281)	(771)
	- weakened by 5%	1,281	771
SGD/RM	- strengthened by 5%	428	28
	- weakened by 5%	(428)	(28)
OTHERS/RM	- strengthened by 5%	1	2
	- weakened by 5%	(1)	(2)

There is no impact on the Company's equity.

##### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group and of the Company are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 20 to the financial statements.

##### *Interest Rate Risk Sensitivity Analysis*

Any reasonably possible change in the interest rates of floating rate borrowings at the end of the reporting period does not have material impact on the profit after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

##### (iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

Notes to the Financial Statements  
(cont'd)**35. FINANCIAL INSTRUMENTS (CONT'D)**

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk**

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to a subsidiary. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

**(i) Credit Risk Concentration Profile**

At the end of the reporting period, the Group's major concentration of credit risk relates to the amount owing by 1 (2023 - 1) customer which constituted approximately 13% (2023 - 19%) of its trade receivables, net of loss allowance.

**(ii) Maximum Exposure to Credit Risk**

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiary of RM66,395,306 (2023 - Nil), representing the outstanding banking facilities of the subsidiary as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

**(iii) Assessment of Impairment Losses**

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

## Notes to the Financial Statements (cont'd)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

##### Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables (including a related party) have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The expected loss rates are based on the payment profiles of sales over 12 (2023 - 12) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Sales made are generally accompanied by letters of credit or advance payments and therefore, there is minimal exposure to credit risk. Furthermore, outstanding trade receivables are largely collected within the credit term.

Notes to the Financial Statements  
(cont'd)**35. FINANCIAL INSTRUMENTS (CONT'D)**

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)*Allowance for Impairment Losses*

The reconciliations of allowance for impairment losses are as follows:-

The Group	Non-credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
Balance at 1.1.2023	127	1,143	1,270
Additions (Note 25)	–	55	55
Reversals (Note 25)	–	(9)	(9)
Written offs	–	(366)	(366)
Foreign exchange differences	–	2	2
Balance at 31.12.2023/1.1.2024	127	825	952
Additions (Note 25)	534	1,107	1,641
Reversals (Note 25)	–	(19)	(19)
Written offs	–	(31)	(31)
Foreign exchange differences	(7)	(38)	(45)
Balance at 31.12.2024	654	1,844	2,498

The information about the credit exposure and loss allowances recognised for trade receivables are as follows:-

The Group	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Lifetime Collective Allowance RM'000	Carrying Amount RM'000
<b>2024</b>				
Current (not past due)	57,164	–	(77)	57,087
1 to 30 days past due	4,808	–	(49)	4,759
31 to 60 days past due	2,354	–	(51)	2,303
61 to 90 days past due	1,257	–	(31)	1,226
91 to 120 days past due	926	–	(23)	903
More than 120 days past due	1,138	–	(423)	715
Credit impaired	1,844	(1,844)	–	–
	69,491	(1,844)	(654)	66,993

## Notes to the Financial Statements (cont'd)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Trade Receivables (Cont'd)

##### *Allowance for Impairment Losses*

The information about the credit exposure and loss allowances recognised for trade receivables are as follows:- (Cont'd)

The Group	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Lifetime Collective Allowance RM'000	Carrying Amount RM'000
<b>2023</b>				
Current (not past due)	43,883	–	–	43,883
1 to 30 days past due	14,673	–	–	14,673
31 to 60 days past due	6,963	–	–	6,963
61 to 90 days past due	2,242	–	–	2,242
91 to 120 days past due	548	–	–	548
More than 120 days past due	9,045	–	(127)	8,918
Credit impaired	825	(825)	–	–
	78,179	(825)	(127)	77,227

Trade receivables that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has not been any significant change in the gross amounts of trade receivables that impacted the allowance for impairment losses.

##### Other Receivables

The Group applies the 3-stage general approach to measure expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Notes to the Financial Statements  
(cont'd)**35. FINANCIAL INSTRUMENTS (CONT'D)**

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)Allowance for Impairment Losses

	The Group	
	2024	2023
	RM'000	RM'000
At 1 January/31 December	10,368	10,368

The allowance for impairment losses (determined on an individual basis) relates to credit impaired other receivables who are in significant financial difficulties and have defaulted on payments. No impairment losses are provided for the remaining other receivables because there have been no significant changes in their credit quality and the amounts are considered recoverable but with slower repayment records.

There has not been any significant change in the gross amounts of other receivables that impacted the allowance for impairment losses.

Fixed Deposit with a Licensed Bank, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measure expected credit losses for all inter-company balances.

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

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

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

## Notes to the Financial Statements (cont'd)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Amount Owing by Subsidiaries (Non-trade Balances) (Cont'd)

##### *Allowance for Impairment Losses*

At the end of the reporting period, there was no indication that the balances are not recoverable.

##### Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to a subsidiary are financial guarantee contracts.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company closely monitors the subsidiary's financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

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

The Company determines the probability of default of the guaranteed amount individually using internal information available.

##### *Allowance for Impairment Losses*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

##### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Notes to the Financial Statements  
(cont'd)**35. FINANCIAL INSTRUMENTS (CONT'D)**

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)***Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed based on the rates at the end of the reporting period):-

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	More than 5 Years RM'000
<b>2024</b>						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	6,648	6,648	6,648	-	-
Other payables and accruals	-	7,027	7,027	7,027	-	-
Dividend payable	-	197	197	197	-	-
Lease liabilities	5.00 - 6.89	2,437	2,596	1,463	1,133	-
Hire purchase payables	1.98 - 3.38	723	838	309	529	-
Onshore foreign currency loan	5.55 - 6.05	52,038	52,038	52,038	-	-
Structured and trade commodity financing	5.87 - 6.61	9,359	9,359	9,359	-	-
Term loans	ECOF + 1.25 & BLR + 0.50	9,475	11,437	1,655	6,050	3,732
		87,904	90,140	78,696	7,712	3,732

Notes to the Financial Statements  
(cont'd)**35. FINANCIAL INSTRUMENTS (CONT'D)**

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)***Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed based on the rates at the end of the reporting period):- (Cont'd)

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	More than 5 Years RM'000
<b>2023</b>						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	6,596	6,596	6,596	-	-
Other payables and accruals	-	6,004	6,004	6,004	-	-
Lease liabilities	5.00 - 6.89	2,845	3,014	1,505	1,509	-
Hire purchase payables	1.98 - 3.99	627	703	300	403	-
Banker's acceptances	4.51 - 4.60	8,734	8,734	8,734	-	-
Onshore foreign currency loan	6.55 - 7.10	36,292	36,292	36,292	-	-
Structured and trade commodity financing	4.84 - 7.36	3,986	3,986	3,986	-	-
Term loans	ECOF + 1.25 & BLR + 0.50	10,652	13,163	1,713	6,288	5,162
		75,736	78,492	65,130	8,200	5,162
<u>Derivative Financial Liabilities</u>						
Forward currency contracts (gross settled):		289				
- gross payments	-	-	16,186	16,186	-	-
- gross receipts	-	-	(15,897)	(15,897)	-	-
		76,025	78,781	65,419	8,200	5,162

Notes to the Financial Statements  
(cont'd)**35. FINANCIAL INSTRUMENTS (CONT'D)**

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)***Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows:-

	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
<b>The Company</b>			
<b>2024</b>			
<u>Non-derivative Financial Liabilities</u>			
Other payables and accruals	1,094	1,094	1,094
<hr/>			
<b>2023</b>			
<u>Non-derivative Financial Liabilities</u>			
Other payables and accruals	503	503	503
Amount owing to a subsidiary	4,014	4,014	4,014
	4,517	4,517	4,517
<hr/>			

## Notes to the Financial Statements (cont'd)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period are as follows:-

	The Group	
	2024 RM'000	2023 RM'000
Lease liabilities (Note 19)	2,437	2,845
Hire purchase payables (Note 20)	723	627
Banker's acceptances (Note 20)	–	8,734
Onshore foreign currency loan (Note 20)	52,038	36,292
Structured and trade commodity financing (Note 20)	9,359	3,986
Term loans (Note 20)	9,475	10,652
	74,032	63,136
Less: Cash and cash equivalents (Note 31(d))	(70,554)	(18,753)
Net debt	3,478	44,383
	184,542	142,929
Total equity	184,542	142,929
Debt-to-equity ratio	0.02	0.31

There were no changes in the approach to capital management during the financial year.

Notes to the Financial Statements  
(cont'd)

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Short-term investments (Note 14)	20,072	–	10,029	–
Derivative assets (Note 15)	842	–	–	–
	20,914	–	10,029	–
<u>Amortised Cost</u>				
Trade receivables (Note 10)	66,424	76,975	–	–
Amount owing by a related party (Note 12)	569	252	–	–
Amount owing by subsidiaries (Note 13)	–	–	18,953	–
Fixed deposit with a licensed bank (Note 16)	566	553	–	–
Cash and bank balances	50,482	18,753	13,545	25
	118,041	96,533	32,498	25
<b>Financial Liabilities</b>				
<u>Fair Value Through Profit or Loss</u>				
Derivative liabilities (Note 15)	–	289	–	–
<u>Amortised Cost</u>				
Trade payables (Note 21)	6,648	6,596	–	–
Other payables and accruals (Note 22)	7,027	6,004	1,094	503
Dividend payable (Note 23)	197	–	–	–
Amount owing to a subsidiary (Note 13)	–	–	–	4,014
Hire purchase payables (Note 20)	723	627	–	–
Onshore foreign currency loan (Note 20)	52,038	36,292	–	–
Banker's acceptances (Note 20)	–	8,734	–	–
Structured and trade commodity financing (Note 20)	9,359	3,986	–	–
Term loans (Note 20)	9,475	10,652	–	–
	85,467	72,891	1,094	4,517

Notes to the Financial Statements  
(cont'd)

**35. FINANCIAL INSTRUMENTS (CONT'D)**

35.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss by:				
- mandatorily required by MFRS 9	1,203	-	29	-
<u>Amortised Cost</u>				
Net (losses)/gains recognised in profit or loss	(1,535)	30	-	-
<b>Financial Liabilities</b>				
<u>Fair Value Through Profit or Loss</u>				
Net losses recognised in profit or loss by:				
- mandatorily required by MFRS 9	-	(289)	-	-

Notes to the Financial Statements  
(cont'd)**35. FINANCIAL INSTRUMENTS (CONT'D)****35.5 FAIR VALUE INFORMATION**

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>2024</b>								
<b>Financial Assets</b>								
Short-term investments - money market funds	-	20,072	-	-	-	-	20,072	20,072
Derivative assets - forward currency contracts	-	842	-	-	-	-	842	842
<b>Financial Liabilities</b>								
Term loans	-	-	-	-	9,475	-	9,475	9,475
Hire purchase payables	-	-	-	-	723	-	723	723
<b>2023</b>								
<b>Financial Liabilities</b>								
Derivative liabilities - forward currency contracts	-	289	-	-	-	-	289	289
Term loans	-	-	-	-	10,652	-	10,652	10,652
Hire purchase payables	-	-	-	-	627	-	627	627
<b>The Company</b>								
<b>2024</b>								
<b>Financial Assets</b>								
Short-term investments - money market funds	-	10,029	-	-	-	-	10,029	10,029

## Notes to the Financial Statements (cont'd)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.5 FAIR VALUE INFORMATION (CONT'D)

##### Fair Value of Financial Instruments Carried at Fair Value

The fair values above have been determined using the following basis:-

- The fair value of money market funds is based on the fund managers' statements at the reporting date.
- The fair values of forward currency contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contracts using a risk-free interest rate (government bonds).
- There were no transfers between level 1 and level 2 during the financial year.

##### Fair Value of Financial Instruments not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- The fair values of hire purchase payables that carry fixed interest rates are determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	2024	2023
Hire purchase payables	3.77% - 6.34%	3.77% - 7.29%

### 36. MATERIAL LITIGATIONS

#### 36.1 TSA Industries ("Plaintiff") -v- 5 individuals ("1st to 5th Defendants") and a financial institution ("6th Defendant")

A subsidiary, TSA Industries has initiated legal proceedings in 2017 to claim against 5 individuals (1st to 5th Defendants) and a financial institution (6th Defendant) for the unauthorised transfers of monies for the sum of approximately RM31.8 million from a TSA Industries' bank account.

On 9 December 2022, the decision of the civil suit was given by the High Court, among others:

- to dismiss TSA Industries' claim against the 6th Defendant with a cost of RM150,000 to be paid by TSA Industries; and
- to award a judgement sum of RM31.8 million to be paid by the 1st to 5th Defendants to TSA Industries.

On 27 December 2022, TSA Industries filed an appeal to the Court of Appeal against the High Court's dismissal of the claim in relation to the 6th Defendant. The appeal is now fixed for hearing on 17 June 2025. The solicitors acting for TSA Industries are of the view that the prospects of success of the appeal as it stands are fair to reasonable.

Notes to the Financial Statements  
(cont'd)**36. MATERIAL LITIGATIONS (CONT'D)****36.1 TSA Industries ("Plaintiff") -v- 5 individuals ("1st to 5th Defendants") and a financial institution ("6th Defendant") (Cont'd)**

On 28 November 2023, an originating summons was filed by TSA Industries, against the 2nd Defendant, 4th Defendant and 4 of the banks where they maintained accounts with for, amongst others, a declaratory order that monies held in the accounts bearing the name of the 2nd Defendant either solely and/or jointly at the 4 defendant banks shall not be vested with the Director General of Insolvency by virtue of the illegality of the monies, and recovery of the monies held by the Director General of Insolvency due to the bankruptcy status of the 2nd Defendant.

On 16 January 2024, the Judge directed TSA Industries to file an application in the Bankruptcy Court for leave to commence an action against the 2nd Defendant in the High Court as he is an undischarged bankrupt. TSA Industries' originating summons application was put on hold pending its leave application in the Bankruptcy Court.

On 6 March 2024, the leave application was obtained from the Bankruptcy Court to commence action against the 2nd Defendant. On 25 March 2024, the Court gave direction that all Defendants to file their Affidavit in Reply on or before 8 April 2024 while TSA Industries to file Affidavit in Reply on or before 22 April 2024. On 27 May 2024, the Court has allowed TSA Industries' application for the Director General of Insolvency to return TSA Industries' money in 2nd Defendant's and 4th Defendant's bank accounts to TSA Industries.

As at the date of this report, TSA Industries has recovered an aggregate sum of RM3,264,427.93 from defendants' bank accounts pursuant to the court order. With this, all the funds in the Defendants' banks have been recovered.

**36.2 TSA Industries ("Plaintiff") -v- The Owners and/or Other Persons Interested in the Ship or Vessel "MSR No 1" (IMO NO.: 9141742) of Port of Panama ("Vessel") ("Defendant")**

TSA Industries purchased one set of reconditioned annealing furnace from an overseas supplier in Hong Kong at a price of USD1,127,760.50 (approximately RM5,300,000) ("Purchase Price").

On 13 September 2022, 23 packages of cargo containing pieces of the annealing furnace ("Cargo") were shipped on board the Vessel from Shanghai to Port Klang. While on voyage from Shanghai to Port Klang, the Vessel encountered turbulent weather conditions and 8 packages fell overboard into the sea while 15 packages remained on board with varied degree of damages of the packages. The Vessel arrived at Port Klang with the damaged packages.

On 3 October 2022, the High Court of Kuala Lumpur ("High Court") issued the Writ in rem and a Warrant of Arrest for the Vessel. The arrest was effected on 4 October 2022 by the Sheriff of the High Court at the territorial waters of Malaysia at Port Klang. The arrest was on the basis that, as the carrier and bailee of the Cargo, the Defendant had failed to ensure that the Cargo is received by TSA Industries in a good, workable condition and was fit for its function and purpose.

On 31 January 2023, the Vessel was released from arrest after security for the claim amounting to USD1,240,536.55 (being the value of the cargo lost and costs of RM400,000) was paid into Court. On 3 April 2023, the Admiralty Judge dismissed the Defendant's application to strike out the claim and to set aside the arrest.

The Court has rescheduled the trial dates, which are now fixed for 15 – 18 December 2025.

The solicitors acting for TSA Industries are of the view that TSA Industries has good chances of success of proving the claim at trial.

Notes to the Financial Statements  
(cont'd)

**37. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

On 2 February 2024, the Company was successfully admitted to the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities") with the listing of and quotation for its entire enlarge issued share capital comprising 309,300,000 ordinary shares on the ACE Market of Bursa Securities.

**38. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD**

On 4 March 2025, TSA Quarry Sdn. Bhd. ("TSA Quarry"), a wholly owned subsidiary of TSA Industries was incorporated. Consequent thereon, TSA Quarry is now a subsidiary of the Group on the same date.

## LIST OF PROPERTIES OWNED BY OUR GROUP

as at 31 December 2024

<b>1</b>	<b>Description</b>	Industrial premises comprising of a single storey factory annexed with a 3 storey office building, single storey warehouse and ancillary buildings
	Location	Lot 3998, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor
	Land Area	218,077 sq ft
	Built up area	147,072 sq ft
	Tenure	Freehold
	Net book value as at 31/12/2024	RM19,106,558
	Date of acquisition	10/5/2004
	Age of building	16 years
<b>2</b>	<b>Description</b>	Vacant land
	Location	H.S (D) 37423, PT 1125, Mukim Ulu Semenyih, Daerah Ulu Langat, Negeri Selangor
	Land Area	435,615 sq ft
	Tenure	Leasehold for 99 years expiring on 7 August 2093
	Net book value as at 31/12/2024	RM12,652,899
	Date of acquisition	7/10/2022
	Age of building	–

# ANALYSIS OF SHAREHOLDINGS

as at 28 March 2025

## SHARE CAPITAL

No. of Shares Issued : 309,300,000 Ordinary Shares  
 Class of Shares : Ordinary Shares  
 Voting Rights : One vote per Ordinary Share on a poll

## ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	1	0.11	10	0.00
100 – 1,000	198	22.15	95,200	0.03
1,001 – 10,000	404	45.19	1,973,000	0.64
10,001 – 100,000	218	24.38	8,054,100	2.60
100,001 to less than 5% of issued shares	68	7.61	89,843,362	29.05
5% and above of issued shares	5	0.56	209,334,328	67.68
<b>TOTAL</b>	<b>894</b>	<b>100.00</b>	<b>309,300,000</b>	<b>100.00</b>

## DIRECTORS' SHAREHOLDINGS

Name	Direct	No. of Shares		%
		%	Indirect	
Chew Kuan Fah	63,036,452	20.38	16,562,944 <sup>(1)</sup>	5.35
Chew Yik Wai	18,557,920	6.00	16,562,944 <sup>(1)</sup>	5.35
Ng Kim Liang	11,598,700	3.70	16,562,944 <sup>(1)</sup>	5.35

### Notes:

(1) Deemed interested by virtue of their direct shareholdings in Barisan Jutawan Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

## Analysis of Shareholdings (cont'd)

### SUBSTANTIAL SHAREHOLDERS

Name	Direct	No. of Shares		%
		%	Indirect	
Barisan Jutawan Sdn Bhd	16,562,944	5.35	–	–
KVC Properties Sdn Bhd	116,218,974	37.60	–	–
Chen Khai Voon	6,000,000	1.94	116,218,974 <sup>(1)</sup>	37.60
Chew Kuan Fah	63,036,452	20.38	16,562,944 <sup>(2)</sup>	5.35
Chew Yik Wai	18,557,920	6.00	16,562,944 <sup>(2)</sup>	5.35
Ng Kim Liang	11,598,700	3.70	16,562,944 <sup>(2)</sup>	5.35
KVC Corporation Sdn Bhd	–	–	116,218,974 <sup>(3)</sup>	37.60
Synergy Cal Solutions Sdn Bhd	–	–	116,218,974 <sup>(3)</sup>	37.60
Sa Chee Peng	–	–	116,218,974 <sup>(4)</sup>	37.60

**Notes:**

- (1) Deemed interested by virtue of his indirect shareholding in KVC Properties Sdn Bhd via KVC Corporation Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.
- (2) Deemed interested by virtue of their direct shareholdings in Barisan Jutawan Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.
- (3) Deemed interested by virtue of their direct shareholdings in KVC Properties Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.
- (4) Deemed interested by virtue of his indirect shareholding in KVC Properties Sdn Bhd via Synergy Cal Solutions Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

### TOP THIRTY (30) SHAREHOLDERS

(Without aggregating securities from different securities accounts belonging to the same Registered Holder)

No.	Name	No. of Shares	%
(1)	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD PLEDGED SECURITIES ACCOUNT FOR KVC PROPERTIES SDN. BHD.	92,790,000	30.00
(2)	CHEW KUAN FAH	57,994,490	18.75
(3)	KVC PROPERTIES SDN. BHD.	23,428,974	7.57
(4)	CHEW YIK WAI	18,557,920	6.00
(5)	BARISAN JUTAWAN SDN BHD	16,562,944	5.354
(6)	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN LEE HEONG	15,410,400	4.98
(7)	NG KIM LIANG	11,598,700	3.70
(8)	HEW VOON FOO	10,179,100	3.29
(9)	LIM KONG JOO	9,178,700	2.97
(10)	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN KHAI VOON	6,000,000	1.94

## Analysis of Shareholdings (cont'd)

### TOP THIRTY (30) SHAREHOLDERS (CONT'D)

(Without aggregating securities from different securities accounts belonging to the same Registered Holder)

No.	Name	No. of Shares	%
(11)	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW KUAN FAH	5,041,962	1.63
(12)	LIM KONG JOO	3,365,300	1.09
(13)	MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SYED AMIR SYAKIB ARSALAN BIN SYED IBRAHIM	3,125,000	1.01
(14)	MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAK LIN KUM	2,900,000	0.94
(15)	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHENG LONG SOON (TSA)	1,500,000	0.48
(16)	CHEN WING SHENG	1,370,800	0.44
(17)	TING CHEK HUA	1,195,100	0.39
(18)	LOH PEI LING	1,000,000	0.32
(19)	WONG FOOT NAM	1,000,000	0.32
(20)	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR SEAH HOCK THIAM	796,900	0.26
(21)	LIM SIN TATT	730,000	0.24
(22)	LOW CHAN KHEUN	730,000	0.24
(23)	LEE YING CHING	692,200	0.22
(24)	OAN YEE LAI	675,000	0.22
(25)	LAI HOI LIAN	650,000	0.21
(26)	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LO BOON CHAI (E-SKN)	624,400	0.20
(27)	TAN KAI CHONG	546,900	0.18
(28)	TE TECK LOK	505,000	0.16
(29)	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOI CHEE FONG	500,000	0.16
(30)	CHAN BEE SEOK	500,000	0.16

# NOTICE OF THIRD ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Third Annual General Meeting (“3<sup>rd</sup> AGM”) of TSA Group Berhad (the “Company”) will be held at Conference Room 1, 2<sup>nd</sup> Floor, Lot 3998, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor, Malaysia on Wednesday, 18 June 2025 at 10.00 a.m., to transact the following businesses:

## AGENDA

### AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of Directors’ fees and benefits for an amount up to RM300,000.00 and RM25,000.00 respectively to the Non-Executive Directors of the Company for the period from the conclusion of the 3<sup>rd</sup> AGM until the next Annual General Meeting (“AGM”) of the Company, in such proportions and manner as the Directors may determine as follows:

**[Ordinary Resolution 1]**

Type of Director	Fees (RM)	Benefits (RM)
Chairman of the Board	110,000.00	4,000.00
Non-Executive Directors	190,000.00	21,000.00
Total:	300,000.00	25,000.00

- To re-elect the following Directors who retire pursuant to Clause 76(3) of the Company’s Constitution and being eligible, have offered themselves for re-election:
  - Mr. Lim Hun Soon @ David Lim
  - Mr. Ng Kim Liang
- To re-appoint Messrs. Crowe Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

**[Ordinary Resolution 2]**  
**[Ordinary Resolution 3]**

**[Ordinary Resolution 4]**

### AS SPECIAL BUSINESS

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

- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

**[Ordinary Resolution 5]**

“THAT subject always to the Companies Act 2016, the Company’s Constitution, the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), any directives or modifications or reliefs issued by Bursa Securities from time to time in relation to the general mandate for issue of securities and approvals of the relevant government and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the capital of the Company (“New Shares”) at any time and at such price, to such persons and for such purposes and upon such terms and conditions as Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being (“Proposed General Mandate”).

## Notice of Third Annual General Meeting (cont'd)

THAT the existing shareholders of the Company do hereby waive their pre-emptive rights pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 12 of the Company's Constitution in respect of the New Share to be issue under the Proposed General Mandate, which shall rank equally with the existing issued shares of the Company.

AND THAT the Directors are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier."

6. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

GOH CHOOI WOAN (SSM PC No. 201908000145) (MAICSA 7056110)  
Company Secretary

Dated: 29 April 2025  
Selangor

### **Explanatory Notes:**

1. Audited Financial Statements

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("Act") does not require shareholders' approval. As such, this Agenda item is not put forward for voting.

2. Ordinary Resolution 1 – Directors' fees and benefits payable to Non-Executive Directors

Section 230(1) of the Act provides that the Directors' fees and benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The amount of the Directors' fees and benefits are calculated based on the current Board size and a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director, additional unscheduled meetings for Board and Board Committees. This resolution is to facilitate the payment of Directors' fees and benefits for the period from the conclusion of this 3<sup>rd</sup> AGM until the next AGM.

In the event that the proposed amount is insufficient, shareholders' approval will be sought at the next AGM to meet the shortfall.

## Notice of Third Annual General Meeting (cont'd)

### Explanatory Notes: (Cont'd)

#### 3. Ordinary Resolutions 2 and 3 - Re-election of Directors

Mr. Lim Hun Soon @ David Lim and Mr. Ng Kim Liang, both Directors of the Company are seeking re-election at the 3<sup>rd</sup> AGM ("Retiring Directors") pursuant to Clause 76(3) of the Company's Constitution and being eligible, have offered themselves for re-election.

The details of the Retiring Directors are as set out in their respective Directors' Profile and can be found in the Annual Report 2024.

The Nominating Committee ("NC") has considered the performance and contribution of the abovesaid Retiring Directors from the Board Effectiveness Evaluation conducted, following factors were taken into consideration:

- (a) Satisfactory performance meeting the Board's expectations.
- (b) Compliance with fit and proper criteria.
- (c) Demonstrated knowledge and caliber.
- (d) Provision of quality input to the Board.
- (e) Director's level of independence demonstrated by the Independent Director and ability to act in the best interest of the Company in decision-making.

The NC and Board also reviewed the tenure of the Directors and the Board composition to ensure the Board has an appropriate mix of skills and experience for the requirements of the business.

Based on the aforesaid review, the performance of each of the Retiring Directors was found to be satisfactory. The Board endorsed the NC's recommendation to seek shareholders' approval on the re-election of the Retiring Directors.

#### 4. Ordinary Resolution 4 - Re-appointment of Auditors

The Audit and Risk Management Committee and the Board have considered the re-appointment of Messrs. Crowe Malaysia PLT as Auditors of the Company, are satisfied with the performance, competency, audit approach and independence of the Auditors.

The Board endorsed the Audit and Risk Management Committee's recommendation to seek shareholders' approval to re-appoint Messrs. Crowe Malaysia PLT as external auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

#### 5. Ordinary Resolution 5 - Authority to Directors to issue and allot shares pursuant to the Companies Act 2016

This resolution, if passed, will give authority to the Directors to issue and allot shares up to 10% of the total number of issued shares of the Company at any time ("General Mandate") in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier and will exclude the shareholders' pre-emptive rights over all new shares to be issued under the General Mandate.

The Board of Directors of the Company is of the view that the General Mandate is in the best interest of the Company and its shareholders as it will provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. It will also enable the Directors to take swift action in case of a need to issue and allot new shares in the Company's fund-raising activities, including but not limited to further placement of shares for the purpose of funding the Company's future investment projects or for working capital or such applications as the Directors may deem fit in the best interest of the Company and its shareholders.

The Company did not issue any new shares pursuant to Sections 75 and 76 of the Companies Act 2016 under the general mandate which was approved at the 2<sup>nd</sup> AGM held on 11 June 2024 and will lapse at the conclusion of the 3<sup>rd</sup> AGM to be held on 18 June 2025.

## Notice of Third Annual General Meeting (cont'd)

### Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 11 June 2025 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 3<sup>rd</sup> AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.*
2. *A member of the Company entitled to attend and vote at the general meeting is entitled to appoint up to two (2) proxies to attend, participate, speak and vote on his/her stead. A proxy may but need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.*
3. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. The appointment of two (2) or more proxies in respect of any particular Omnibus Account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
5. *The instrument appointing a proxy and the power of attorney or other authority (if any) shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialed.*
6. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited or submitted in the following manner not later than Monday, 16 June 2025 at 10:00 a.m.*

#### *In hard copy form –*

*By hand or post to the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or alternatively to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia.*

#### *By electronic form –*

*You may also submit your proxy appointment electronically via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Details for the procedures on submission proxy form electronically.*

7. *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of Annual General Meeting will be put to vote by poll.*

### **Personal data privacy:**

*By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:*

- (i) *consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");*
- (ii) *warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and*
- (iii) *agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.*

## STATEMENT ACCOMPANYING NOTICE OF THIRD ANNUAL GENERAL MEETING

Pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. Further details of individuals who are standing for election as directors (excluding directors standing for re-election):

No Directors are standing for election (excluding those standing for a re-election) at the forthcoming Annual General Meeting.

2. A statement relating to the general mandate for the issuance of securities

For details on general mandate for issue of securities, please refer to Explanatory Note 5 of the Notice of Third Annual General Meeting.

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CDS Account No.	
Number of Shares Held	

I/We, \_\_\_\_\_ (Full name in block),

\_\_\_\_\_ (NRIC/Registration/Passport No.)

of \_\_\_\_\_ (Address)

being (a) member(s) of **TSA GROUP BERHAD** hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

\* and/or

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, \*THE CHAIRMAN OF THE MEETING as my/our proxy, to vote on my/our behalf at the **THIRD ANNUAL GENERAL MEETING** ("3<sup>rd</sup> AGM") of TSA Group Berhad (the "Company") to be held at Conference Room 1, 2nd Floor, Lot 3998, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor, Malaysia on Wednesday, 18 June 2025 at 10.00 a.m., and at any adjournment thereof, as indicated below:

ORDINARY RESOLUTIONS		For	Against
1.	To approve the payment of Directors' fees and benefits for an amount up to RM300,000.00 and RM25,000.00 respectively to the Non-Executive Directors of the Company for the period from the conclusion of the 3 <sup>rd</sup> AGM until the next Annual General Meeting of the Company.		
2.	To re-elect Mr. Lim Hun Soon @ David Lim as Director.		
3.	To re-elect Mr. Ng Kim Liang as Director.		
4.	To re-appoint Messrs. Crowe Malaysia PLT as External Auditors.		
5.	To grant authority to issue shares pursuant to the Companies Act 2016.		

Please indicate with an "X" in the space provided below how you wish your votes to be cast. If no specific direction as to voting is given, the Proxy will vote or abstain for voting at his/her discretion.

\_\_\_\_\_  
Signatures of Member(s)/Attorney of Member(s)  
Date:

\_\_\_\_\_  
Common Seal of Member, if applicable  
(if the appointer is a corporation)

\* To delete if not applicable

**Notes:**

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 11 June 2025 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 3<sup>rd</sup> AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.
- A member of the Company entitled to attend and vote at the general meeting is entitled to appoint up to two (2) proxies to attend, participate, speak and vote on his/her stead. A proxy may but need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular Omnibus Account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- The instrument appointing a proxy and the power of attorney or other authority (if any) shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialed.



Notes: (Cont'd)

6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited or submitted in the following manner not later than Monday, 16 June 2025 at 10:00 a.m.

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- ii. warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and
- iii. agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

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AFFIX  
STAMP

The share registrar of  
**TSA GROUP BERHAD**  
[Registration No. 202201010003 (1455700-A)]  
**c/o: TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD**  
Unit 32-01, Level 32, Tower A, Vertical Business Suite,  
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur, W.P. Kuala Lumpur,  
Malaysia

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Fold This Flap For Sealing



**TSA GROUP BERHAD**

202201010003 (1455700-A)

Lot 3998, Jalan 6/2A  
Taman Industri Selesa Jaya  
43300 Balakong  
Selangor Darul Ehsan  
Malaysia

**Phone:** 603 - 8962 2888

**Fax:** 603 - 8962 1888