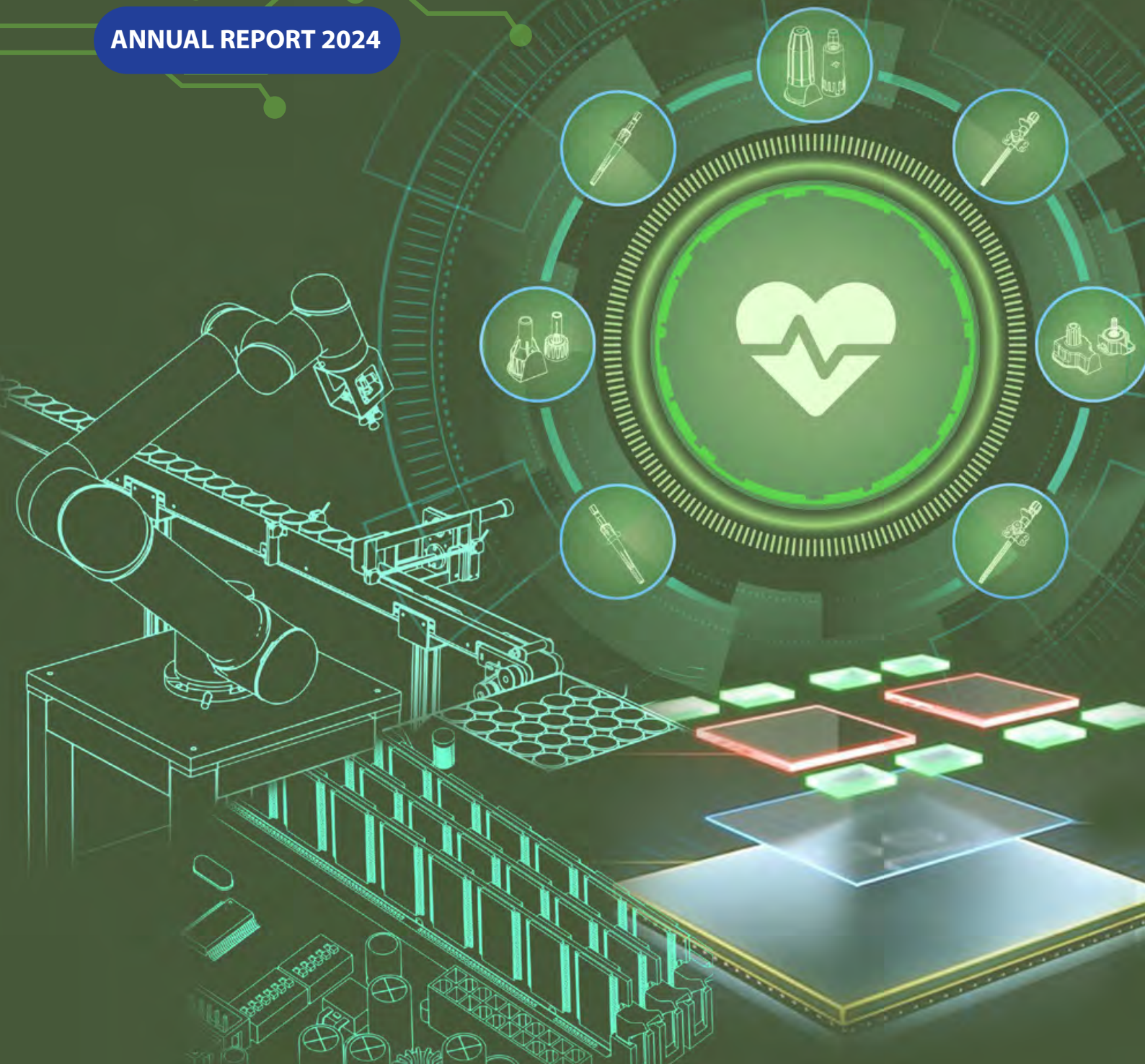




PENTAMASTER CORPORATION BERHAD  
200201004644 (572307-U)

# INNOVATING BEYOND BOUNDARIES

ANNUAL REPORT 2024



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## VISION

"To be the leader and world class automation solutions provider in the global market"



## MISSION

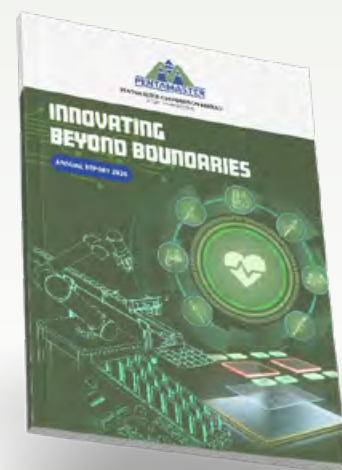
"We are committed to delivering high quality and cost-effective solutions with latest technology as well as providing value-added services to our customers and benefits to our vendors, employees and the community as a whole"

## ABOUT THE COVER

### INNOVATING BEYOND BOUNDARIES

Pentamaster Corporation Berhad's expertise in advanced automation and intelligent manufacturing shines through the key elements incorporated in the design, featuring a packaging operation powered by a robotic system. Symbolising Pentamaster's mastery in delivering comprehensive, cutting-edge technology solutions, a smart screen radiates from the robotic arm encircled by icons representing automation tools and medical devices. At the base of the screen lies an intricate advanced packaging, which holistically illustrates Pentamaster's role as a solid foundation in enabling the success of diverse industry sectors with its technological solutions and expertise.

Predominantly using a green colour palette, combining contrasting outlines of factory manufacturing and luminous light streams, highlights Pentamaster's commitment to adopting sustainable, futuristic solutions in its daily operations. This entire design embodies Pentamaster's pursuit to shape the future of smart manufacturing, and continuously innovate beyond boundaries through the integration of latest technologies and value-adding solutions.



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**CHUAH CHOON BIN**
*Executive Chairman*
**LEE KEAN CHEONG**
*Independent Non-Executive Director*
**DATO' LOH NAM HOOI**
*Non-Independent Non-Executive Director*
**GAN PEI JOO**
*Executive Director*
**ROSLINDA BINTI AHMAD**
*Independent Non-Executive Director*
**LENG KEAN YONG**
*Non-Independent Non-Executive Director*

### AUDIT COMMITTEE

**Chairman**
**LEE KEAN CHEONG**
*Independent Non-Executive Director*
**Members**
**DATO' LOH NAM HOOI**
*Non-Independent Non-Executive Director*
**ROSLINDA BINTI AHMAD**
*Independent Non-Executive Director*

### COMPANY SECRETARIES

**ONG LU SEE (LS 0006228)**
**SSM PC No: 201908001450**
**KONG SOWN KAEY (MAICSA 7047655)**
**SSM PC No: 202008001434**

### AUDITORS

**GRANT THORNTON MALAYSIA PLT**
**Level 5**
**Menara BHL**
**51, Jalan Sultan Ahmad Shah**
**10050 Penang, Malaysia**

### HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS

**Plot 18 & 19, Technoplex**
**Medan Bayan Lepas**
**Taman Perindustrian Bayan Lepas, Phase IV**
**11900 Penang, Malaysia**
**Tel : 04-646 9212**
**Fax : 04-646 7212**
**Website : www.pentamaster.com**

### REGISTERED OFFICE

**35, 1st Floor, Jalan Kelisa Emas 1**
**Taman Kelisa Emas**
**13700 Seberang Jaya, Penang, Malaysia**
**Tel : 04-397 6672**
**Fax : 04-397 6675**

### SHARE REGISTRAR

**SECURITIES SERVICES (HOLDINGS) SDN. BHD.**
**Suite 18.05, MWE Plaza**
**No. 8, Lebuhr Farquhar**
**10200 Penang, Malaysia**
**Tel : 04-263 1966**
**Fax : 04-262 8544**

### BANKERS

**AHAM Asset Management Berhad**
**AmBank (M) Berhad**
**Bank of China (Hong Kong) Limited**
**Bank of China (Malaysia) Berhad**
**Citibank Berhad**
**Citibank (Hong Kong) Limited**
**Hong Leong Bank Berhad**
**HSBC Malaysia Berhad**
**Malayan Banking Berhad**
**Phillip Mutual Berhad**
**Public Bank Berhad**
**RHB Asset Management Sdn. Bhd.**
**Standard Chartered Bank Malaysia Berhad**
**United Overseas Bank (Malaysia) Berhad**

### STOCK EXCHANGE LISTING

**MAIN MARKET OF**
**BURSA MALAYSIA SECURITIES BERHAD**
**("BURSA MALAYSIA")**
**Sector : Technology**
**Stock Name : Penta**
**Stock Code : 7160**

# CORPORATE STRUCTURE

AS AT 25 APRIL 2025

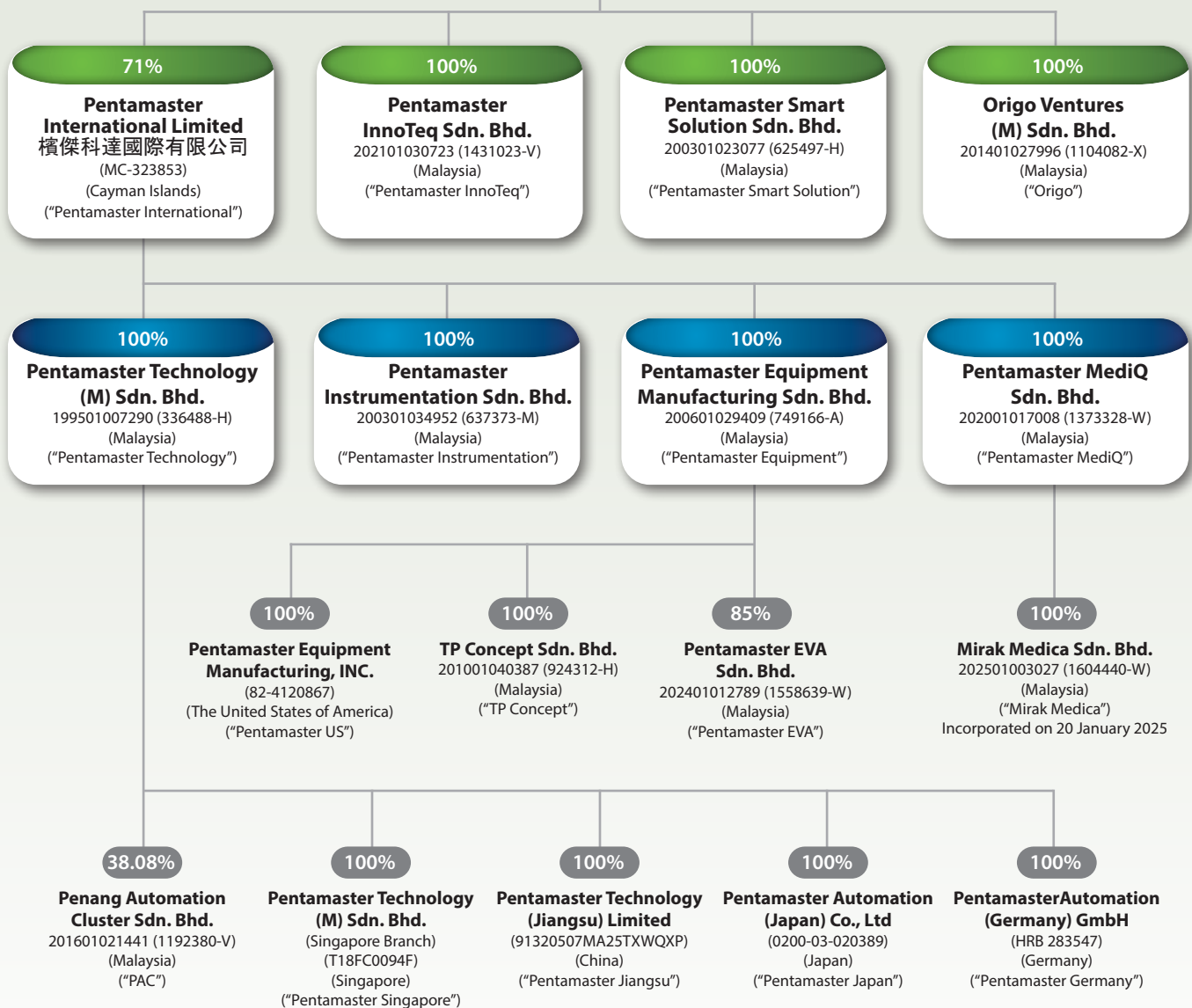


## PENTAMASTER CORPORATION BERHAD

200201004644 (572307-U)

(Malaysia)

("Company")

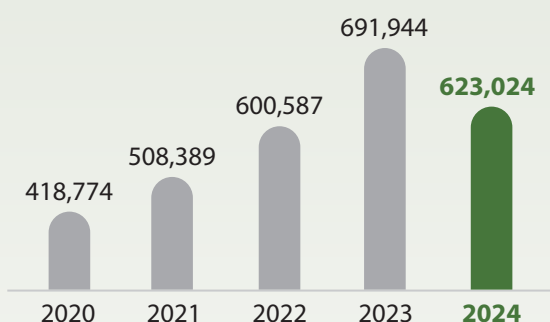


Pentamaster Corporation Berhad and its subsidiaries are collectively referred to as "Pentamaster Group" or the "Group"

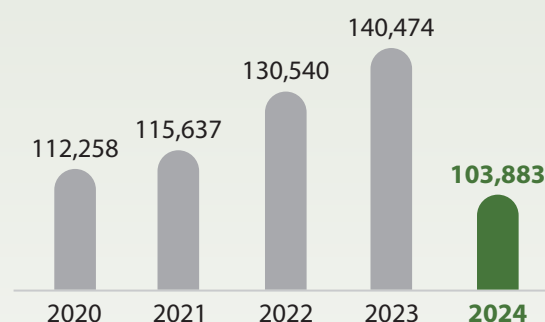
## FINANCIAL SUMMARY

|                               | 2020<br>RM'000 | 2021<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2024<br>RM'000   |
|-------------------------------|----------------|----------------|----------------|----------------|------------------|
| Revenue                       | 418,774        | 508,389        | 600,587        | 691,944        | <b>623,024</b>   |
| Profit before tax             | 113,140        | 119,466        | 132,084        | 141,426        | <b>105,418</b>   |
| Profit after tax              | 112,258        | 115,637        | 130,540        | 140,474        | <b>103,883</b>   |
| Profit attributable to:       |                |                |                |                |                  |
| Owners of the Company         | 70,885         | 72,911         | 82,419         | 89,128         | <b>65,211</b>    |
| Non-controlling interests     | 41,373         | 42,726         | 48,121         | 51,346         | <b>38,672</b>    |
| <b>ASSETS AND LIABILITIES</b> |                |                |                |                |                  |
| Total assets                  | 833,101        | 984,514        | 1,158,169      | 1,317,890      | <b>1,351,720</b> |
| Total liabilities             | 127,798        | 188,895        | 265,428        | 312,332        | <b>270,688</b>   |
| Net assets                    | 705,303        | 795,619        | 892,741        | 1,005,558      | <b>1,081,032</b> |

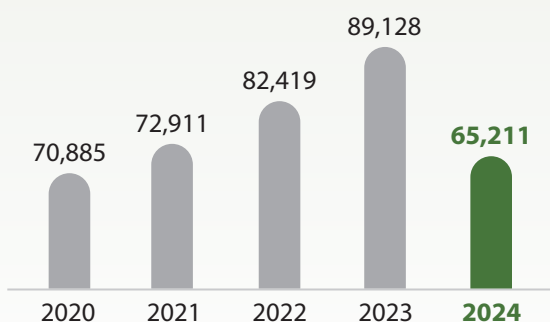
### REVENUE (RM'000)



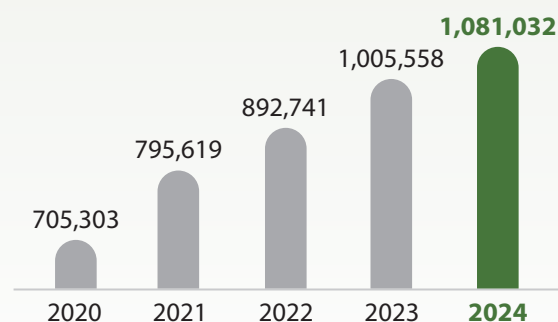
### PROFIT AFTER TAX (RM'000)



### PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



### NET ASSETS (RM'000)



## CHAIRMAN'S STATEMENT



**CHUAH CHOON BIN**  
*Executive Chairman*

### *Dear Shareholders,*

It has been more than five years since we experienced the pandemic and the world is still grappling with the “new normal”. Geopolitical tensions, supply chain, “disruptive” technologies, rising inflation and export restrictions have all negatively impacted the semiconductor industry and Pentamaster Group was no exception. This impact was particularly pronounced in the Group’s automated test equipment (“ATE”) division, especially within the automotive power semiconductor sub-segment. While this sub-segment experienced rapid growth from 2020 to 2023, the subsequent correction driven by geopolitical factors was swift and severe, leading to automakers and its suppliers scaling back the demand for new power semiconductor chips and semiconductor testing equipment.

Adding to the pressure was the intense competition from Chinese semiconductor companies which have aggressively expanded their market presence by offering cost-effective automation and semiconductor testing solutions. This has placed significant strain on Pentamaster Group, particularly in the Chinese market. As a result, the Group’s FY2024 performance was impacted, with revenue coming in lower at RM623.0 million and profit after tax declining to RM103.9 million. This represented a revenue drop of 10.0% and a profit after tax drop of 26.0% compared to the previous year. Such intensity was also the result of the ATE and automotive segments’ significant share of wallet towards the Group’s revenue and profitability in the prior years.

Nevertheless, in such challenging business environment, the Group demonstrated resilience and business sustainability with its experience, exposure and relentless focus on its three key-pillar strategies. While the Group’s ATE faced a temporary setback, the factory automation solutions (“FAS”) division displayed strong performance, contributing a larger share of the Group’s revenue compared to previous years. The growth momentum of the FAS division was generally propelled by the strong demand for the Group’s proprietary fully automated i-ARMS (intelligent Automated Robotic Manufacturing System), particularly within the medical industry segment which remained the leading contributor in the FAS segment and has somewhat cushioned the Group’s overall financial performance.

## CHAIRMAN'S STATEMENT

### Business Performance and Resilience

Overall, I believe Pentamaster Group has demonstrated resilience in the face of multifaceted headwinds that are beyond our operational grasp, thanks to our industry expertise, strategic initiatives and diversification across key sectors. The Group also maintained a healthy liquidity position, with cash and cash equivalents closing at RM448.7 million, despite the significant capital investment in its new Campus 3.0 production facility, which was fully funded through internal cash reserves without bank borrowings. As of 31 December 2024, our working capital stood at RM550.2 million, providing a comfortable financial cushion for the Group and reducing exposure to risks associated with a rising interest rate environment.

A key highlight of the year was the corporate exercise of the Group in privatising its Hong Kong listed subsidiary, Pentamaster International Limited along with a notable shift in its business composition towards the FAS division and the medical segment. The medical segment within the FAS segment, emerged as the largest revenue contributor, recording over 100% year-on-year growth and accounting for approximately 50% of the Group's total revenue. This surge was driven by the increasing demand for high precision healthcare automation solutions in the medical segment.

Partnering with our Taiwanese counterpart, we have reached an inflection point that requires collaboration and partnership in enabling the Group to move up the value chain, particularly into the high-performance computing ("HPC") integrated chip sub-segment, which has positioned Taiwan as an important supply chain region in the new Artificial Intelligence ("AI") era. The privatisation also provides the Group with greater flexibility to organise and execute its next key business plans, strategically and operationally.

### Strategic Initiatives for Growth

The accelerating demand for HPC, AI, cloud computing and electric vehicle (EV) is driving rapid advancements in semiconductor technology. As modern electronics become more complex, advanced packaging solutions have become essential to address challenges in integration, heat management and connectivity. At the same time, these advancements raise the need for precise inspection, testing and quality control solutions.

To align with this industry shift, Pentamaster Group has expanded into AI-driven inspection and testing solutions, moving beyond the highly competitive ATE handler market. Our state-of-the-art ZanX-1000/2000 vision inspection platform is designed to detect with predictive micro-level defects such as misalignment, cracks and warping, ensuring superior quality control for AI, HPC and 5G applications.

Additionally, our advanced packaging test solutions are seamlessly integrated into semiconductor production lines, supporting next-generation technologies such as fan-out wafer-level packaging (FOWLP), flip-chip, 2.5D/3D integrated chips and chiplet integration. As semiconductor devices become more intricate, precise electrical testing is more critical than ever. Our solutions provide open-short testing, functional verification (including RDson), and inductor testing with JTAG support to ensure electrical integrity and performance consistency.

By carrying out research and development in AI-powered inspection and advanced packaging testing solutions and in collaboration with our Taiwanese partner, Pentamaster Group is strategically positioning itself at the forefront of the semiconductor industry. These innovations, along with our new product lineup, will enable us to expand into emerging growth market sectors, enhance our technological capabilities and maintain our leadership in the automation and testing market place.

### Appreciation

I extend my heartfelt gratitude to our dedicated employees, valued vendors, and esteemed customers for your unwavering support and trust. Your contributions are the foundation of our success. To our board of directors, thank you for your guidance and vision in leading us forward. Above all, I am grateful to Almighty God for His wisdom and strength, sustaining us through every challenge. "The Lord is my strength and my shield; my heart trusts in Him, and He helps me." – Psalm 28:7

Thank you.

**CHUAH CHOON BIN**  
Executive Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

Beyond economic and geopolitical factors, the year 2024 has been shaped by rapid advancements in AI and a growing emphasis on trade protectionism and onshoring as nations and communities seek to navigate an era of unprecedented change and complexity. At the same time, central banks across the globe adopted tight monetary policies to address persistent inflation, resulting in elevated interest rates and borrowing costs that hindered business expansion and capital investment. While inflationary pressures began to ease in the latter part of the year, providing some relief to consumer spending and business operations, this development raised new concerns on the potential economic slowdown with nations raising trade barriers that directly raised the cost of goods. Geopolitical tensions, on the other hand, further exacerbated this uncertainty, contributing to global instability, disrupted supply chains and heightened market volatility. Together, these dynamics created a challenging and multifaceted economic environment that demanded resilience and adaptability from policymakers and businesses in navigating this uncertain landscape.

In such challenging business environment, the Group demonstrated resilience with its experience, exposure and its relentless focus on its 3 key-pillar strategies in ensuring business sustainability. Given the onslaught challenging macro environment, for the financial year under review, the Group managed to record a revenue of RM623.0 million, a 10.0% decline compared to the previous year's revenue of RM691.9 million. This decrease was largely due to softness within the Group's ATE segment, particularly within the semiconductor – automotive segments that experienced a significant contraction in an unprecedented speed. In contrast, the FAS segment displayed resilience, contributing a larger share of the Group's revenue compared to the previous year. Overall, the Group reported a profit after tax of RM103.9 million, down 26.0% from RM140.5 million in 2023, primarily due to reduced revenue from the ATE segment, higher provisions made for inventories and trade receivables as well as increased research and development expenses. Despite these challenges, the Group maintained a stable liquidity position, with cash and cash equivalents totalling RM448.7 million as of 31 December 2024. While this represented a decrease from RM490.9 million in the previous year, 2024 was a capital-intensive year as the Group utilises its internal funds to fully construct its new campus 3 production facility.

During the review period, the Group experienced significant shifts in customer demand and market conditions across its various industry segments. The medical segment, having achieved consistent revenue growth over the past two years, continued to maintain a positive momentum with a growth rate that exceeded 100.0% and contributed to the Group's overall sustainable performance. Similarly, the electro-optical segment also demonstrated a strong double-digit revenue growth in comparison to last year. However, the automotive segment, which had posted consistent year-on-year growth since 2017, faced a decline of 56.6% for the first time. Other industry segments such as semiconductor and consumer and industrial products segment have also contracted by 49.0% and 22.6% respectively, compared to the previous year.

For the Group's medical segment, it has emerged to form as the largest share of wallet to the Group's overall revenue, contributing to 49.9% as compared to 21.4% in 2023, showing a growth rate of more than 100.0% year on year. This expansion reflects the medical segment's resilience and the continuous emphasis on precision healthcare solutions at the backdrop of manufacturing onshoring. The rapid evolution of medical technology is also reshaping the industry with automation playing a pivotal role in enhancing manufacturing efficiency, consistency and scalability. Technological advancements such as robotic-assisted production and smart manufacturing processes are driving higher precision and reducing variability in medical device production. These advancements align with the increasing requirement for stringent regulatory standards coupled with manufacturing diversity base across different regions, thereby reinforcing the critical need for automation in ensuring healthcare manufacturing consistency across. In 2023, the global automation market for healthcare is projected to reach US\$80.28 billion by 2032, a significant jump from US\$35.92 billion recorded in 2023. Recognising these opportunities, the Group has been actively expanding its global customer base within the medical sector while strengthening its capabilities to meet the industry's evolving requirements. Strategic investments and development in cutting-edge manufacturing technologies and process automation have positioned the Group to capitalise on the segment's long-term growth potential.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW (CONT'D)

After two years of dominating the Group's revenue since 2022, the Group faced a pronounced slowdown in demand from the automotive component customers. This fast-paced deceleration stemmed from a combination of macroeconomic challenges, policy uncertainties and shifting market sentiment in the overall EV sector. The lack of clarity surrounding EV policies in key Western markets which has unfortunately become one of the first geopolitical trade tools, has created confusion and hesitation among car manufacturers in their capital expenditures. As a result, revenue from the automotive segment, which accounted for 22.9% of the Group's total revenue for the year under review, experienced a significant year-on-year decline of 56.6%. The pullback in demand underscored the challenges faced by automotive manufacturers navigating cost pressures, evolving regulatory landscapes and supply chain constraints. This was particularly evident in Europe where the EV market experienced a pull-back of 2.2% in terms of deliveries in 2024 as compared to 2023. Throughout the year, the Group's automotive test solutions saw demand primarily from China (52.7%), followed by Malaysia (17.3%), Japan (6.6%), the United States of America (5.3%), Europe (4.2%) and Vietnam (1.5%).

After years of contraction, the Group's electro-optical segment rebounded and contributed approximately 13.0% of total Group's revenue during the year, up from 9.4% in the previous year. This growth reflected a double-digit jump of 23.6%, highlighting the segment's promising recovery. Overall, the growth of this segment was primarily driven by the increasing adoption of sophisticated smart sensors in mobile devices, as manufacturers sought to improve camera systems, facial recognition, augmented reality applications and ambient light adaptation that were generally fuelled by advancements in high-performance computing, AI and next-generation connectivity. According to the latest Canalys research, the global smartphone market grew by 7.0% in 2024, marking a significant rebound in a saturated market that had experienced two consecutive years of decline. As convergence of consumer electronics and devices gaining greater traction in the world of AI, the demand for the Group's smart sensor test equipment becomes more evident and the Group remains well-positioned to capitalise on this accelerating trend.

The semiconductor segment's revenue contribution declined to 8.5% of the Group's total revenue, down from 15.0% in the previous year, primarily due to the industry's cyclical downturn with weak semiconductor capital expenditure recorded in 2023 and in first half of 2024. Following the surge in demand during the pandemic years (2020-2022), inventory normalisation has led to slower orders and a temporary revenue dip. While AI has propelled a recovery in the second half of 2024, this segment has shown a two-sided divergence with consumer and automotive struggling, while advanced IC, memory and logic products have thrived. Despite this temporary slowdown, the Group remains optimistic about long-term industry growth, driven mainly by increased process and production ramp-ups in new front-end fabs, alongside advancements in generative AI and high-performance computing. While post-pandemic normalisation was expected, the rapid evolution of digital technology, particularly AI, has reshaped the test handling market landscape. By leveraging these trends, the Group aims to strengthen its role in the evolving semiconductor ecosystem and expand its market opportunities in high-growth sectors.

The contribution from the Group's consumer and industrial products segment for the year remained at a single-digit level at 5.6%, a drop from 6.5% in 2023. This underscores persistent challenges within the segment amid global economic uncertainties including geopolitics, inflation and high interest environment. Despite the decline, the Group remains committed towards this business segment in potential recovery with the global trend of onshoring that will upend global supply chain dynamics towards automation.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW (CONT'D)

The following tables set out revenue breakdown by industry and shipment for both the ATE and FAS segments:

#### By industry

For the year ended 31 December

|                                  | 2024           |              | 2023           |              |
|----------------------------------|----------------|--------------|----------------|--------------|
|                                  | RM'000         | %            | RM'000         | %            |
| Medical                          | 311,013        | 49.9         | 148,197        | 21.4         |
| Automotive                       | 142,828        | 22.9         | 329,392        | 47.6         |
| Electro-Optical                  | 80,703         | 13.0         | 65,315         | 9.5          |
| Semiconductor                    | 52,923         | 8.5          | 103,794        | 15.0         |
| Consumer and industrial products | 34,966         | 5.6          | 45,152         | 6.5          |
| Others                           | 591            | 0.1          | 94             | n.m.*        |
|                                  | <b>623,024</b> | <b>100.0</b> | <b>691,944</b> | <b>100.0</b> |

\* Not material

Throughout the year, the Group's revenue was primarily driven by its top five shipment destinations: Malaysia, People's Republic of China ("PRC") (including Hong Kong), the United States of America, Singapore and Taiwan. Collectively, these key markets contributed approximately 93.8% of the Group's revenue in 2024, compared to 91.3% from the top five markets in 2023.

#### By shipment

For the year ended 31 December

|                              | 2024           |              | 2023           |              |
|------------------------------|----------------|--------------|----------------|--------------|
|                              | RM'000         | %            | RM'000         | %            |
| Malaysia                     | 348,993        | 56.0         | 285,861        | 41.3         |
| PRC (including Hong Kong)    | 126,009        | 20.2         | 232,707        | 33.6         |
| The United States of America | 46,120         | 7.4          | 15,331         | 2.2          |
| Singapore                    | 39,337         | 6.3          | 15,125         | 2.2          |
| Taiwan                       | 24,264         | 3.9          | 26,868         | 3.9          |
| Philippines                  | 10,803         | 1.7          | 5,475          | 0.8          |
| Japan                        | 10,275         | 1.7          | 13,149         | 1.9          |
| India                        | 4,806          | 0.8          | 2,072          | 0.3          |
| Hungary                      | 3,899          | 0.6          | 2,195          | 0.3          |
| Vietnam                      | 2,748          | 0.5          | 70,920         | 10.3         |
| Others                       | 5,770          | 0.9          | 22,241         | 3.2          |
|                              | <b>623,024</b> | <b>100.0</b> | <b>691,944</b> | <b>100.0</b> |

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

During the year, the ATE segment experienced a significant revenue decline of 50.4% due to macroeconomic factors, particularly within the semiconductor – automotive segments. However, this downturn was offset by the strong performance of the FAS segment, which surged by 66.1%. As a result, the Group's total revenue for the year stood at of RM623.0 million, reflecting a 10.0% decrease from the previous year. Notably, this marked a historic and significant shift in revenue distribution between the ATE and FAS segments where in 2024, the FAS segment contributed 63.9% of the Group's revenue, surpassing the ATE segment for the first time, which accounted for 36.0%. In 2023, the ATE segment accounted for 65.4% of the Group's revenue while the FAS segment contributed 34.6%.

The below outlined the revenue of the respective operating segments, which includes elements of the inter-segment transactions during the year.

|                                      | Revenue        |                | Fluctuation<br>% |
|--------------------------------------|----------------|----------------|------------------|
|                                      | 2024<br>RM'000 | 2023<br>RM'000 |                  |
| <b>ATE</b>                           |                |                |                  |
| External customers                   | 224,390        | 452,254        | -50.4%           |
| Inter-segment revenue                | 9,929          | 538            |                  |
| Total revenue                        | 234,319        | 452,792        |                  |
| <b>FAS</b>                           |                |                |                  |
| External customers                   | 398,043        | 239,596        | 66.1%            |
| Inter-segment revenue                | 7,328          | 15,943         |                  |
| Total revenue                        | 405,371        | 255,539        |                  |
| <b>Smart Control Solution System</b> |                |                |                  |
| External customers                   | 591            | 94             | 528.7%           |
| Inter-segment revenue                | 779            | 674            |                  |
| Total revenue                        | 1,370          | 768            |                  |

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (CONT'D)

#### ATE segment

In 2024, the Group's ATE segment experienced a 50.4% year-on-year decline, with revenue dropping from RM452.3 million in 2023 to RM224.4 million. This contraction was largely driven by a slowdown in the semiconductor – automotive sector. The automotive segment, which accounted for 59.3% of the ATE segment's revenue in 2024, witnessed a sharp 59.0% decline in 2024 that has significantly impacted the overall performance of the ATE segment. While sales of electric cars are increasing globally, they remain significantly concentrated in just a few major markets. According to the International Energy Agency (IEA), in 2023, nearly 60.0% of new electric car registrations were in China, around 25.0% in Europe and 10.0% in the United States of America – corresponding to nearly 95.0% of global electric car sales combined. While the long-term growth outlook for EV adoption remains strong, the short to near-term softness has resulted in a more cautious industry-wide investment approach. However, the Group remains committed to supporting its automotive customers, leveraging its comprehensiveness in a wide-ranging testing solutions to address the industry's evolving needs. As market conditions stabilise and policy clarity improves, the automotive and EV segments are expected to rebound, setting the stage for renewed growth in the ATE segment.

The Group's semiconductor segment accounted for approximately 15.8% of the ATE segment's revenue in 2024, down from 21.7% in the previous year, reflecting broader industry challenges. The semiconductor sector remained highly cyclical and the current downturn was driven by weaker-than-expected demand recovery in key markets like consumer electronics and automotive.

On the contrary, after two consecutive years of contraction, the electro-optical segment within the ATE segment rebounded strongly in 2024, with revenue growth climbing to 24.1% in 2024, a significant increase from 6.4% in 2023 which was a commendable double-digit increase of 87.5%. This strong recovery was primarily driven by increased demand for the Group's flagship smart sensor test equipment, spurred by the adoption of upgraded ambient light sensors and other new sensors in smartphones and other consumer devices. With advanced optoelectronic features becoming more prevalent, the Group is strategically positioned to leverage this growing momentum.

Despite the challenges faced in 2024, the Group remains steadfast in its commitment to industry leadership and staying ahead in a competitive landscape. While macroeconomic pressures and sector-specific headwinds impacted the ATE segment, the increasing need for more customised and sophisticated test handling equipment and solutions provide encouraging signs for recovery and future growth within the segment, particularly in the advancement of complex test and assembly equipment catering to the AI market.

#### FAS segment

The FAS segment has shown continuous double-digit growth in the last four years. During the year under review, this segment has emerged as the Group's primary revenue driver with a contribution rate of 63.9% to the Group's total revenue. Revenue from the FAS segment grew by 66.1% to record RM398.0 million in 2024, from RM239.6 million in 2023. This remarkable growth set a new record and further solidified the segment's contribution to the Group's overall performance.

The growth momentum of the FAS segment in 2024 was generally propelled by the strong demand for the Group's proprietary fully automated i-ARMS, particularly in the medical industry segment which continued to be the leading contributor within the FAS segment with its share of revenue expanded to 78.1% from 61.9% last year. Besides the medical segment, demand for the Group's i-ARMS from the consumer and industrial products segment and electro-optical segment contributed 8.3% and 6.7% respectively to the FAS business segment during the year.

Driven by technological advancements and the growing adoption of industrial automation across multiple sectors with the global trend of onshoring, the FAS segment is poised to continue its upward trajectory, reinforcing its role as a key driver of the Group's long-term growth and sustained business strategy.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (CONT'D)

#### Gross margin

During the year, the Group's gross profit was constrained by several factors. The ATE segment experienced ongoing softness and a contraction in sales volume while higher employee expenses and provisions for slow-moving inventories further weighed on gross profit performance. These factors collectively led to an overall decline of 14.0% in gross profit compared to the previous year.

Despite these headwinds, the impact on the ATE segment's gross margin was partially balanced by the strong performance of the FAS segment which achieved margin growth driven by improved economies of scale during the year. As a result, the Group was able to maintain a relatively stable and consistent gross margin, ranging between 27.6% and 29.8% across all four quarters in 2024.

Looking ahead, the Group is committed to proactively leveraging on emerging technologies, high margin product solutions and diversifying its market presence to enhance margins and strengthen its long-term competitiveness.

#### Other income

Other income mainly comprised of the movement arising from foreign exchange and miscellaneous income. During the year, there were no elements of foreign exchange gain captured under other income.

Comparatively, in 2023, there was a gain of RM6.9 million from changes in fair value of foreign currency forward contracts where such gain was offset by a loss on foreign exchange of RM18.1 million recorded under the Group's administrative expenses, resulting effectively in a net foreign exchange loss of approximately RM11.2 million in 2023.

#### Administrative expenses

Administrative expenses of the Group mainly comprised of the movement arising from foreign exchange, research and development cost ("R&D"), professional fees, administrative staff cost and certain maintenance cost. During the year, administrative expenses decreased by RM5.1 million from RM78.6 million in 2023 to RM73.5 million in 2024. This was mainly due to the following factors:

- (i) lower administrative staff cost of RM27.3 million during the year (2023: RM32.4 million) due to the decrease in staff incentive and employee benefit expenses; and
- (ii) the amount of foreign exchange loss captured under the administrative expenses during the year as compared to 2023. In 2024, an overall foreign exchange loss of RM12.6 million was recorded under the administrative expenses arising from the loss from changes in fair value of foreign currency forward contracts and loss on foreign exchange, as compared to the foreign exchange loss of RM18.1 million recorded in 2023. The loss on foreign exchange during the year was attributed to the depreciation of the U.S. dollar against the RM as of the reporting date. The dollar volatility was largely influenced by the Federal Reserve's monetary policy and the subsequent United States presidential election that has adversely impacted the Group's foreign exchange exposure.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (CONT'D)

#### Administrative expenses (Cont'd)

The above decrease in administrative expenses were partially offset by:

- (i) higher incurrence of the research and development cost of the single-use medical devices amounting to RM15.1 million during the year (2023: RM10.6 million); and
- (ii) higher amount of professional fees of RM3.5 million incurred during the year (2023: RM1.6 million). The increase in professional fees was partly due to certification fees including those for the related technical and clinical documentation reviews required for the conformity assessment of single-use medical devices.

#### Profit for the year

Profit for the year stood at RM103.9 million, a decrease of 26.0% from RM140.5 million in 2023. The decline was driven by lower revenue from the ATE segment, higher provisions made for inventories and trade receivables as well as increased research and development expenses. Excluding the net provisions made, the Group's core earnings stood at RM112.3 million (2023: RM140.0 million). Accordingly, the Group's EBITDA (earnings before interest, tax, depreciation and amortisation) for 2024 stood at RM127.0 million as compared to RM159.2 million recorded in 2023, representing a decrease of 20.2%. Basic earnings per share declined from 12.53 sen in 2023 to 9.17 sen in 2024.

#### Liquidity, financial resources and capital structure

During the year, the Group continued to generate a notable amount of net cash from operations totalling RM138.4 million, although this marked a decrease from RM215.9 million recorded in the previous year. With that, the Group closed its position of cash and cash equivalents as of 31 December 2024 at RM448.7 million (2023: RM490.9 million) with no bank borrowings.

Simultaneously, the Group continued to maintain a healthy working capital of RM550.2 million as of 31 December 2024, as compared to RM624.8 million reported in the corresponding period of 2023. Leveraging its current financial standing, the Group successfully funded internally the construction of its Campus 3 production facility amounting to RM261.5 million as at the reporting date.

#### Foreign exchange exposure

The Group is exposed to foreign currency risk as a result of its normal trading activities whereby sales and to a certain degree, purchases are principally transacted in U.S. dollar. The Group also holds other financial assets and liabilities denominated in foreign currencies. These are not the functional and reporting currencies of the Group to which the transactions relate.

As part of the Group's treasury policy to manage its foreign exchange exposure, the Group entered into foreign exchange forward contracts apart from maintaining U.S. dollar denominated bank accounts to minimise the effects of adverse exchange rate fluctuations on its financials.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (CONT'D)

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#### Contingent liabilities

As at 31 December 2024, the Group had no material contingent liabilities.

#### Pledge of asset

As at 31 December 2024, the Group had no pledge of asset.

#### Employees and remuneration

The Company recognises its employees as one of the Group's most important assets. The Company strongly believes in hiring the right talent, nurturing and retaining these talented employees with competitive remuneration packages. Besides, the Group is committed to organising regular external and internal training programs to upgrade the employees' skill set, knowledge and job experience.

As at 31 December 2024, the total number of full time employees of the Group increased to 959 (31 December 2023: 935).

#### Significant investments held, material acquisitions and disposal of subsidiaries, and future plans for material investments or capital asset

There were no other significant investments held with a value of 5% or above of the Group's total assets, nor were there material acquisitions or disposals of subsidiaries during the year. Apart those disclosed in this report, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this report.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATIONAL AND FINANCIAL RISKS

#### Operational risks

##### Impact arising from tariff policies

The Group is exposed to risks arising from evolving international trade policies and regulatory changes, including the recent tariffs imposed by President Donald Trump. These tariffs, along with the uncertainty surrounding the duration and scope, may continue to pose a risk to the Group's supply chains, cost structure, pricing strategies and customer demand, particularly in markets directly impacted by these measures. Moreover, the potential for retaliatory tariffs and further shifts in global trade policies could complicate the Group's long-term operational planning and escalate these challenges.

To mitigate these challenges, the Group is actively monitoring developments in trade policies and adapting its strategies accordingly. The Group is closely evaluating and assessing the potential impact on its global competitiveness, including revisiting supplier relationships, revising cost structures and adjusting pricing models to maintain market positioning.

In light of these factors, the Group is committed to providing transparent and timely disclosures regarding the impact of these tariffs on its operations and financial position. The Group will continue to monitor these trade developments closely and will update its performance outlook along with any significant financial impact for the financial year ending 31 December 2025.

##### Dependence on key management and experienced personnel

The Group acknowledges the inherent risks associated with its business nature, particularly the dependence on key management and experienced personnel. The Chairman's strategic vision, along with the contributions of the executive Directors and senior management team, who play significant roles in the Group's day-to-day operations, has been instrumental in driving the Group's success and growth. While the Group endeavours to provide a competitive remuneration package and strives to ensure a fair monetary reward for its staff, the dynamic and competitive industry landscape necessitates a continuous monitoring of industry trends and competitive remuneration benchmarking to be performed to ensure the Group remains attractive to top talent.

Additionally, the Group actively fosters the development of younger members of its management staff and other employees by encouraging their participation in the management of the Group and ensuring a sustainable talent pool. Besides, performance evaluation and employees' feedback mechanism are also regularly conducted by the Group's human resources department to enhance employee engagement and retention. Overall, the Group's operational strategy places significant emphasis on teamwork and mitigates over-reliance on any single individual or employee. Backup personnel are identified for all important projects, reflecting the Group's commitment to effective risk management and organisational stability.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATIONAL AND FINANCIAL RISKS (CONT'D)

#### Risk relating to technological obsolescence

The Group recognises technological obsolescence as an inherent risk, given the rapid pace of technological development and evolving customer demands. The emergence of new and substitute technologies can potentially render its products and solutions obsolete.

In response, the Group is committed to mitigate these risks by actively and continuously pursuing technological innovation and advancement, industry best practices and strategic business alliances to address the increasingly sophisticated needs of its customers and industry trend. Concurrently, the Group also provides continuous staff development to align skills and knowledge with the latest technology requirements in the testing, automation and semiconductor space.

Continuous efforts are constantly directed towards optimising the efficiency and productivity of the research and development ("R&D") function. The Group allocates a certain R&D budget and dedicated resources for new product development and implements strategic initiatives to streamline its R&D processes. This is to ensure the Group's ability to stay at the forefront of technological advancements and progress. Additionally, the Group is dedicated to cultivating and sustaining an effective and dynamic management team to drive ongoing improvements in performance and strategic decision-making capabilities which is crucial for navigating the rapidly evolving technological landscape and sustaining the Group's progress.

Also, the Group's regular and active participation in overseas exhibitions serves as a valuable platform for gaining insights into market requirements and keeps the Group staying abreast of the latest market requirements and current technological changes. Through these efforts, the Group ensures its product development aligns with market trends and customer preferences, delivering solutions that meet evolving customer needs.

#### Competition risk

Given the highly volatile and competitive nature of the markets and industries in which the Group operates in, the Group faces intense competition from both international and local competitors across various business scales. Key areas of competition include technology, product quality, pricing, proximity to customers, services and the range of products and solutions offered. The Group's customer base comprises multinational companies in Malaysia and overseas where the selection of equipment for their manufacturing processes is based on stringent criteria such as high-quality test and automation equipment, excellent after-sales service, competitive pricing, and product reliability.

To maintain a competitive edge, the Group prioritises several strategic initiatives which include its R&D efforts and value innovation to venture into high-end technology for smart devices testing and production manufacturing via its i-ARMS. This strategic move has enabled the Group to achieve its product differentiation in this marketplace. Besides, by strategically diversifying across industries and expanding its product offerings and solutions, the Group aims to mitigate its risks associated with market competition and fluctuations.

The establishment of an in-house software development team has also provided a significant competitive advantage. This capability enables the Group to offer bespoke solutions, respond promptly to market demands and maintain a high level of flexibility and agility in product development. Stringent quality checks are integrated throughout the production processes to ensure that the products consistently meet the specifications and requirements of the customers. This commitment to quality by the Group is integral to sustaining customer satisfaction and loyalty.

Excellent after-sales service to customers has always been the priority of the Group. Given that the Group's products are customised automation solutions, reliable after-sales service is important to ensure smooth running of customers' operations and maintaining customer trust and loyalty.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATIONAL AND FINANCIAL RISKS (CONT'D)

#### Intellectual property

Safeguarding the rights to the Group's technology, proprietary knowledge and manufacturing processes is paramount to ensuring the Group's continuous success and ongoing business development and operation in the highly competitive business landscape. Any unauthorised copying, use or imitation of technology poses a significant risk and potential impacts on the competitive advantage, sales performance and overall reputation of the Group.

To mitigate the risk, the Group has submitted several trademark registration applications to secure legal protection for its intellectual property assets and affirmed the relevant statutory declarations in respect of the copyrights of certain software products. All the employees are required to sign a non-disclosure agreement ("NDA") to protect the Group's interest and safeguard the Group's proprietary information, trade secrets and confidential data. These NDAs are critical to safeguard against unauthorised disclosure, theft or misuse of sensitive information.

Additionally, the Group provides ongoing training and awareness programs to educate its employees about the importance of intellectual property protection, compliance with NDAs and recognising and reporting potential infringement risks. The Group continuously reviews and enhances its intellectual property protection strategies and procedures to adapt to changing business environments, emerging technologies and evolving threats.

#### Financial risks

The Group's financial risks are set out in Note 36 under the notes to the consolidated financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS

### PROSPECTS

*"In the middle of every difficulty lies opportunity"*

The Group anticipates that many of the trends and global economic conditions observed in 2024 will persist into 2025, given the delicate interplay of multiple macroeconomic factors, including inflation, interest rate policies, geopolitical tensions and supply chain disruptions. While some economies are expected to experience a moderate recovery as inflation stabilises and central banks adopt more accommodative monetary policies, significant uncertainties remain. In particular, the renewed Trump administration is likely to introduce heightened volatility, especially in sectors sensitive to trade and the global supply chain. Despite these uncertainties, a Trump presidency is expected to present both economic opportunities and challenges. The Group remains focused and well-positioned to capitalise on emerging opportunities in high-growth segments, driven mainly by advancements in AI, automotive electrification and medical manufacturing automation. Notably, the medical segment continues to represent the largest share of the Group's current order book, followed by the automotive and semiconductor sectors. While the medical segment is expected to continue its momentum in 2025, the Group is also seeing signs of increased demand in both the automotive and semiconductor industries.

The Group is encouraged by the upward trajectory of its FAS segment in recent years and the Group is optimistic about the continued growth of its FAS segment, driven by the increasing adoption of manufacturing automation across various industries. In particular, the medical sector is experiencing a significant shift towards automation fuelled by the rising demand for precision, consistency and regulatory compliance in medical device production and pharmaceutical manufacturing. This trend is accelerated by advancements in robotics, AI and smart manufacturing technologies which will enhance efficiency and ensure high-quality standards. Additionally, the push for automation is further reinforced by the growing need for scalable production to meet evolving industry demands. Recognising this transformative shift and by leveraging the expertise and innovation-driven approach, the Group is well-positioned to capitalise on the expanding role of automation in the medical industry field.

Besides the medical sector, the Group has also observed a growing trend in the integration of automation within the renewable energy sector, particularly in solar energy. Solar manufacturers are increasingly leveraging advanced automation technologies to enhance production efficiency and scale up manufacturing capacity. In alignment with these advancements, the Group has been securing orders from solar energy manufacturers and remains committed to supporting the industry's transition towards automated solutions. By providing its FAS offerings tailored to solar production and energy management, the Group aims to contribute to the broader adoption of renewable energy worldwide.

With the Group's comprehensive and cutting-edge portfolio of automotive test solutions, the Group continues to actively engage with its customers in the semiconductor – automotive sector. With offerings such as front-end wafer burn-in solutions for silicon carbide ("SiC") and the latest addition of the Known Good Die (KGD) testing solution for SiC Die-Level Testing coupled with wafer reconstruct capability, the Group is strategically positioned to support the industry's transition towards high-performance semiconductors which are critical for meeting the stringent quality and reliability standards of automotive applications. Beyond the automotive sector, data centres that cater for the AI needs are increasingly integrating SiC-based power solutions to enhance power management, reduce energy losses and improve overall operational efficiency given the uniqueness of SiC compound that offers superior efficiency, thermal performance and reliability. Similarly, the rising demand for high-bandwidth memory (HBM) chipsets is also driving the adoption of SiC solutions which enable higher power densities essential for next-generation computing and AI-driven applications. Capitalising on these industry trends, the Group continues to expand its front-end wafer solutions to include advanced wafer Automated Optical Inspection (AOI) system to reinforce its commitment to innovation and strengthening its position in high-growth sectors.

## MANAGEMENT DISCUSSION AND ANALYSIS

### PROSPECTS (CONT'D)

As industry shifts towards high-performance semiconductors, not only is SiC adoption accelerating across various sectors, but advanced packaging is also gaining traction as a critical component of next-generation electronics. In line with this trend, advanced packaging is one of the Group's most promising growth areas. The Group has systematically prioritised R&D resources and capacity investments to begin its strategic venture into the advanced packaging area, focusing on cutting-edge technology testing for 2.5D substrates. This move is part of the Group's ongoing efforts to diversify its product offerings and tap into the growing demand for sophisticated semiconductor packaging technologies across various high-performance sectors. Advanced packaging, especially 2.5D and 3D substrates, is critical for applications in high-performance computing, mobile devices, 5G infrastructure, automotive systems, Internet of Things (IoT) and more. These technologies enable faster data throughput, smaller form factors and energy efficiency, all of which are crucial for next-generation applications like AI, autonomous vehicles and advanced telecommunications. The 2.5D substrate testing is expected to play a crucial role in enhancing the performance and capabilities of future generations of semiconductors thereby positioning the Group as a key player in this high growth segment.

As the Group continues to enhance its capabilities in high-performance semiconductors and advanced packaging, it is also expanding its global presence to capture new market opportunities as part of its holistic growth strategy. India has emerged as a key growth market with its semiconductor industry experiencing rapid expansion driven by the increasing activity from contract manufacturers supporting major global players. This momentum is further bolstered by a favourable investment climate and government support aimed at strengthening India's role and position in the global semiconductor supply chain. Against this backdrop, the Group anticipates growing demand for its test handling equipment, particularly its turret test and vision handlers as the Group is poised to play a pivotal role in India's evolving semiconductor ecosystem.

Beyond its expansion into India, the Group is also strengthening its geographical footprint in Europe and Taiwan by establishing physical presence to further enhance its technological capabilities. These strategic diversifications aim to specifically advance the Group's capabilities and expertise in wafer-level inspection and advanced packaging testing to support the semiconductor industry's growing demand for product quality, performance and reliability. By expanding its presence in these key regions, the Group is well-positioned to drive technological advancements, accelerate the development of next generation testing solutions and reinforce its role as a key player in the global semiconductor value chain.

While the Group has completed its proposed privatisation of Pentamaster International Limited, a subsidiary of the Company, which was previously listed on the Main Board of The Stock Exchange of Hong Kong Limited, this strategic corporate development does not affect its growth prospects for 2025. The Group remains committed to its core businesses and strategic initiatives while continuously driving innovation and expanding its market presence. With a solid foundation and a clear strategic direction, the Group is determined to capitalise on industry opportunities and sustain its growth momentum and such strategic privatisation allows the Group to channel its resources for its strategic business plans. Additionally, the availability of the Group's new campus 3 production facility has significantly enhanced the Group's capacity to undertake larger and more complex projects tailored to the evolving needs of its diverse customer base. This expanded infrastructure is set to be a key driver in accelerating the Group's growth trajectory in the near term.

## PROFILE OF DIRECTORS



### CHUAH CHOON BIN

*Executive Chairman*

**Chuah Choon Bin** (male), aged 64, a Malaysian citizen, was appointed to the Board of the Company on 30 November 2002 and is currently the Executive Chairman. Mr. Chuah also holds directorship in subsidiary companies of the Group. He is a professional engineer and co-founder of Pentamaster Group.

Prior to setting up the Group, he served as an automation engineer for National Semiconductor and Intel Technology Malaysia. With his vast experience in the design and manufacturing of automation equipment and vision inspection system, he has developed the Group to its present level of success, from a simple automation house to a high technology group specialising in providing factory automation equipment and systems and information communication technology solutions to industrial and commercial customers.

Under his leadership, the Company achieved the following recognitions:

- (i) inclusion into the constituents of the FTSE4Good Bursa Malaysia ("F4GBM") Index since 2021 where such F4GBM Index measures the performance of public listed companies demonstrating strong environmental, social and governance practices;
- (ii) ranked in the top 200 in the Forbes 2020, 2019, 2018 & 2017 Best Under a Billion list of companies that are publicly listed in the Asia Pacific region;

## PROFILE OF DIRECTORS

- (iii) awarded The Edge Billion Ringgit Club, under the category of the Highest Returns to Shareholders Over Three Years for technology sector in 2020 and 2019 and the Highest Growth in Profit After Tax Over Three Years for technology sector in 2019;
- (iv) awarded the Focus Malaysia Best Under Billion Awards 2018 for the Best Revenue Growth, Best Enterprise Value Growth and Overall Winner category, and Focus Malaysia Best Under Billion Awards 2017 for the Best Return on Assets category;
- (v) recipient of the Enterprise 50 Award 2002 organised by Accenture and SMIDEC and Quality Management Excellence Award 2003 for the category of local company with annual sales turnover exceeding RM25 million to RM200 million at the Industry Excellence Award 2003 organised by Ministry of International Trade and Industry; and
- (vi) awarded the Best Employer Award 2023 by Employee Provident Fund (EPF), Malaysia.

For his personal recognition, he won the First Malaysian Ernst & Young Emerging Entrepreneur of the Year Award Malaysia 2002.

Currently, he is the board member of Penang Charis Hospice Home and Penang Automation Cluster Sdn. Bhd.. Mr. Chuah also sits as the board member of SJK Kwang Hwa school and he is also appointed to the school board as director for Chung Ling High School, Heng Ee High School and Phor Tay High School. In 2021, he is appointed as the Penang Wawasan Open University Education Foundation Member. Mr. Chuah is also a board member of Penang STEM Sdn. Bhd., a non-governmental, non-profit organisation that promote and educate students in Penang in the field of Science, Technology, Engineering and Mathematics.

Mr. Chuah graduated with a bachelor's degree in engineering with honours in May 1985 and a master's degree in engineering majoring in electrical and electronics in May 1989, both from the University of Auckland, New Zealand.

He does not have any family relationship with any directors and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences in the past five (5) years.

## PROFILE OF DIRECTORS



### **GAN PEI JOO**

*Executive Director*

**Gan Pei Joo** (female), aged 49, a Malaysian citizen, was appointed to the Board of the Company on 19 March 2021 and is currently the Executive Director of the Company. She is also the chief financial officer and holds directorship in all the subsidiaries of the Group.

She commenced her career at PricewaterhouseCoopers in 2000 and was last served as a senior associate in 2003 after having acquired extensive auditing and consulting exposure to companies in various industries. She joined Pentamaster Group as the group accountant in 2003 and held various positions prior to her promotion as the group financial controller in 2009 and chief financial officer in 2016. Ms. Gan is primarily responsible for the overall management of the Group, including corporate affairs, finance, treasury, control functions, budgeting and investor relations. She also sits on the ESG committee as well as risk management committee of the Group.

She graduated with a bachelor's degree of commerce majoring in accounting from Curtin University of Technology, Perth, Australia in February 1999. She was admitted as a member of the Certified Practising Accountants, Australia and a Chartered Accountant from the Malaysian Institute of Accountants in July and November 2002, respectively.

She does not have any family relationship with any directors and/or major shareholder of the Company and has no conflict of interest with the Company. She has not been convicted of any offences in the past five (5) years.

## PROFILE OF DIRECTORS



### LEE KEAN CHEONG

*Independent Non-Executive Director*

**Lee Kean Cheong** (male), aged 58, a Malaysian citizen, was appointed to the Board of the Company on 19 December 2017, and is currently the Chairman of the Audit Committee. He is also a member of the Remuneration Committee and the Nominating Committee.

He graduated with a Master of Commerce (Management Accounting) from University of New South Wales, Australia and a Bachelor of Commerce from Murdoch University, Australia. He is currently a member of Malaysian Institute of Accountants and Certified Practising Accountants, Australia.

He started his career with Ernst & Young and later moved to commercial sector involving public listed companies and multinational corporations. He has more than 20 years of experience in the commerce and financial field, having previously held various senior managerial positions in the commercial sector.

Currently, he is one of the Partners in an accounting firm and a Director for a management consultancy firm. Mr. Lee is one of the Independent Non-Executive Directors of SLP Resources Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. He is also the Independent Non- Executive Director of MSM International Ltd, a company listed on Singapore Exchange Securities Trading Limited.

He does not have any family relationship with any directors and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences in the past five (5) years.

## PROFILE OF DIRECTORS



### **ROSLINDA BINTI AHMAD**

*Independent Non-Executive Director*

**Roslinda Binti Ahmad** (female), aged 61, a Malaysian citizen, was appointed to the Board of the Company on 7 April 2023 and as the Chairman of the Nominating Committee, member of the Audit Committee and the Remuneration Committee on the same date.

Pn. Roslinda is a well-known figure in the Islamic Investment Banking space. She is currently assuming the position of Head of Islamic Products & Services with Crowd Sense Sdn. Bhd. (a peer-to-peer financing Recognised Market Operator, registered with the Securities Commission Malaysia) as well as Consultant/Trainer for a well-known Islamic financial training provider. Prior to her current role, Pn. Roslinda started her career with Arab Malaysian Merchant Bank Bhd as Equity Analyst before making her way to James Capel & Co, the Stockbroking arm of HSBC Group and RHB Research Institute. Subsequently, she was attached with CIMB group and played a significant role in the Islamic Wholesale Banking Division; spearheading the Group in opening and developing the Islamic Finance markets in Hong Kong, Singapore, Thailand and Indonesia. During that time, she sat on the Treasury Market Association (TMA) of the Hong Kong Monetary Authority (HKMA) representing CIMB in assisting the country to set up the framework for Islamic Finance. Her last position with CIMB Islamic is Director & Head, Product Distribution And Strategy for Wholesale Banking and reported directly to the CEO's office on Thought Leadership. She has a Professional Qualification as Accredited Competency Professional (ACP) from the Finance Accreditation Agency (FAA).

She has a Master of Business Administration (MBA) from University of Miami, Florida, the United States of America and a Bachelor of Science in Business Administration (Finance) & a Minor in Japanese Language from University Of The Pacific, California, the United States of America.

She does not have any family relationship with any directors and/or major shareholder of the Company and has no conflict of interest with the Company. She has not been convicted of any offences in the past five (5) years.

## PROFILE OF DIRECTORS



### LENG KEAN YONG

*Non-Independent Non-Executive Director*

**Leng Kean Yong** (male), aged 50, a Malaysian citizen, was appointed to the Board of the Company on 1 August 2014 and is currently the Chairman of the Remuneration Committee.

Mr. Leng has been in the finance and marketing field for over 20 years. He is highly experienced in the areas of business strategy, ranging from financial matters to business planning and marketing. He has successfully executed projects for small-medium sized industries to listed companies on Bursa Malaysia Securities Berhad, the Australian Securities Exchange and The Stock Exchange of Hong Kong Limited as well as projects for multinational corporations. Such projects encompass IPO exercise, industry research report, the development of a 5-year business plan, marketing strategy blueprint, customer relationship management implementation, market entry and feasibility studies, and mergers and acquisitions evaluations.

At present, Mr. Leng is also one of the Directors at Crowd Sense Sdn. Bhd. (which operates under the brand name of Cofundr), a recognised market operator for peer-to-peer financing registered with the Securities Commission Malaysia. He was previously a Director at L3 Consulting Sdn. Bhd. and Project Director for Synovate Sdn. Bhd., and prior to that, a senior manager for ACNielsen Malaysia Sdn. Bhd. ("ACNielsen"). During his tenure at ACNielsen, he was awarded with three (3) ACNielsen awards for his contribution in successfully implementing and executing key strategies for the firm's local operations. He started his career with BBMB Securities Sdn. Bhd. and he has also advised and managed discretionary fund for private companies and high net worth individuals.

He graduated from Western Michigan University (cum laude), the United States of America, with a bachelor's in business administration in April 1996. He also holds various other certifications through training and updates in the fields of marketing obtained throughout his career with the various global marketing research consultancy firms.

He does not have any family relationship with any directors and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences in the past five (5) years.

## PROFILE OF DIRECTORS



### **DATO' LOH NAM HOOI**

*Non-Independent Non-Executive Director*

**Dato' Loh Nam Hooi** (male), aged 64, a Malaysian citizen, was appointed to the Board of the Company on 30 November 2002. He is also a member of the Audit Committee and the Nominating Committee.

He holds a Bachelor of Commerce (Honour) degree from Carleton University, Ottawa, Canada. Upon his graduation in 1984, he has since been working in a property development company as a Manager. He was a board member of the Penang Water Authority from 1997 to 1999. Prior to that, he was appointed as a Director in Kwong Wah Yit Poh Press Bhd in 1996. Dato' Loh also sits on the board of Hospital Lam Wah Ee and several private companies. For his contribution towards the Penang and Kedah state, Dato' Loh was conferred by the Penang state government with Darjah Setia Pangkuan Negeri (DSPN) on 28 July 2022 which carries the title "Dato", and he was conferred the Bintang Kebaktian Masyarakat (BKM) by the Sultan of Kedah in 1993. In 2003, Dato' Loh obtained the Royal Malaysian Award of Ahli Mangku Negara (A.M.N) that was conferred by Seri Paduka Baginda Yang di-Pertuan Agong to dedicated Malaysian who has done good and sacrifices for the society.

He does not have any family relationship with any directors and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences in the past five (5) years.

## PROFILE OF KEY SENIOR MANAGEMENT



**HON TUCK WENG**  
*Operations Director*



**TEH ENG CHUAN**  
*Chief Operating Officer  
automated test equipment division*

**Mr. Hon Tuck Weng** (“Mr. Hon”) (male), aged 54, a Malaysian citizen, has been the operations director since May 2007 and is primarily responsible for overseeing the daily operations of our management information system, quality assurance and control, facilities and internal control functions. He also sits on the ESG committee as well as risk management committee of the Group. He started his career as the software programmer of Pentamaster Technology, a direct wholly-owned subsidiary of Pentamaster International in March 1995. Mr. Hon has more than 25 years of experience in automation solutions industry.

Mr. Hon graduated with a higher diploma in computer studies, moderated and assessed by the University of Humberside in United Kingdom, in September 1993. He later obtained a postgraduate certificate in engineering business management from the University of Warwick, United Kingdom, in June 2011 through a distance learning course.

**Mr. Teh Eng Chuan** (“Mr. Teh”) (male), aged 51, a Malaysian citizen, has been the chief operating officer of Pentamaster Technology since January 2015. Mr. Teh is primarily responsible for overseeing the daily operations of Pentamaster Technology. He joined as a vision software engineer of Pentamaster Technology in January 1996 and has over 20 years of experience in the machine vision, design and control. Mr. Teh completed a course of higher diploma in computer science in Kolej Damansara Utama (currently known as KDU Penang University College), Malaysia, in April 1995.

## PROFILE OF KEY SENIOR MANAGEMENT



**NG CHIN KENG**

*Chief Operating Officer  
factory automation solutions division*



**ONG THEAN LYE**

*Chief Operating Officer  
medical devices division*

**Mr. Ng Chin Keng** ("Mr. Ng") (male), aged 46, a Malaysian citizen, has been the chief operating officer of Pentamaster Equipment since January 2015. Mr. Ng is primarily responsible for overseeing the daily operations of Pentamaster Equipment, a direct wholly-owned subsidiary of Pentamaster International. He joined as an automation software programmer in January 2000. Mr. Ng obtained a bachelor's degree of science in computing and information systems with honours from University of Lincolnshire & Humberside, United Kingdom, in July 2001.

**Mr. Ong Thean Lye** ("Mr. Ong") (male), aged 65, a Malaysian citizen, is currently the chief operating officer of Pentamaster MediQ, a direct wholly-owned subsidiary of Pentamaster International since its inception in 2020. He is primarily responsible for overseeing the daily operations of Pentamaster MediQ in the development of the medical devices business.

Mr. Ong started with Intel Technology Sdn. Bhd. as quality and reliability engineer from 1986 to 1990 before venturing into information technology business. He was a director of TP Concept Sdn. Bhd. from 2018 to 2020, a private company in the business of designing and manufacturing of automated assembly machine for medical products. Currently, Mr. Ong is the director of Walta Centre of Excellence (WCOE) Sdn. Bhd.

Mr. Ong graduated with a first class honours in his bachelor degree in applied science majoring in electronic technology in 1986 and later a master degree in the business administration (MBA) in 1996, where both the degrees are from University Science of Malaysia (USM).

## PROFILE OF KEY SENIOR MANAGEMENT



**YOU CHIN TEIK**

*Chief Operating Officer  
automated test equipment division*

**Mr. You Chin Teik** ("Mr. You") (male), aged 48, a Malaysian citizen, is appointed as the chief operating officer of Pentamaster Instrumentation since January 2024. Mr. You is primarily responsible for overseeing the daily operations of Pentamaster Instrumentation, a direct wholly-owned subsidiary of Pentamaster International. He joined our Group as a vision engineer in January 1998.

Mr. You obtained a higher diploma in computer studies from Kolej Damansara Utama (currently known as KDU Penang University College), Malaysia, in February 1998. He later obtained a degree of master of business administration from University of South Australia, Australia, in March 2009 through a distance learning course.

### Notes:

*The above Key Senior Management members have no family relationship with any Director and/or major shareholder of the Company, have no conflict of interest with the Company, have no directorship in any public companies and listed issuers and have not been convicted of any offences within the past five years.*

# SUSTAINABILITY STATEMENT

## BOARD STATEMENT

The Board of Directors (the “Board”) of Pentamaster Corporation Berhad (“PCB” or the “Company”) are pleased to present PCB’s Sustainability Statement (“Statement”) for the financial year ended of 2024 (“FY2024”), reflecting our continued commitment to integrating sustainability into the core business strategy.

We recognise that sustainable business practices are not only essential for the long-term success of our company but also vital for the well-being of our stakeholders and the planet. In today’s dynamic world, we understand that our responsibilities extend beyond financial performance. We are dedicated to integrating Environmental, Social and Governance (“ESG”) considerations into the Group’s strategic decision making and operational processes. This report outlines the Group’s progress and initiatives in key ESG areas, reflecting its commitment to transparency and accountability.

This reporting year, the Group’s third facility, known as “Campus 3”, slowly opened its doors with features of energy-efficient systems, including solar fittings and rainwater harvesting, light-emitting diode (“LED”) and smart sensors to optimise energy. The facility is expected to be fully completed and operational in 2025.

### **Key Highlights in the Group’s ESG Performance**

- Continuing to enhance emissions reporting to minimise carbon footprint
- Initiating review to strengthen supply chain management practices
- Adhering to all applicable laws and regulations including environmental regulations
- Ongoing employee engagement activities
- Ongoing investment in community development projects focused on education and environmental conservation in our local communities
- Zero fatalities recorded
- Upholding governance practices based on high standards of transparency, integrity and accountability

We recognise that our ESG journey is an ongoing journey. We are committed to continuous improvements and will regularly review and update our ESG strategies and targets, particularly concerning the climate-related disclosures. We will continue to engage with our stakeholders to identify and address emerging ESG issues in order to improve our understanding and implementing the necessary frameworks for transparent and comparable reporting. This also means focusing on climate-related strategy and risk management processes, in preparation for the alignment with the International Sustainability Standards Board’s (“ISSB”) IFRS Sustainability Disclosure Standards (“IFRS Standards”). The Group will continue to explore innovation and technology to future-proof the business and create stakeholder value.

We would like to express our sincere gratitude to our employees, customers, suppliers and other stakeholders for their support and collaboration. We are confident that together, we can build a more sustainable and prosperous future.

We encourage all stakeholders to review this report and provide feedback as we continue to advance our ESG initiatives, including our alignment with the evolving landscape of climate-related reporting.

Board of Directors  
25 April 2025

# SUSTAINABILITY STATEMENT

## ABOUT THIS STATEMENT

### Corporate Profile

PCB is a public limited liability company, incorporated in Malaysia. The Company was listed on the Malaysia Securities Exchange Berhad in July 2003 and subsequently moved to the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") in 2004. PCB has been included in the constituents of the FTSE4Good Bursa Malaysia Index since 2021.

### Core Businesses

PCB is an investment holding company and has not carried out any business since its incorporation. PCB, through its subsidiaries, (collectively referred to as, "we", "us", "our" or the "Group") have two operating segments which are involved in different activities as follows:

- (i) Automated Test Equipment ("ATE") : Designing, development and manufacturing of standard and non-standard automated test equipment; and
- (ii) Factory Automation Solutions ("FAS") : Designing, development and installation of integrated automated manufacturing solutions.



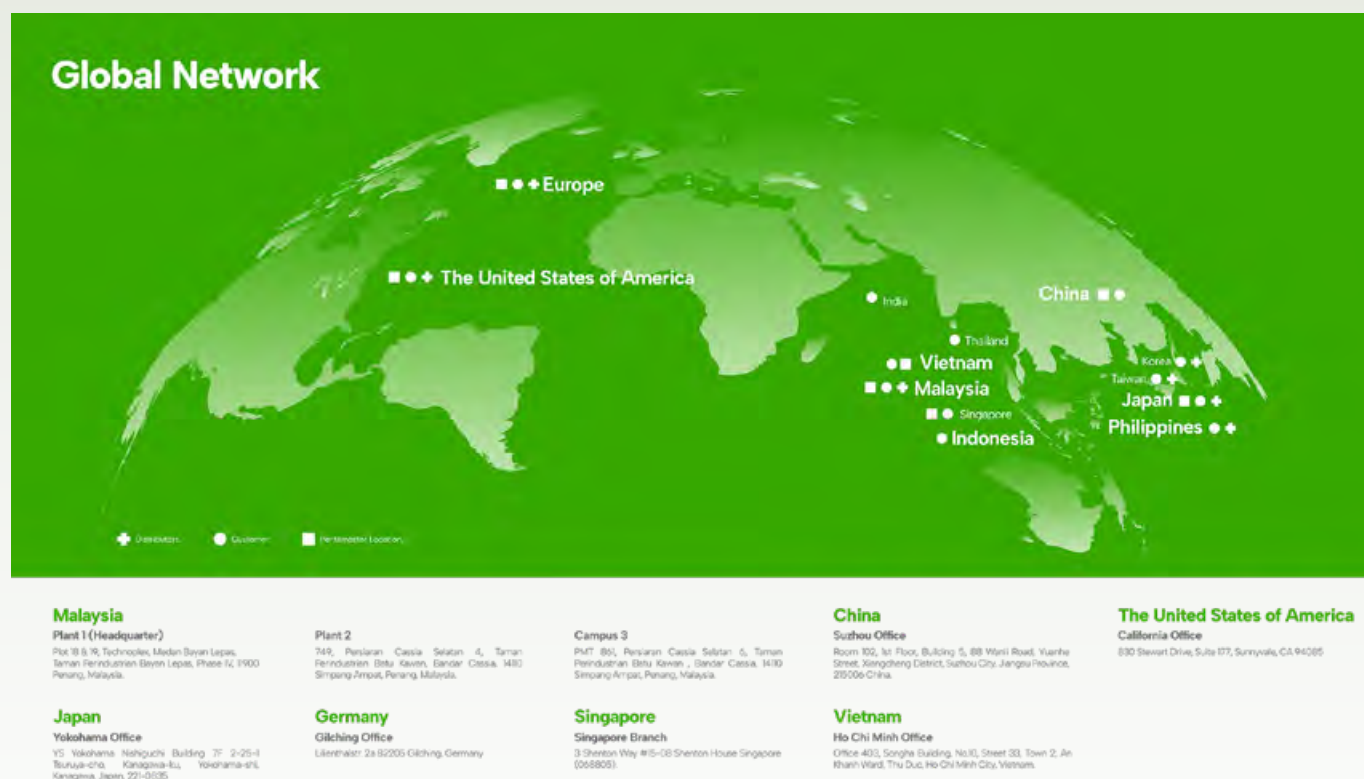
## SUSTAINABILITY STATEMENT

### Where We Operate

PCB's main production facilities are located in Penang, Malaysia. Below is an overview of the locations and the key operations of the facilities:

| Locations                                     | Key Operations                                                                                                                               |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Plant 1 - Bayan Lepas Free Trade Zone, Penang | <ul style="list-style-type: none"> <li>Headquarter</li> <li>Production facilities dedicated to ATE segment</li> <li>Warehousing</li> </ul>   |
| Plant 2 - Batu Kawan Industrial Park, Penang  | <ul style="list-style-type: none"> <li>Production facilities dedicated to medical industries</li> <li>Warehousing</li> </ul>                 |
| Campus 3 - Batu Kawan Industrial Park, Penang | <ul style="list-style-type: none"> <li>Production facilities dedicated to FAS segment and medical industries</li> <li>Warehousing</li> </ul> |

Since 2021, the Company has expanded its strategic presence in other regions by setting up a facility in China to carry out research and development ("R&D"), manufacturing and sales of ATE and automation solutions in the field of science and technology. The Company has also set up sales and technical support offices in the United States of America, Singapore, Japan and Germany. Since March 2024, the Company has completed part of its third facility, known as the "Campus 3" in Batu Kawan Industrial Park, Penang. This space is dedicated to production, R&D, administration and warehousing and is expected to be fully completed and operational in 2025.



Please refer to the Corporate Information, the Corporate Structure and the Management Discussion and Analysis sections in the Annual Report 2024 or the Group's corporate website for more details about the Group's business activities and corporate information.

# SUSTAINABILITY STATEMENT

## Reporting Scope and Basis of Scope

We present the Company's annual Statement, highlighting the Group's ongoing commitment and performance in ESG for FY2024, inclusive of our economic activities and operational practices. For a complete review of the Group's financial and business performance, please refer to the other sections of the Annual Report 2024. All monetary value is expressed in Ringgit Malaysia ("RM"), unless otherwise stated.

We publish the Statement on an annual basis, with the last Statement published in April 2024.

This Statement covers the ESG performance and progress of PCB and its key Malaysian subsidiaries, namely also Pentamaster Smart Solution Sdn. Bhd., Pentamaster InnoTeq Sdn. Bhd. and Pentamaster International Limited ("PIL"). The scope also includes PIL's Malaysian operating entities, in particular, Pentamaster Technology (M) Sdn. Bhd., Pentamaster Instrumentation Sdn. Bhd., Pentamaster Equipment Manufacturing Sdn. Bhd. and Pentamaster MediQ Sdn. Bhd.

Since the previous year, we have prioritised reporting on our Malaysian operational entities which fall within the operational control of PCB to help us enhance data accuracy and streamline reporting. The following entities are excluded from the scope of this Statement:

| Excluded Entity                                         | Rationale                                                                                                                                                           |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pentamaster Technology (Jiangsu) Limited                | Small-scale manufacturing facility in China since 2021 with limited impact on overall sustainability.                                                               |
| Pentamaster Technology (M) Sdn. Bhd. (Singapore branch) | Negligible impact on the Group's overall sustainability performance due to their nature as sales and technical support offices located in the respective countries. |
| Pentamaster Automation (Japan) Co. Ltd                  |                                                                                                                                                                     |
| Pentamaster Automation (Germany) GmbH                   |                                                                                                                                                                     |
| Pentamaster Equipment Manufacturing, Inc.               |                                                                                                                                                                     |
| TP Concept Sdn. Bhd.                                    | Operations have been restructured and consolidated into Pentamaster Equipment Manufacturing Sdn. Bhd.                                                               |
| Origo Ventures (M) Sdn. Bhd.                            | Project management company with insignificant impact on the Group's sustainability performance and overall revenue.                                                 |
| Penang Automation Cluster Sdn. Bhd.                     | Associate, where we do not have direct managerial control.                                                                                                          |

The Company will continuously evaluate its global operations to determine any significant impacts on the Group's sustainability performance and progress for our future reports. There is no significant change in the scope of the disclosures in this Statement.

*Please refer to page 3 of this Annual Report 2024 on the Group's Corporate Structure.*

## Reporting Frameworks and Standards

This Statement has been prepared in accordance with Bursa Malaysia's Listing Requirements, with reference to Bursa Malaysia's Sustainability Reporting Guide (3<sup>rd</sup> Edition), the Global Reporting Initiative ("GRI") Standards and relevant requirements of the FTSE4Good Bursa Malaysia Index.

### Assurance

The information in this Statement is internally sourced and verified by relevant department heads. While this Statement has not undergone external assurance, we are committed to enhancing our reporting credibility and will progressively seek independent assurance on selected sections for future reports.

### Feedback

To support our ongoing sustainability journey and drive continuous improvement, we encourage stakeholders to provide feedback on this report and its content by emailing us at [investor.relation@pentamaster.com.my](mailto:investor.relation@pentamaster.com.my).

# SUSTAINABILITY STATEMENT

## OUR APPROACH TO SUSTAINABILITY

### Sustainability Governance

We believe that an effective sustainability governance is essential for long-term value creation. Our approach is characterised by proactive management and clear accountability.

At the core of our sustainability efforts is strong governance, driven from the top down.

#### Board Oversight

The Board assumes ultimate responsibility for the Group's ESG strategy and activities, which includes oversight of PCB's material sustainability matters. Recognising that sustainability is integral to all business segment, the Board ensures its integration throughout operations.

#### ESG Committee

We have an established ESG Committee, led by the Chief Financial Officer and Operations Director, who drive the strategic management of the Group's sustainability agenda and the material sustainability matters. The various business units in the operations provide day-to-day support to perform and implement the sustainability related tasks.

Under the ESG committee's Terms of Reference, the ESG committee is tasked to assist the Board to review and monitor the Group's ESG policies and practices, among others, to:

- (a) ensure compliance with legal and regulatory requirements;
- (b) oversee and execute the Group's sustainability strategy;
- (c) review and ensure proper disclosure and compliance with relevant ESG guidelines;
- (d) present and regularly report to the Board on the Group's sustainability performance; and
- (e) make recommendations to enhance sustainability strategies and practices.

#### ESG Commitment

The Group has in place an ESG Policy which outlines the Group's guiding principles for sustainable operations.

#### Governance Structure

As at 31 December 2024, the Group's ESG governance structure is as follows:



## SUSTAINABILITY STATEMENT

### Stakeholder Engagement

**Why We Engage:** We recognise that stakeholder engagement is fundamental to our success. It enables us to identify opportunities, manage risks, and achieve our business and sustainability goals by understanding the perspectives of those who significantly impact or are impacted by our operations: our shareholders, employees, customers, suppliers, government, and local communities.

**How We Engage:** We maintain continuous dialogue with our stakeholders throughout the year to align our strategies with their priorities, ensuring mutual long-term value. Our engagement methods and responses to key stakeholder concerns in FY2024 are detailed in the table below.

| Key Stakeholders | How We Engage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Stakeholder Expectations                                                                                                                                                                                                                                     | Our Response and Value                                                                                                                                                                                                                                                                                                                                   |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shareholders     | <b>As and when required</b> <ul style="list-style-type: none"> <li>Press releases</li> <li>Bursa Malaysia announcements</li> <li>Website</li> <li>E-mails</li> <li>Non-deal road shows, investors' conferences and events</li> </ul> <b>Quarterly</b> <ul style="list-style-type: none"> <li>Financial reports and announcements</li> <li>Investor briefings</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>Annual General Meetings</li> <li>Annual Report and Sustainability Statement</li> </ul> | <ul style="list-style-type: none"> <li>Shareholder interest that are aligned with Group's performance</li> <li>Group's operations, strategic development and plans</li> <li>Effective governance practices</li> <li>ESG practices and performance</li> </ul> | <ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Published Annual Report</li> <li>Disseminate timely and material information on the Group's activities and performance</li> <li>Conduct quarterly post-results briefings to investors</li> <li>Continue to uphold good corporate governance practices across the Group</li> </ul> |
| Employees        | <b>Ongoing</b> <ul style="list-style-type: none"> <li>Emails</li> <li>Internal announcements</li> </ul> <b>As needed</b> <ul style="list-style-type: none"> <li>Meetings</li> <li>Employee briefings</li> </ul> <b>Monthly</b> <ul style="list-style-type: none"> <li>Employee engagement activities</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>Performance appraisals</li> <li>Employee Feedback Survey</li> </ul>                                                                            | <ul style="list-style-type: none"> <li>Remuneration and benefits</li> <li>Health and safety at workplace</li> <li>Career advancement</li> <li>Job satisfaction</li> </ul>                                                                                    | <ul style="list-style-type: none"> <li>Employee engagement activities</li> <li>Quarterly performance appraisal review</li> <li>Training and development opportunities</li> <li>Health and safety training and inspections</li> <li>Flexible working hours</li> </ul>                                                                                     |

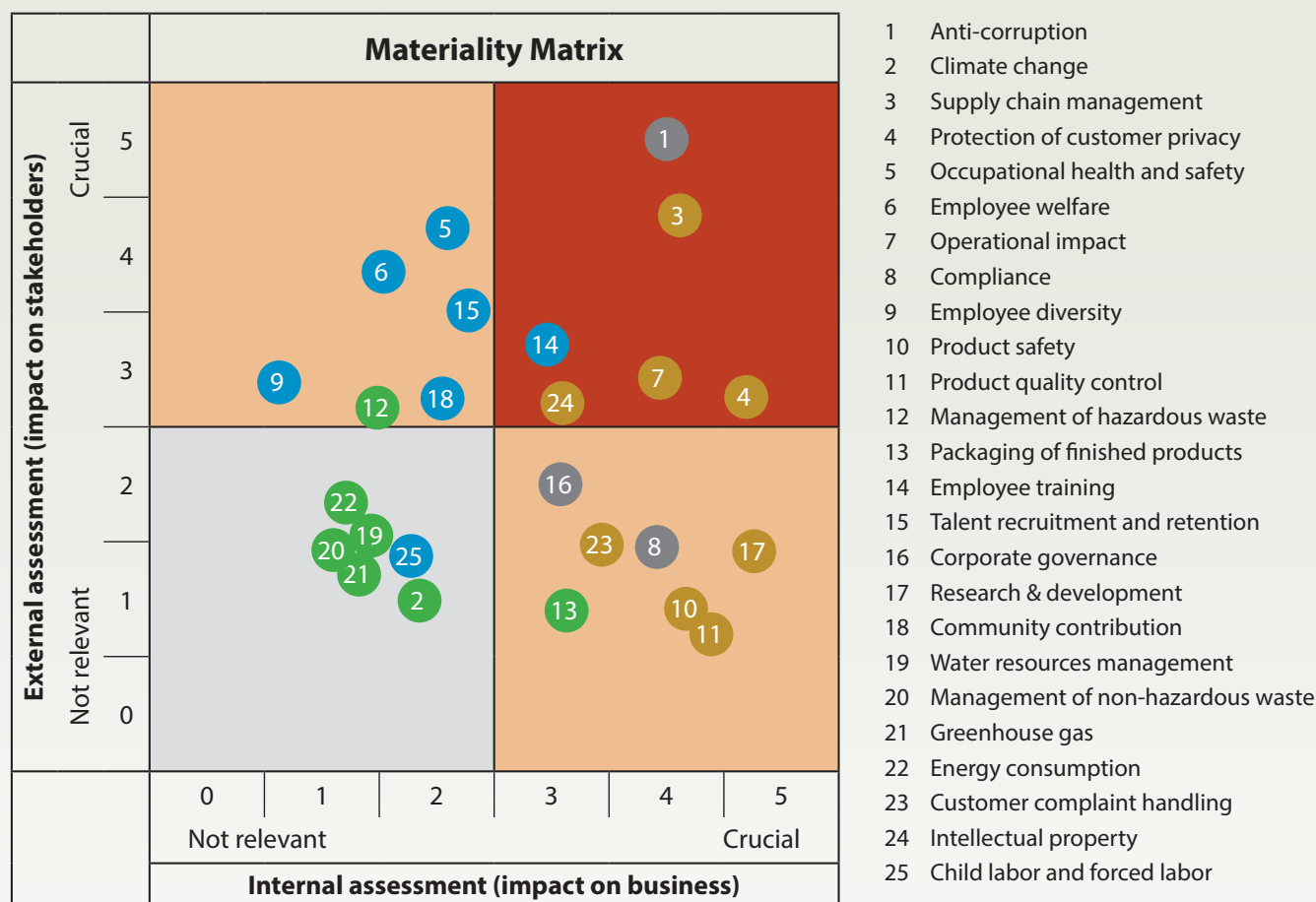
## SUSTAINABILITY STATEMENT

| Key Stakeholders                      | How We Engage                                                                                                                                                                                                                                                                                                                                                          | Stakeholder Expectations                                                                                                                                                                                                                                                              | Our Response and Value                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customers                             | <b>Ongoing</b> <ul style="list-style-type: none"> <li>Meetings</li> <li>Customer support channels (via emails, websites or telephone calls)</li> </ul> <b>As needed</b> <ul style="list-style-type: none"> <li>Public engagement (eg. seminars, exhibitions)</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>Customer survey and feedback</li> </ul> | <ul style="list-style-type: none"> <li>Reasonable pricing and affordability</li> <li>Delivery of high-quality products and services</li> <li>Source and operate businesses responsibly within the supply chain</li> </ul>                                                             | <ul style="list-style-type: none"> <li>Maintained acceptable level of customer satisfaction</li> <li>Issuance of customer feedback survey</li> <li>Close engagement with customers to ensure products and services meet the required specifications</li> <li>Offer competitive pricing</li> <li>Adherence to ISO 9001:2015 and ISO 13485 quality standards</li> <li>Address any customer complaints promptly</li> </ul> |
| Suppliers                             | <b>As needed</b> <ul style="list-style-type: none"> <li>Business meetings</li> <li>Supplier evaluation</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>Supplier feedback</li> <li>Supplier assessment</li> </ul>                                                                                                                                     | <ul style="list-style-type: none"> <li>Ensure suppliers meet or exceed quality standards</li> <li>Timely delivery</li> <li>Offer best pricing and cost efficiency</li> <li>Health and safety of contract workers</li> <li>Compliance with labour standards and regulations</li> </ul> | <ul style="list-style-type: none"> <li>Supplier evaluation and assessment</li> <li>Terms under the Corporate Supply Agreement which outlines the labour standards expected from suppliers</li> </ul>                                                                                                                                                                                                                    |
| Government and regulatory authorities | <b>Ongoing</b> <ul style="list-style-type: none"> <li>Participation in seminars and workshops</li> </ul> <b>As needed</b> <ul style="list-style-type: none"> <li>On-site visits</li> <li>Reports</li> <li>Meetings</li> </ul>                                                                                                                                          | <ul style="list-style-type: none"> <li>Ensure compliance with laws and regulations</li> <li>Maintain standards and certification</li> </ul>                                                                                                                                           | <ul style="list-style-type: none"> <li>On-site visits</li> <li>Regular engagement with relevant departments from Department of Occupational Safety and Health ("DOSH") and Customs</li> <li>Adherence to the laws and regulations</li> <li>Supporting local government initiatives</li> </ul>                                                                                                                           |
| Communities                           | <b>As needed</b> <ul style="list-style-type: none"> <li>Meetings with local communities and relevant organisations</li> <li>Community programmes</li> </ul>                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>To positively impact the different groups of the nearby communities</li> </ul>                                                                                                                                                                 | <ul style="list-style-type: none"> <li>Community investments by way of contributions to various organisations and vulnerable communities</li> <li>Community care manager's regular engagement with selected organisations</li> </ul>                                                                                                                                                                                    |

## SUSTAINABILITY STATEMENT

### Material Sustainability Matters

The Board, with the support of the ESG Committee, reviews and validates the materiality assessment process for the Group. No formal materiality assessment was conducted in FY2024 to assess the material sustainability matters for the Group as there was a review conducted in the financial year of 1 January 2022 to 31 December 2022 ("FY2022") to identify key ESG issues that were deemed significant to the Group. During that period, the assessment was facilitated by a third-party consultant and internal stakeholders, comprising of members from the ESG committee. The team reviewed 25 material issues and prioritised highly important topics based on their impacts on the identified stakeholder groups and the business. These issues included anti-corruption, customer satisfaction, supply chain management, protection of customer privacy, occupational health and safety, employee welfare, employee training, operational impact, product quality control, intellectual property ("IP") and product safety. The following materiality matrix provides an overview of the materiality matters assessed and prioritised arising from that assessment:



In addition to the 11 prioritised material topics referred to in the above paragraph, the Company has also aligned its ESG disclosures with the material topics prescribed under the common material sustainability matters stipulated in Annexure PN9-A of Bursa Malaysia's Main Market Listing Requirements. Based on the previous year's assessment and identified material sustainability matters, the management, with the approval of the Board, reaffirmed that the material sustainability matters continue to be relevant to the Group's strategic objectives and stakeholder expectations in FY2024. The breakdown of the Group's material sustainability matters is outlined under the Sustainability Framework section.

Although the materiality assessment was conducted on a limited scale for the reporting year, the Group will continue to assess the extent of the materiality assessment annually based on the business and stakeholder needs. We will aim to enhance our future materiality assessment to include more detailed assessment of the impact of our practices on the environment and people as well as the influence of these impacts on the financial position of the Company.

## SUSTAINABILITY STATEMENT

### Risk Management

The Board acknowledges the critical role of sound risk management and internal control systems in achieving effective corporate governance. Through the Audit Committee, it conducts regular reviews of the adequacy and effectiveness of these systems, including frameworks, functions, processes and reports. A dedicated Risk Management Committee, comprising of the Chief Financial Officer and senior management, assists in the Group's risk management efforts, convening annually to oversee finance, operations, compliance and risk management areas. The Group maintains an ongoing process to identify, evaluate and manage significant risks. For the next reporting cycle, the Group intends to initiate a more detailed review of the risk and opportunities associated with the material sustainability matters encompassing climate risks and opportunities. For further details, please refer to the Statement on Risk Management and Internal Control in the Annual Report 2024.

### Sustainability Framework

The Group's sustainability framework remains the same as previously reported to systematically address PCB's material sustainability matters under each ESG pillar.

The material sustainability matters are positioned under the following ESG pillars:



- Energy Management
- Water Management
- Materials
- Waste Management
- Emissions
- Climate Change



#### Our People & Communities

- Employee Management
- Diversity and Equal Opportunities
- Development and Training
- Health and Safety
- Community Investments

#### Economic & Operating Practices

- Supply Chain Management
- Product Quality and Responsibility
- Intellectual Property



- Anti-Corruption and Bribery
- Data Privacy and Security

# SUSTAINABILITY STATEMENT

## United Nations Sustainable Development Goals

The Group has also identified seven United Nations (“UN”) Sustainable Development Goals (“SDGs”) that are aligned with the Group’s sustainability practices under the ESG pillars. The Group aims to contribute towards the global goals under the following UN SDGs:

| UN SDGs                                                                                                                                                                                                                              | Our Initiatives                                                                                                                                                                                                                                                                                         | Related Material Matters                                                                                                                                           | Reference                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
|  <p><b>Goal 3:</b> <i>Ensure healthy lives and promote well-being for all at all ages</i></p>                                                       | <ul style="list-style-type: none"> <li>Promoting healthy lifestyles through sports and other employee engagement activities</li> <li>Maintaining workplace health and safety standards</li> </ul>                                                                                                       | <ul style="list-style-type: none"> <li>Employee Management</li> <li>Health and Safety</li> </ul>                                                                   | <ul style="list-style-type: none"> <li>Pages 47 and 57</li> </ul>             |
|  <p><b>Goal 4:</b> <i>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</i></p>                  | <ul style="list-style-type: none"> <li>Providing training and development programmes to support skills development and career growth opportunities</li> <li>Increase in community investments in FY2024 as compared to FY2023</li> </ul>                                                                | <ul style="list-style-type: none"> <li>Development and Training</li> <li>Community Investments</li> </ul>                                                          | <ul style="list-style-type: none"> <li>Pages 55 and 59</li> </ul>             |
|  <p><b>Goal 8:</b> <i>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</i></p> | <ul style="list-style-type: none"> <li>Equal opportunities to all employees</li> <li>Remuneration and benefits</li> <li>Providing training and development for career growth opportunities and share scheme to eligible employees</li> </ul>                                                            | <ul style="list-style-type: none"> <li>Employee Management</li> <li>Development and Training</li> </ul>                                                            | <ul style="list-style-type: none"> <li>Pages 47 and 55</li> </ul>             |
|  <p><b>Goal 9:</b> <i>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</i></p>           | <ul style="list-style-type: none"> <li>Innovation and development of new products and solutions</li> </ul>                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>Intellectual Property</li> </ul>                                                                                            | <ul style="list-style-type: none"> <li>Page 66</li> </ul>                     |
|  <p><b>Goal 10:</b> <i>Reduce inequality within and among countries</i></p>                                                                       | <ul style="list-style-type: none"> <li>Equal opportunities for all employees for employment and promotion</li> <li>Contributions by way of donations to local communities</li> </ul>                                                                                                                    | <ul style="list-style-type: none"> <li>Employee Management</li> <li>Diversity and Equal Opportunities</li> <li>Community Investments</li> </ul>                    | <ul style="list-style-type: none"> <li>Pages 47, 52 and 59</li> </ul>         |
|  <p><b>Goal 12:</b> <i>Ensure sustainable consumption and production patterns</i></p>                                                             | <ul style="list-style-type: none"> <li>Monitoring of waste generated across the Group’s operations</li> <li>Group’s commitment to reduce total hazardous and non-hazardous waste by 20.0% by 2030</li> </ul>                                                                                            | <ul style="list-style-type: none"> <li>Waste Management</li> </ul>                                                                                                 | <ul style="list-style-type: none"> <li>Page 43</li> </ul>                     |
|  <p><b>Goal 13:</b> <i>Take urgent action to combat climate change and its impacts</i></p>                                                        | <ul style="list-style-type: none"> <li>Established policy on commitment to minimise environmental impacts</li> <li>Group’s commitment to reduce intensity for greenhouse gas (“GHG”) emissions as a whole as well as reduce intensity for both water and energy consumption by 20.0% by 2030</li> </ul> | <ul style="list-style-type: none"> <li>Energy Management</li> <li>Water Management</li> <li>Waste Management</li> <li>Emissions</li> <li>Climate Change</li> </ul> | <ul style="list-style-type: none"> <li>Pages 40, 41, 43, 44 and 45</li> </ul> |

The next section of this Statement details the management approach on the material sustainability matters.

## SUSTAINABILITY STATEMENT

### ENVIRONMENTAL

At PCB, we recognise the critical challenges of climate change, GHG emissions and diminishing natural resources that are impacting the environment. The Group's commitment to environmental stewardship is embedded in the Group's ESG Policy. This Policy includes minimising operational impact on the environment and natural resources through efficient use of energy, water and raw materials. We strive to integrate sustainability into every aspect of the Group's business, from daily operations to long-term strategic planning. Environmental responsibility is not only ethically needed but also a key driver of long-term value creation, requiring the collaborative efforts of all our employees for us to succeed.

The Group operates responsibly and strives to adhere to all applicable environmental laws, regulations and standards, including the Malaysia's Environmental Quality Act 1974. We are pleased to report, as at 31 December 2024, the Group confirms no material breaches or non-compliance incidents related to GHG emissions, water and land discharge or hazardous and non-hazardous waste generation within the scope of our operations. The Group was not subjected to any environmental fines or penalties during the financial year.

We also recognise the importance of life cycle analysis for our products and systems in future planning and design. This way, we can make better decisions about the material selection, manufacturing processes, energy consumption, transportation and end of life management to create more sustainable products and systems.

This section of the Statement details the Group's progress and initiatives related to the key environmental aspects, reflecting the Group's ongoing journey towards a more sustainable and resilient future.

### Energy Management

The Group recognises the critical need to reduce its energy consumption and transition towards cleaner energy sources. Our commitment is driven by the Group's desire to minimise its environmental impact, reduce operational costs and contribute to a more sustainable future.

#### Electricity Consumption

Our energy consumption management strategy focuses on two key pillars: improving energy efficiency in our facilities and promoting conscious energy practices among our employees.

The Group continues to implement its energy consumption savings and efficiency practices adopted over the last ten years in both of its production plants in Bayan Lepas and Batu Kawan. Key initiatives included replacing all traditional lighting with energy-efficient LED bulbs, deployment of smart sensors to control lighting within the factories and installing a rainwater harvesting system in the Bayan Lepas plant. Air-conditioning systems in both plants are centralised systems that rely on chilled water. While our production facilities require 24-hour air-conditioning to maintain the controlled temperature and humidity conditions, we actively promote energy conservation in our office spaces. Signages throughout the offices serve as constant reminders for employees to switch off lights when not in use and to actively participate in electricity conservation. The newly completed Campus 3 production plant in Batu Kawan, Penang exemplifies the Group's commitment to resource efficiency, incorporating solar panels for renewable energy generation, a rain water harvesting system and a building management system for smart building control of energy usage. These initiatives are aimed at enhancing the Group's overall energy efficiency across its operations to align with the set targets.

We track the Group's energy consumption across all the facilities by analysing data from utility bills. Key performance indicators such as electricity consumption and fuel consumption per revenue are monitored to assess our energy efficiency and drive improvement for further reductions.

| Item                                             | FY2024               |                          | FY2023               |                          | FY2022               |                          |
|--------------------------------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|
|                                                  | Amount<br>(kWh '000) | Intensity <sup>(b)</sup> | Amount<br>(kWh '000) | Intensity <sup>(b)</sup> | Amount<br>(kWh '000) | Intensity <sup>(b)</sup> |
| Purchased Electricity Consumption <sup>(a)</sup> | 9,093.66             | 14.60                    | 6,040.32             | 8.73                     | 6,464.24             | 10.76                    |

#### Notes:

- Total annual purchased electricity consumption covers electricity usage at Bayan Lepas and Batu Kawan production plants. The data includes the purchased electricity consumption at Campus 3, Batu Kawan production plant, starting March 2024.
- Electricity consumption intensity is calculated based on the total amount of purchased electricity (in kWh '000) over the Group's total revenue (in RM' million).

## SUSTAINABILITY STATEMENT

### Fuel Consumption

We do recognise the environmental consequences of fossil fuel consumption, including GHG emissions and strive to minimise our reliance on these resources. While the Group's core operations do not operate company-owned transportation fleet, the Group has initiated the tracking of fuel usage in its corporate vehicles as part of the Group's broader energy consumption management.

| Fuel Consumption          | FY2024    |
|---------------------------|-----------|
| Fuel Consumption* (litre) | 23,871.45 |

\* Petrol

| Energy Management                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Target                                                                                                    | FY2024 Progress and Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 20.0% reduction in the Group's energy consumption intensity by 2030, from the Group's 2020 baseline year. | <p>The total energy consumption recorded in FY2024 is 33,519.74 Gigajoules ("GJ"), resulting in a 54.2% increase from FY2023. The total energy consumption includes electricity as the main source of energy for the Group and fuel consumption from the Group's corporate vehicles. The increase in energy consumption in FY2024 stems from both higher electricity usage recorded across the Group and improved tracking of fuel consumption for corporate vehicles.</p> <p>The energy consumption intensity of 53.80 GJ per RM' million in revenue recorded an increase in FY2024, from 31.43 GJ per RM' million in revenue recorded in FY2023. We aim to review the baseline targets again to align with the evolving energy management profile of the Group over the past few years.</p> |

### Water Management

Water is a precious resource, and we are committed to responsible use of our natural resources. Our commitment to responsible water stewardship under the Group ESG Policy, is driven by the need to conserve local resources and minimise our environmental footprint. Our efforts include reducing water consumption in our operations across the Group. For all three of our production plants in Penang, water is sourced from local water supply operator and we have consistently secured water that is fit for the Group's operational purposes without significant issues. During the financial year, the Group did not have any incidents of non-compliance pertaining to water quality, permits, standards and regulations.

Across the Group, water is primarily used in the offices for the air-conditioning systems, drinking water and toilets. To minimise our impact on local water resources, we are monitoring the Group's water consumption pattern. Furthermore, the drinking water available at all our plants undergoes testing by an external laboratory to ensure its safety and is free from contamination. Toilets are equipped with mechanical and electronic sensors to reduce any water wastage. We monitor the Group's water consumption data through the monthly water invoices received for each facility. Due to the nature of our operations, the Group does not generate significant effluent with the exception of standard toilet discharge handled by the Malaysian national sewage company. By consistently measuring our water consumption, we can monitor effectiveness of our water reduction initiatives and ensure accountability of our water management practices.

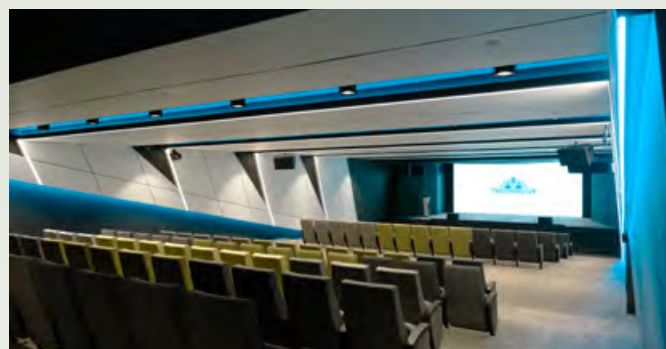
| Item                             | FY2024                      |                          | FY2023                      |                          | FY2022                      |                          |
|----------------------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
|                                  | Amount<br>(m <sup>3</sup> ) | Intensity <sup>(b)</sup> | Amount<br>(m <sup>3</sup> ) | Intensity <sup>(b)</sup> | Amount<br>(m <sup>3</sup> ) | Intensity <sup>(b)</sup> |
| Water Consumption <sup>(a)</sup> | 32,856                      | 52.74                    | 30,033                      | 43.40                    | 30,293                      | 50.44                    |

Notes:

- (a) Total annual water consumption covers water usage at Bayan Lepas and Batu Kawan production plants. Water consumption data at the Campus 3 production plant is also included as part of the total water consumption data for the Group starting March 2024.
- (b) Water consumption intensity is calculated based on the total amount of water consumption (in m<sup>3</sup>) over the Group's total revenue (in RM' million).

## SUSTAINABILITY STATEMENT

| Water Management                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Target                                                                                       | FY2024 Progress and Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 20.0% reduction in water consumption intensity by 2030, from the Group's 2020 baseline year. | <p>During the year, the total water consumption recorded was 32,856 m<sup>3</sup> (32.86 megalitres), a slight increase from FY2023 primarily due to the inclusion of the Campus 3 production plant's water consumption data. Consequently, water consumption intensity of 52.74 m<sup>3</sup> per RM' million in revenue also increased relative to the operational expansion in FY2024.</p> <p>To further improve water efficiency practices across the operations, we will continue to increase employee awareness through campaigns and reminders promoting water saving habits within the office premises. Where feasible, we have initiated rain water harvesting. Additionally, we have expanded the use of sensor-fitted taps in our facilities to prevent water wastage. Moving forward, we will review the water consumption intensity targets in the coming years for potential enhancements of the Group's water management plans. Further, the Group will consider the financial impacts associated with the water related risks in the coming years.</p> |



### Materials

Recognising the environmental impact associated with resource consumption is a key priority for the Group driven by the Group's commitment to reduce its environmental footprint.

The Group's main production processes utilise fabricated components, electrical components and wiring. For product packaging and shipping from the production plants, the Group utilises wood, plastic, bubble wrap and paper. To ensure responsible material usage, we adhere to the "Cost With No Waste" principle. This principle actively encourages all employees to minimise waste generation throughout both our production and packaging processes. We continuously monitor the types and quantity of packaging materials used for the finished products and use of other raw materials such as paper in our daily operations.

Furthermore, the no print policy in place has significantly reduced paper consumption and the need for printing infrastructure across the production facilities. This is evidenced by the decrease in the number of printers in the offices from 23 units in 1997 to six units in FY2024. The Group aims to further reduce the total number of printers to three units with a goal of one printer at each production plant.

The table below provides an overview of the packaging material usage over the last three financial years.

| Items                              | FY2024          |                          | FY2023          |                          | FY2022          |                          |
|------------------------------------|-----------------|--------------------------|-----------------|--------------------------|-----------------|--------------------------|
|                                    | Amount (tonnes) | Intensity <sup>(b)</sup> | Amount (tonnes) | Intensity <sup>(b)</sup> | Amount (tonnes) | Intensity <sup>(b)</sup> |
| Packaging Materials <sup>(a)</sup> | 96.75           | 0.16                     | 148.39          | 0.21                     | 117.09          | 0.19                     |

**Notes:**

- (a) The data for packaging materials does not include the paper purchased for printing purposes to meet shipping or other regulatory application requirements.
- (b) Packaging consumption intensity is calculated based on the total packaging materials (in tonnes) used over the Group's total revenue (in RM' million).

## SUSTAINABILITY STATEMENT

### Waste Management

Effective waste management is a priority for the Group as it is crucial for minimising the environmental impact of our operations. We handle various waste streams, including hazardous waste (scheduled) and non-hazardous waste. To ensure safety of our staff, workplace and the environment and to comply with the regulatory requirements, the Group has established the Scrap and Waste Disposal procedures. These procedures outline waste management lifecycle from identification, segregating to management, recording and disposition of waste materials. All of the Group's employees are expected to adhere to these procedures, which include recording of waste materials.

Waste generated in the production facilities are generally categorised as either general waste, scrap or scheduled waste.

#### Hazardous Waste

Scheduled waste, which is also known as hazardous waste, primarily comprises of electronic components such as dry cells, cartridges, spoilt lightnings, hydraulic oils and lead acid batteries, those which are categorised under the First Schedule (Regulations 2) of the Malaysian Environmental Quality (Scheduled Wastes) Regulations 2005. The Scheduled Waste recorded in FY2024 include:

| SW Code | Name of Waste       |
|---------|---------------------|
| SW110   | LED Tube            |
| SW110   | E-waste             |
| SW102   | Lead Acid Batteries |
| SW417   | Print Cartridge     |

All hazardous waste must be removed and stored in a designated controlled waste room prior to proper disposal. An approved contractor will collect this waste every 180 days. Each production plant has a designated "competent person" responsible for monthly recording, monitoring and reporting of hazardous waste generation to the Malaysian Department of Environment.

#### Non-Hazardous waste

The Group manages non-hazardous waste through various streams. Recyclable materials such as plastics, cardboard boxes and wooden pallets, are collected by approved contractors for either landfill disposal or recycling. Production and office-generated scrap, consisting of resalable metals (iron, aluminium, stainless steel, copper or plastic), plastics timber and paper is also categorised as non-hazardous waste. Metals and plastics are segregated on site for contractor collection, while timber is typically discarded due to its single-use nature. General waste, primarily from canteen (food waste, plastic and paper) is disposed of in local or council bins. The Group recognises the need to develop a more comprehensive waste management approach, including implementing a system for tracking general waste volumes.

The Group has embedded its commitment to reduce wastage and make efficient use of resources across its operations through several key programmes:

#### (a) 3 R Concepts (Reduce, Reuse and Recycle)

An ongoing initiative carried out throughout the year to ensure employees play their part in segregating waste into recycling bins provided to encourage proper disposal or waste from the source. This is in line with the Penang State Government's efforts to reduce waste to landfill programmes.

Since 2022, a significant measure was taken to reduce printing and paper consumption across all the offices. This involved the removal of a significant number of printing machines on-site.

#### (b) "Cost With No Waste"

The "Cost with No Waste" initiative has been implemented since 2016. As part of the Group's efforts to minimise waste from the design to completion of the products or solutions, each assignment will be built-to-order and materials are only sourced after receiving final approval from customers. This means the Group must only procure materials that will be utilised to reduce any unnecessary waste and mitigate the impact on the ecosystem within its operations.

## SUSTAINABILITY STATEMENT

The table below provides an overview of the Group's overall waste generation over the last three financial years:

| Waste                     | Breakdown          | Unit          | FY2024 |                          | FY2023 |                          | FY2022 |                          |
|---------------------------|--------------------|---------------|--------|--------------------------|--------|--------------------------|--------|--------------------------|
|                           |                    |               | Amount | Intensity <sup>(a)</sup> | Amount | Intensity <sup>(a)</sup> | Amount | Intensity <sup>(a)</sup> |
| Total hazardous waste     | Industrial wastage | metric tonnes | 6.70   | 0.01                     | 0.75   | 0.0011                   | 0.21   | 0.0003                   |
| Total non-hazardous waste | Solid wastage      | metric tonnes | 49.53  | 0.08                     | 29.77  | 0.043                    | 23.82  | 0.04                     |

Notes:

(a) Total waste consumption intensity is calculated based on the hazardous waste or non-hazardous waste generated (in tonnes) over the Group's total revenue (in RM' million).

| Target                                                                                                                    | FY2024 Progress and Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reduce production of hazardous and non-hazardous wastes as a whole by 20.0% by 2030, from the Group's 2020 baseline year. | <p>The total waste generated by the Group in FY2024 was 56.23 metric tonnes, representing a notable increase from 30.52 metric tonnes recorded in FY2023. The main reason for this increase is attributed to the Group's on-site testing requirements for specific customer products that led to greater amount of hazardous and non-hazardous waste generated than the previous years. A total of 49.53 metric tonnes of waste was directed to disposal in FY2024.</p> <p>The Group's overall waste generation has significantly reduced from the baseline target, although the total waste generation has progressively increased over the last two years. However, due to the expansion of the production facilities and operational requirements, waste generation in our facilities remains a priority for the Group to continuously measure and implement effective waste management practices. The Group aims to review its baseline targets in line with the evolving operational changes.</p> |

### Emissions

The Group acknowledges the link between its energy consumption and GHG emissions and their contribution to climate change impacts. As responsible corporate citizens, we are committed to actively reducing carbon footprint and seizing opportunities presented by the global shift towards a low-carbon economy.

The Group's ESG Policy guides our commitment to minimising our environmental impact and enhancing operational resilience, ensuring long-term value for all stakeholders. In our efforts to combat climate change, the Group aims to reduce its overall GHG emissions intensity by 20.0% by 2030, using 2020 as the base year for measurement.

This year, we strived to enhance the Group's GHG emissions profile with the inclusion of Scope 1 GHG emissions. These currently encompass direct emissions generated from combustion of mobile or stationary sources specifically our corporate vehicles that are under the Group's control and operations. While the transportation of the Group's materials and products to and from our facilities relies on third-party logistics, we have taken the first step in understanding our direct emissions by tracking fuel usage in the Group's owned corporate vehicles.

Scope 2 GHG emissions are emissions associated with the purchase of electricity, steam, heat or cooling. The indirect emissions under Scope 2 GHG emissions are mainly contributed from the consumption of purchased electricity in the Group's production plants and offices. The Group's indirect Scope 2 GHG emissions have increased in FY2024, as compared to FY2023, in line with the increase in the purchased electricity consumption across the plants.

## SUSTAINABILITY STATEMENT

To account for the Scope 3 GHG emissions, we have gathered data on the employees' business travel by air over the last three years, and this year, we initiated tracking of employee commute to and from their workplace. Our current Scope 3 GHG emissions total is 1,671.15 tCO<sub>2</sub>e. We are committed to enhancing the Group's data collection and measurement to expand our Scope 3 GHG emissions inventory, encompassing additional value chain categories.

The table below outlines the GHG emissions profile for the Group over the last three financial years.

| Emission           | Breakdown                                                                       | FY2024                                  |                          | FY2023                                  |                          | FY2022                                  |                          |
|--------------------|---------------------------------------------------------------------------------|-----------------------------------------|--------------------------|-----------------------------------------|--------------------------|-----------------------------------------|--------------------------|
|                    |                                                                                 | Amount<br>CO <sub>2</sub> e<br>(tonnes) | Intensity <sup>(d)</sup> | Amount<br>CO <sub>2</sub> e<br>(tonnes) | Intensity <sup>(d)</sup> | Amount<br>CO <sub>2</sub> e<br>(tonnes) | Intensity <sup>(d)</sup> |
| GHG <sup>(a)</sup> | Direct Scope 1 <sup>(b)</sup>                                                   | 49.76                                   | 0.08                     | -                                       | -                        | -                                       | -                        |
|                    | Indirect Scope 2 <sup>(c)</sup>                                                 | 7,038.49                                | 11.30                    | 4,578.56                                | 6.62                     | 4,899.89                                | 8.16                     |
|                    | Indirect Scope 3<br>(Business Travel<br>& Employee<br>Commuting) <sup>(e)</sup> | 1,671.15                                | 2.68                     | 206.44                                  | 0.30                     | 138.55                                  | 0.23                     |

Notes:

- (a) The Group's GHG emissions calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standard using the operational control and consolidation approach.
- (b) Scope 1 GHG emissions include direct emissions that come from sources owned or controlled by a company.
- (c) Scope 2 GHG emissions for electricity grids in Peninsular Malaysia, are sourced from the latest published grid electricity emission factor published by the Malaysian Energy Commission.
- (d) The GHG emissions intensity is calculated based on the GHG emissions (in tonnes) under the respective Scope of GHG emissions over the Group's total revenue (in RM' million).
- (e) The Scope 3 GHG emissions are derived from the Group's employees' business travel by air data. The GHG emissions are calculated using the International Civil Aviation Organisation (ICAO) carbon emissions calculator (ICAO Carbon Emissions Calculator (ICEC)). This reporting year, Scope 3 GHG emissions have expanded to include emissions associated with employee commuting. The employee commuting data is based on the total average distanced traveled and the total number of employees using cars or motorcycles to and from work.

| Target                                                                                                               | FY2024 Progress and Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reduce direct and indirect GHG emissions intensity as a whole by 20.0% by 2030, from the Group's 2020 baseline year. | <p>The total GHG emissions for FY2024 for the Group are 8,759.40 tCO<sub>2</sub>e. The increase from FY2023 is mainly due to the inclusion of Scope 1 GHG emissions and expansion of Scope 3 category to include the employee commuting as well as the emissions for the new Campus 3 production plant, which is included under Scope 2 associated with purchased electricity consumption.</p> <p>The Group will revisit the total GHG emissions intensity baseline targets in the coming years in view of the Group's enhancements of its GHG emissions profile and the expansion of its production facilities. By enhancing data collection and monitoring, the Group will be able to deliver more targeted and effective strategies to reduce emissions.</p> |

### Climate Change

#### Climate-Related Disclosures

The Group recognises the importance of climate action and resilience as crucial to business sustainability. The Task Force on Climate-related Financial Disclosures ("TCFD")'s recommendations provide a standardised and transparent framework to disclose climate-related information, including financial impacts. These recommendations have gained global recognition and gained traction as an internationally accepted framework for disclosure. Following the recent adoption of the ISSB's IFRS Standards, in particular the IFRS S1 and S2 requirements under the Malaysian National Sustainability Reporting Framework, as the baseline standards for sustainability standards in Malaysia, the Group will continue to adopt a phased approach to develop a more comprehensive climate action strategy and further refine its climate disclosures. We recognise the integration of the TCFD recommendations within the IFRS S2 Climate-related Disclosure requirements and will continue to address further alignment in our climate reporting as changes are mandated. To gain better understanding of climate action strategies within our industries, the Group will consider participating in business associations focused on sustainable practices that promote public policies and regulations aimed at climate change mitigation.

## SUSTAINABILITY STATEMENT

The following table summarises the Group's climate change action and alignment with the TCFD's recommendations:

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Governance</b>          | <p>The Board oversees sustainability matters, including climate change risks and opportunities, following the recommendations from the ESG Committee.</p> <p>The management is responsible to assess and manage climate-related risks and opportunities, implementing climate strategies, and reporting on performance.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Strategy</b>            | <p>The Group is actively evaluating and analysing the potential impacts of climate-related risks and opportunities as part of the Group's ongoing review of all ESG risks and opportunities, across short, medium or long-term horizons.</p> <p>This evaluation will enable the Group to assess the extent of its impacts and develop a suitable resilient climate change strategy relevant to its business and operations. Further, scenario analysis may be conducted as the strategy is developed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Risk Management</b>     | <p>The Group has internal processes to identify and assess risks and opportunities. This includes the identification and assessment of physical risks and transitional risks.</p> <p>The Group may be exposed to both physical risks arising from unpredictable extreme climate events such as floods, which could potentially impact the Group's operations and assets, and transitional risks associated with the societal and economic transition towards a low-carbon future, such as carbon taxation or increased insurance costs.</p> <p>The Group has established a Business Continuity and Disaster Response and Recovery Plan to mitigate business interruptions from catastrophic events, including climate-related hazards such as floods and tropical storms. With better understanding of the Group's efforts to strengthen its obligations to minimise its environmental impact, the Company will consider more detailed measures to address climate change adaptation.</p> <p>The Group is committed to reviewing and integrating identified climate-related risks into its overall risk management processes to ensure such risks are considered alongside other business risks. Environmental issues relating to climate change are further discussed in the report under the "Environmental" sections in this report.</p> |
| <b>Metrics and Targets</b> | <p>We currently track the Group's climate-related performance on the following areas:</p> <ul style="list-style-type: none"> <li>(i) Direct Scope 1 GHG Emissions</li> <li>(ii) Indirect Scope 2 and Scope 3 GHG Emissions</li> <li>(iii) Energy Consumption</li> <li>(iv) Water Consumption</li> <li>(v) Waste Generation</li> </ul> <p>The review of Scope 1 and Scope 3 GHG emissions is still ongoing. Where appropriate, the Group will expand the GHG emissions profile. The Group has set targets for waste generation, energy consumption, water consumption and GHG emissions intensities and aims to review its baseline targets in the coming years to ensure a more targeted and enhanced reduction strategies are established. Further, the Group is committed to enhance its disclosures and secure independent verification of its operational GHG emissions in accordance with recognised international standards.</p>                                                                                                                                                                                                                                                                                                                                                                                                      |

## SUSTAINABILITY STATEMENT

### SOCIAL

#### Our People and Our Communities

We believe our people and our communities we serve are integral to creating sustainable value. This section highlights the Group's commitment to our employees through effective management practices, investment in their development and training and maintenance of a safe and healthy workplace. Beyond our operations, we also detail the Group's community investments, reflecting its commitment to creating positive social impact.

#### Employee Management

The Group recognises that its employees are essential to its sustainable growth and success. We are committed to building a highly engaged workforce by prioritising recruitment, development and retention within a safe, healthy and empowering environment.

Guided by the Group's Code of Conduct, the Board and employees uphold ethical standards in their daily activities, fostering a culture of integrity, care, respect and professionalism. The Code of Conduct is published on the Company's website. The Human Resources ("HR") department centrally manages all HR-related matters for the Group. In FY2024, the Board approved the Human Rights and Labour Standards Policy to drive the Group's commitments to meet standards and practices that are consistent with internationally recognised labour principles. This Policy is applicable to all Directors, employees as well as business associates such as partners, agent, vendors, suppliers, contractors, consultants and other third-party service providers.

##### Human Rights and Labour Standards Policy

- Promote diversity and inclusion
- Eradicate any form of harassment or abuse
- Respect freedom of association and collective bargaining
- No child labour
- No forced labour
- Responsible recruitment and living wage
- Safe and secure workplace
- Working hours and benefits

Employee communication for the Group is normally facilitated through various channels: emails, facility signages, face-to-face meetings and via the shared public folder. This folder provides access to all employees on key policies, such as the Employee Handbook, which details employment benefits, ethical guidelines and safety and health standards. In FY2024, there was no Employee Engagement Survey conducted after a successful initiative carried out in FY2023. The Group is reviewing the feedback from the previous surveys, specifically regarding compensation and benefits, work-life balance, communication on information and material and equipment adequacy to carry out their job functions. The Company is committed to addressing these concerns practically.

The Group continues to adhere to all local employment laws and regulations including the Malaysian Employment Act, 1955. As at 31 December 2024, we are not aware of any breaches to any laws or regulations in relation to the Group's employment practices.

## SUSTAINABILITY STATEMENT

### Recruitment

The Group's Recruitment Policy, together with the Human Rights and Labour Standards Policy, which outline a fair and merit-based hiring, is central to our commitment to equal opportunity. We do not discriminate based on nationality, age, sexual orientation, gender, marital status, race, religion or disability. We hire based on qualification, performance, skills and experience.

Recognising our strong presence in Malaysia, we actively try to recruit local talent through participation in national career fairs. Such initiatives reinforce the Company's commitment towards hiring from local communities and providing employment opportunities locally. The Company's operations are predominantly in Malaysia, and all of the employees within the Group are based in the Malaysian operations.

### Labour Standards

The Group's Recruitment Policy reinforces its recruitment practices to not hire any child labour in any of the countries where it operates or supports any forced labour or use forced labour in its operations. All our hiring must meet a minimum of 18 years old and above in line with the Malaysian Children and Young Persons (Employment) Act 1966. These principles are also reinforced in the Group's Human Rights and Labour Standards Policy. In compliance with local laws, the Group observes standard working hours and implements overtime pay to those who work beyond their normal working hours. However, the Group provides flexible working arrangements and encourages managing working hours so that they do not have to work overtime.

The Group will not tolerate any coercive and deceptive recruitment and employment practices within its operations and across its supply chain.

Any employee who feels discriminated against, harassed or treated unfairly may file a report directly to their heads of department or HR under the Grievance Handling Policy or under the Whistleblowing Policy and Procedures. In FY2024, the Group did not receive any reports of any incidents or substantiated complaints concerning human rights violations or any instances of non-compliance with any labour standards.

### Performance Appraisal and Remuneration Benefits

There are no changes in the performance review process as highlighted in the previous report. To foster growth and development, our open communication policy enables a structured annual performance review. This process allows employees and supervisors to discuss performance, provide feedback and identify training needs.

We ensure competitive and equitable compensation for our employees. Salaries are determined by benchmarking against industry market rates reflecting individual qualifications, skills, experience and performance. We are committed to fair pay practices while adhering to the Malaysian minimum wage laws and regulations. The Group's comprehensive benefits package includes generous leave entitlements, medical insurance, flexible working arrangements and employee provident funds contributions. Other special incentives available for eligible employees include discretionary bonus and incentive shares.

The Bayan Lepas production plant offers an on-site day care facility for children aged three to six, operating from 8:00 a.m. to 6:30 p.m. This facility supports employees with young children, reducing parental stress and enhancing employee satisfaction. We are currently in the midst of setting up a new day care facility at the Campus 3 production plant.

## SUSTAINABILITY STATEMENT

### Employee Engagement Activities

The Group recognises the importance of a healthy work environment and strong team dynamics. The Group actively promotes internal engagement and non-work related activities throughout the year. Pentamaster's Activities Committee ("PAC"), under the HR department, is a working group comprised of representatives from various departments, plays an important role in planning and organising these initiatives. The PAC gathers feedback from employees to develop a calendar of events designed to foster respect, camaraderie and a sense of community. To support employee well-being, the Group maintains its own sports facilities, including a multi-purpose court and indoor rock climbing at our Bayan Lepas production plant.

Throughout the reporting year, health awareness and other engagement activities were conducted across the operations.

| Activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Date       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Sports and Other Off-Site Activities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |            |
| <b>Boardgames</b> <p>Several employees enjoyed boardgames sessions held at a Penang café. This initiative provided a fun opportunity for employees to interact while cultivating strategic thinking, teamwork, and friendly competition, reinforcing the Group's dedication to promote balanced and engaging workplace culture.</p>                                                                                                                                                            | March 2024 |
| <b>Badminton Tournament</b> <p>An internal badminton tournament was held at the Bayan Lepas production plant. Employees participated in friendly competition aimed to promote teamwork and a healthy lifestyle. This initiative reflects the Group's commitment to creating a positive and engaging workplace environment for its employees.</p>                                                                                                                                              | June 2024  |
| <b>Durian Trail Plogging Programme 2024</b> <p>This year, PCB took steps towards environmental conservation with the Durian Trail Plogging Programme 2024. At the Sungai Ara Durian trail, a hidden gem in Penang, participants contributed to a cleaner environment through plogging (act of jogging while picking up trash) while enjoying a breathtaking view and the natural beauty of the area, including durian trees and a waterfall. The event concluded with a well-deserved durian feast on the hilltop, fostering environmental awareness and employee well-being.</p> | July 2024  |

## SUSTAINABILITY STATEMENT

| Activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Date                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <b>Sports and Other Off-Site Activities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                       |
| <p><b>Penta Tech Family Day</b></p> <p>PCB successfully hosted a Penta Tech Family Day, featuring a Robotics Workshop that allowed parents and kids to build, play and compete with their robots. This interactive hands-on activity promoted creativity, collaboration, and family bonding while sparking interest in technology and innovation. This event demonstrated PCB's commitment to foster a supportive and inclusive workplace culture that values its employees and their loved ones.</p>                                                                                                                                                                                                              | August 2024           |
| <b>Health and Wellness</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                       |
| <p><b>Penta Corporate Wellness</b></p> <p>The Penta Corporate Wellness Day offered a variety of health and well-being services to employees at both the Bayan Lepas and Batu Kawan production plants. Staff participated in medical health checks, physiotherapy screenings, optometry and hearing care and explored supportive gadgets. The event also featured health talks on the risks of sedentary lifestyles and the importance of ergonomics. Attendees also enjoyed complimentary healthy drinks, snacks, and popcorn, along with fresh fruits, pastries, and packed meals. This event emphasised PCB's commitment to fostering a healthy and supportive workplace and promoting employee wellness.</p>  | April 2024            |
| <p><b>Blood Donation Drive</b></p> <p>PCB organised two blood donation drives in FY2024, reinforcing its commitment to social responsibility and community welfare. These biannual events provide employees with an opportunity to contribute to life-saving efforts while fostering a spirit of compassion and solidarity within the workplace. PCB's continued dedication to such meaningful initiatives reflects its values of caring for both its employees and the broader community.</p>                                                                                                                                                                                                                   | May and November 2024 |

## SUSTAINABILITY STATEMENT

### Employee Attrition

It is important to measure employee attrition as a key indicator of a company's health and sustainability to assess workplace dynamics and external labour market pressures. The Group recognises that effectively managing turnover is vital for minimising operational disruptions, ensuring fair labour practices and employee well-being.

This section provides the Group's employee turnover trends, highlighting the Group's efforts to retain talent and build a resilient workforce.

In FY2024, the Group achieved a total turnover rate of 14.0%, representing a slight increase from the rate of 11.0% recorded in FY2023.

The following tables provide an overview of the Group's employee turnover rates in FY2024:

| Turnover Rate By Gender, Age & Geographical Region (%) |        |        |        |
|--------------------------------------------------------|--------|--------|--------|
| By Gender                                              | FY2024 | FY2023 | FY2022 |
| Male                                                   | 84.0   | 85.0   | 80.0   |
| Female                                                 | 16.0   | 15.0   | 20.0   |
| By Age                                                 |        |        |        |
| Under 30                                               | 71.0   | 62.0   | 54.0   |
| Between 30-50                                          | 25.0   | 36.0   | 45.0   |
| Above 50                                               | 4.0    | 2.0    | 1.0    |
| By Geographical Region                                 |        |        |        |
| Malaysia                                               | 100.0  | 100.0  | 100.0  |
| Others                                                 | 0.0    | 0.0    | 0.0    |

| Turnover Rate By Employee Category (No.) |            |           |            |
|------------------------------------------|------------|-----------|------------|
| By Employee Category                     | FY2024     | FY2023    | FY2022     |
| Management                               | 5          | 6         | 15         |
| Executive                                | 85         | 60        | 160        |
| Non-executive / Technical Staff          | 32         | 26        | 49         |
| General Workers                          | 0          | 0         | 1          |
| <b>Total</b>                             | <b>122</b> | <b>92</b> | <b>225</b> |

## SUSTAINABILITY STATEMENT

### Diversity and Equal Opportunities

The Group is committed to fostering a workplace that celebrates diversity and ensures equal opportunities for all employees. We believe that a diverse workforce, encompassing a wide range of backgrounds, perspectives and experiences is essential for our success and experience. The Group strives to create an inclusive environment where every individual feels valued, respected and empowered to contribute their best. We work to maintain workplaces that are free from discrimination and harassment based on race, sex, colour, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, political opinion or any other status protected under the law.

#### Code of Conduct

The Group is committed to:

- ensuring a work environment that values diversity and riches of various cultures; and
- providing equal employment opportunity to all individuals and does not tolerate illegal discrimination or harassment of any kind (race, religion, disabilities, gender or sexual orientation, age or nationality).

The Group is dedicated to maintaining these fair practices addressed in other policies such as the Recruitment Policy and the Group Human Rights and Labour Standards Policy.

As at 31 December 2024, the Group's total workforce is 881 employees (FY2023: 859 and FY2022: 737). For purposes of this Statement, all our workforce by geographical location is based in Malaysia. The total workforce reflected in other sections of this Annual Report 2024 may differ from this Statement as the scope of this Statement only covers the Malaysian operating entities under the PCB group of companies.

The following tables provide an overview and breakdown of the Group's performance and trends relating to the diversity and workforce profile:

#### Employee Composition

| By Employment Type    | FY2024     |              | FY2023     |              | FY2022     |              |
|-----------------------|------------|--------------|------------|--------------|------------|--------------|
|                       | No.        | %            | No.        | %            | No.        | %            |
| Permanent (Full-Time) | 875        | 99.0         | 840        | 98.0         | 729        | 99.0         |
| Contract              | 6          | 1.0          | 19         | 2.0          | 8          | 1.0          |
| <b>Total</b>          | <b>881</b> | <b>100.0</b> | <b>859</b> | <b>100.0</b> | <b>737</b> | <b>100.0</b> |

#### Gender Diversity

| By Gender    | FY2024     |              | FY2023     |              | FY2022     |              |
|--------------|------------|--------------|------------|--------------|------------|--------------|
|              | No.        | %            | No.        | %            | No.        | %            |
| Male         | 721        | 82.0         | 700        | 82.0         | 602        | 82.0         |
| Female       | 160        | 18.0         | 159        | 18.0         | 135        | 18.0         |
| <b>Total</b> | <b>881</b> | <b>100.0</b> | <b>859</b> | <b>100.0</b> | <b>737</b> | <b>100.0</b> |

## SUSTAINABILITY STATEMENT

### Age Diversity

| By Age Group (No.) | FY2024 | FY2023 | FY2022 |
|--------------------|--------|--------|--------|
| Under 30           | 466    | 498    | 421    |
| Between 30 - 50    | 364    | 317    | 275    |
| Above 50           | 51     | 44     | 41     |

### Employee Category by Gender

| By Gender for each Employee Category (%) | FY2024 | FY2023 | FY2022 |
|------------------------------------------|--------|--------|--------|
| <b>Management</b>                        |        |        |        |
| Male                                     | 12.4   | 12.7   | 14.8   |
| Female                                   | 1.9    | 3.7    | 4.3    |
| <b>Executive</b>                         |        |        |        |
| Male                                     | 50.3   | 49.1   | 52.0   |
| Female                                   | 10.3   | 8.7    | 9.0    |
| <b>Non-executive/Technical Staff</b>     |        |        |        |
| Male                                     | 17.9   | 19.1   | 14.9   |
| Female                                   | 5.2    | 5.5    | 4.3    |
| <b>General Workers</b>                   |        |        |        |
| Male                                     | 1.2    | 0.6    | 0.7    |
| Female                                   | 0.7    | 0.6    | 0.7    |

### Employee Category by Age Group

| By Age Group for each Employee Category (%) | FY2024 | FY2023 | FY2022 |
|---------------------------------------------|--------|--------|--------|
| <b>Management</b>                           |        |        |        |
| Under 30                                    | 0.2    | 0.4    | 0.4    |
| Between 30-50                               | 11.4   | 13.4   | 15.2   |
| Above 50                                    | 2.7    | 2.7    | 2.9    |
| <b>Executive</b>                            |        |        |        |
| Under 30                                    | 33.5   | 37.0   | 40.4   |
| Between 30-50                               | 24.7   | 19.1   | 18.7   |
| Above 50                                    | 2.4    | 1.6    | 1.8    |
| <b>Non-executive/Technical Staff</b>        |        |        |        |
| Under 30                                    | 17.6   | 19.7   | 15.3   |
| Between 30-50                               | 5.1    | 4.3    | 3.3    |
| Above 50                                    | 0.5    | 0.6    | 0.7    |
| <b>General Workers</b>                      |        |        |        |
| Under 30                                    | 1.6    | 0.9    | 1.0    |
| Between 30-50                               | 0.1    | 0.1    | 0.1    |
| Above 50                                    | 0.2    | 0.2    | 0.2    |

## SUSTAINABILITY STATEMENT

### Board Diversity

The current Board composition in FY2024 includes a 33.3% female representation and 66.7% male. The Board is also guided by the Company's Code of Conduct in carrying out their duties.

The Board's age diversity in FY2024 is outlined as follows:

| By Age (%)    | FY2024 | FY2023 | FY2022 |
|---------------|--------|--------|--------|
| Under 30      | 0.0    | 0.0    | 0.0    |
| Between 30-50 | 33.3   | 33.3   | 33.3   |
| Above 50      | 66.7   | 66.7   | 66.7   |

Further details on PCB's Board, please refer to the Corporate Governance Overview Statement in the Annual Report 2024.

While the Group does not have a balanced gender ratio overall, we recognise the need to increase female representation in specific functions. The age diversity reflects a higher mix of experienced professionals. We are dedicated to continuously improving our diversity and inclusion efforts through our review and assessment processes to ensure a fair and equitable workplace for all.



## SUSTAINABILITY STATEMENT

### Development and Training

Our employees are our valuable assets. We are committed to investing in their professional growth and development. Providing effective training opportunities is essential for both employee and business success, ensuring our workforce stays current with industry trends.

Under the Group's ESG Policy, the Group is dedicated to developing and training its employees, to improve their knowledge and skills to discharge their duties at work. The Group's training procedures outline a systematic approach to conduct training for continuous learning and hands on experience to discharge their duties at work.

Key training initiatives are carried out via:

- (a) **New employee orientation programmes.** A one-time onboarding programme offered to all new employees is aimed to provide overall briefing on the Company's overview and products, HR policies and procedures, workplace safety, highlighting key policies such as the Code of Conduct, Anti-Bribery and Corruption Policy and the Whistleblowing Policy and Procedures.
- (b) **Ongoing training programmes.** These programmes are available throughout the year tailored to meet individual training needs.

Based on the training needs assessments carried out through training plans and performance review process, the following training programmes were offered to employees in FY2024:

- Orientation briefings for new employees across all levels
- Technical skills development courses such as AutoCAD essentials, web application
- Safety training from the Fire Department (Bomba) and National Institute for Occupational Safety and Health ("NIOSH") (fire safety, forklift operator training, OSH Coordinator Competency Programme and Contractor Safety Passport System)
- Procurement, project management
- Leadership development programmes
- Administrative skills
- Cyber security and hacking
- Tax, E-invoicing
- Employment laws and latest updates

We believe ongoing training and development are crucial for employee satisfaction and career advancement, maintaining a skilled and adaptable workforce and driving business growth and innovation. Several Board members underwent training in FY2024 to improve their knowledge of the current developments. Further details of the Board's professional development are available in the Corporate Governance Overview Statement of the Annual Report 2024.

As at 31 December 2024, the Group's employees received a total of 5,456 hours of training. A total of RM397,782 was spent on these training courses and programmes. The average training hours for the Group amounted to 6.2 hours per employee in FY2024. While the number of training programmes increased in FY2024, these programmes were tailored to specific technical groups, resulting in a smaller overall participant count and lower record of training hours.

## SUSTAINABILITY STATEMENT

Below is an overview of the Group's training performance:

| Development and Training                                           | FY2024     | FY2023     | FY2022     |
|--------------------------------------------------------------------|------------|------------|------------|
| Total cost of training (RM)                                        | 397,781.90 | 324,748.44 | 476,819.02 |
| Percentage of employees who received training (%)                  | 48.2       | 74.3       | 48.9       |
| Total number of training hours received by employees (No. of hour) | 5,456      | 8,949      | 6,567      |
| <b>Percentage of employees who received training by gender (%)</b> |            |            |            |
| Male                                                               | 72.7       | 74.7       | 80.0       |
| Female                                                             | 27.3       | 25.3       | 20.0       |

### Number and Percentage of Training Hours by Employee Category

| Employee Category             | FY2024       | FY2023 | FY2022 | FY2024 | FY2023 | FY2022 |
|-------------------------------|--------------|--------|--------|--------|--------|--------|
|                               | No. of Hours |        |        | %      |        |        |
| Management                    | 1,350        | 2,605  | 1,755  | 93.7   | 82.3   | 61.3   |
| Executive                     | 3,385        | 5,938  | 4,308  | 49.1   | 82.7   | 55.7   |
| Non-executive/Technical Staff | 693          | 322    | 343    | 20.6   | 15.2   | 13.4   |
| General Workers               | 28           | 84     | 161    | 17.6   | 60.0   | 88.9   |

### Average Training Hours per Employee by Employee Category

| Employee Category (Hours)     | FY2024 | FY2023 | FY2022 |
|-------------------------------|--------|--------|--------|
| Management                    | 10.7   | 22.5   | 20.9   |
| Executive                     | 6.3    | 14.2   | 17.5   |
| Non-executive/Technical Staff | 3.4    | 10.6   | 17.2   |
| General Workers               | 1.7    | 14.0   | 20.1   |

### Average Training Hours per Employee by Gender

| Gender (Hours) | FY2024 | FY2023 | FY2022 |
|----------------|--------|--------|--------|
| Male           | 5.6    | 14.2   | 18.1   |
| Female         | 8.8    | 12.8   | 18.9   |

## SUSTAINABILITY STATEMENT

### Health and Safety

The Group's commitment to prioritising health and safety of its employees and contractors are underpinned in the Group's ESG Policy and guided by the Group's Environment, Health and Safety ("EHS") Policy Statement. We strive to maintain a safe, accident free and zero fatality workplace environment for all.

The EHS Policy outlines the health and safety required under the Malaysian Occupational Safety and Health Act 1994. All employees and contractors of the Group are required to adhere to the EHS Policy.



At PCB, a safe and healthy workplace is not just a policy. The Group has integrated safety into the fabric of its operations, ensuring every employee returns home safely each day. This commitment is driven by proactive measures, robust training and a culture of well-being.

### Expert Guidance and Proactive Committees

To fortify our safety protocols, we have partnered with an external health and safety consultant, bringing expert insights into our operations. Locally, each production plant has its own dedicated Health and Safety Committee, who oversees the Group's safety standards. These Committees, led by the Operations Director and comprised of representatives from diverse departments, meet quarterly to:

- Develop and refine safety health rules to ensure safety initiatives deliver tangible results;
- Evaluate programme effectiveness to ensure our safety initiatives deliver tangible results;
- Analyse incidents and near-misses to proactively identify and address potential hazards; and
- Report and recommend management with actionable insights for continuous improvements.

### Emergency Response

The Group's emergency response teams ("ERT") are strategically positioned at each production plant, ready to respond. Led by the Operations Director, these teams composed of diverse department members, are at the first line of defense, ensuring immediate assistance in any emergency. The Operations Director provides regular updates to the Board, ensuring transparency and accountability.

## SUSTAINABILITY STATEMENT

### Preventive Measures

Safety is a constant conversation at all our production facilities. Signages and TV screens serve as daily reminders to reinforce the Group's commitment to a secure workspace.

- **Mandatory PPE:** Ensuring employees are equipped for technical tasks
- **Organised workspaces:** Minimising trip hazards and promoting efficiency
- **Ceiling-based infrastructure:** Preventing tripping with strategically placed power points and compressed air facilities

### Training Drills

The ERT members receive annual first-aid and fire safety training, empowering them to respond effectively. Fire drills, conducted annually at each production plant ensure compliance with Bomba certification and reinforce the Group's preparedness. New employees are briefed in the Group's safety culture during onboarding.

In FY2024, a total of 58 employees (FY2023: 22 employees) received training on health and safety standards.

### First Response and Medical Support

While there are no onsite-medical clinics, we have established robust first-response systems. Trained first aiders, well-equipped first-aid kits and defibrillators are readily available. Company vehicles ensure prompt transportation to the nearest medical facility, should immediate care be required. We prioritise preventing injuring from worsening, ensuring our employees receive the best possible care.

Our commitment to health and safety is unwavering. We will continue to invest in training, technology and proactive measures to ensure the workplace remains a safe and healthy environment for all.

### Work-related injuries

In the event of any accidents at site, the Group is required to report to DOSH if the accidents caused any fatalities, or any serious bodily injury or where a dangerous occurrence takes place in any place of work. The Group is committed to maintaining a zero-fatality rate annually by preventing any workplace incidents. No fatalities were reported in the Group in FY2024. However, four work-related injuries were reported during the year, recording a higher number of work-related injuries from FY2023. The individuals received immediate medical attention and corrective actions were taken to prevent similar incidents from happening again.

| Health and Safety                                | FY2024    | FY2023             | FY2022    |
|--------------------------------------------------|-----------|--------------------|-----------|
| Total hours worked                               | 1,712,664 | 1,683,640          | 1,438,624 |
| Number of work-related fatalities                | 0         | 0                  | 0         |
| Rate of work-related fatalities                  | 0.0       | 0.0                | 0.0       |
| Lost-time incident rate ("LTIR") <sup>(a)</sup>  | 0.5       | 0.1 <sup>(b)</sup> | 0.0       |
| Total number of work-related injuries            | 4         | 1                  | 0         |
| Number of lost-time or days due to work injuries | 808       | 6                  | 0         |

Notes:

(a) Rate per the total hours worked. Calculated based on the standard base of 100 employees, working 40 hours a week for 50 weeks a year.

(b) Restated from previous year, after refining the methodology used.

## SUSTAINABILITY STATEMENT

### Community Investments

We invest in communities where we operate to enhance their quality of life. The Group's efforts in prioritising underprivileged groups, education, environmental issues and meaningful experiences aimed to create lasting value. Through close engagement and a dedicated Community Care Manager, we build strong relationships and ensure our contributions are impactful and have a lasting, positive impact. The Community Care Manager supports the Group to identify relevant causes where the Group can best contribute and effectively support.

In FY2024, the Group contributed approximately RM637,550 worth of monetary donations, which is an increase of 92.0% from the previous year. The Group contributed RM332,000 worth of monetary donations in FY2023. We aim to implement processes to collect data to capture the number of beneficiaries for our community investment initiatives to better reflect the significance of our contributions to the community.

The Group supported the following key causes in FY2024:

### Education

#### STEM Future-Proofing ("SEP") Programme

PCB sponsored RM60,000 in the STEM SEP Programme at SMJK Chung Ling High School, Penang, opening doors for 20 to 30 students each year to explore rewarding careers in engineering and computer science. This support, reflects PCB's commitment to nurturing future talent in critical fields such as engineering and computer science. Through engaging extracurricular activities like workshops and bootcamps, conducted by expert lecturers, students gain practical skills and deeper understanding of these high-demand fields. The programme includes regular classes, workshops, bootcamps, and annual appraisals, designed to bridge the gap between secondary education and professional studies, empowering students with essential skills and knowledge. PCB's support ensures continued access to this vital opportunity, fostering innovation and a brighter future.



#### Techspace at SMJK Heng Ee Cawangan Baru

PCB's sponsorship of RM350,000 has enabled the establishment of Techspace at SMJK Heng Ee Cawangan Baru, reflecting its dedication to empowering the next generation through education and innovation. The learning space, for the school's 1,500 students, will provide vital STEM (Science, Technology, Engineering, Mathematics) learning, fostering creativity, problem-solving, and technological skills, supporting PCB's commitment to nurturing young talent and supporting the next generation of innovators.



## SUSTAINABILITY STATEMENT

### ***Tech Dome Robomania 2024***

PCB contributed RM10,000 for Tech Dome Robomania 2024, a football themed STEM competition. Students demonstrated their robotics skills through intense rounds of creation and testing, fostering innovation and teamwork. This initiative, supported by PCB's commitment to advancing STEM education and nurturing future talents, inspired approximately 200 students from primary and secondary schools in Penang, Kedah, Sarawak, Pahang, Selangor, Kuala Lumpur, Negeri Sembilan and Kelantan.



### ***Technology, Education & Career ( "TEC" ) 2024***

PCB sponsored RM3,000 to Yayasan Universiti Teknologi Petronas ("UTP") in support of the TEC 2024 programme. This sponsorship provides crucial access to tertiary education at UTP for well-deserved underprivileged students from low-income families. PCB's commitment in this initiative reflects its dedication to empowering underprivileged students and fostering educational opportunities that pave the way for a brighter future.

## **Animal Welfare**

### ***Independent Aid for Protection and Welfare of Animals ("IAPWA") for Trap-Neuter-Release (or Rehome) Programme ("TNR")***

PCB contributed RM50,000 to support the TNR Programme organised by IAPWA Penang. This initiative is vital for the humane and effective management of Penang's stray and free-roaming dog population in Penang. This support underscores PCB's dedication to fostering a compassionate community and promoting animal welfare in Penang.



## SUSTAINABILITY STATEMENT

### Environmental

#### *Earth Hour*

As part of the Group's commitment to environmental sustainability, PCB participated in Earth Hour 2024 by switching off non-essential lights at our Bayan Lepas and Batu Kawan production plants. Through this symbolic action, we aimed to raise awareness about energy conservation and reinforce our dedication to sustainable practices within our operations.



### Social and Health Welfare

#### *"Happy Feet Striding For Palliative Care" 5km Charity Fun Run*

PCB participated as a sponsor in the "Happy Feet Striding for Palliative Care" 5km Charity Fun Run in April 2024, organised by Charis Hospice. The event saw 65 PCB employees participating in the run, embodying the Group's commitment to community welfare. In addition, PCB contributed RM10,000 to Charis Hospice to further support its mission. The funds raised will aid Charis Hospice in providing free home palliative care services to patients with cancer and other life-threatening illnesses on Penang Island, ensuring compassionate care across all races and religions. This collaboration reflects PCB's dedication to supporting impactful initiatives that make a difference in the lives of those in need.

Charis Hospice has faithfully supported around 60 to 70 patients by its medical team at any one time.



#### *Glo Walk*

PCB participated as a Silver Sponsor for the "Glo Walk 2024," contributing RM5,000 to this event organised by Tech Dome Penang. Additionally, PCB sponsored 50 employees to join the walk. This fundraising initiative aimed to create a brighter future for children by promoting the importance of STEM education in shaping future leaders and innovators. PCB's involvement reaffirms commitment to advancing education and innovation for the next generation.



## SUSTAINABILITY STATEMENT

### ***Fun Walk: Darkness into Light***

PCB sponsored the “Darkness Into Light” 6km Fun Walk, organised by the Rotary Club of Butterworth, with 50 employees participating in this meaningful event. In addition, PCB contributed RM25,000 to further support the event. The walk symbolised a collective journey of hope and renewal, raising awareness about mental health and emphasising the importance of recovery. By joining this initiative, PCB reaffirmed its commitment to promoting mental health awareness and fostering a supportive community where no one walks alone in their challenges.



### **Economic and Operating Practices**

Our commitment to social responsibility extends beyond our direct operations to encompass our broader economic and operating practices. The Group, a leading provider of advanced automation equipment and systems, is dedicated to excellence in all aspects of its operations. Through a focus on core technology, continuous innovation, high-quality products and collaborating with like-minded suppliers, the Group aims to set industry standards ensuring customer satisfaction and fostering economic growth for both the Group and our stakeholders.

### **Supply Chain Management**

The Group is dedicated to mitigating risks associated with its supply chain by implementing responsible and sustainable procurement practices. We recognise partnering with suppliers who lack transparency and responsible practices can negatively impact our reputation and business operations. We hold our suppliers accountable by assessing them against clear criteria, understanding that their business practices directly affect our reputation and how we operate. Our business practices align with the Responsible Business Alliance Code of Conduct, ensuring adherence to stringent social, environmental and ethical standards for the electronics industry supply chain.

At the Group level, the supply chain management team is reviewing a group-wide Procurement Policy and a Supplier Code, which are expected to be completed by quarter two of 2025, to further strengthen the Group's procurement practices. The Group's existing procurement procedures detail the procurement processes and sourcing strategies, including materials and labour sourcing, in accordance with relevant requirements.

## SUSTAINABILITY STATEMENT

### Supplier Engagement and Procurement Activities

Our supplier base primarily consists of manufacturers, agents, and distributors who provide materials essential to our various business segments, which include among others:

- fabricated parts made of metal or plastic
- sheet metal parts for machine structure
- medical components such as plastic resin needles, metal stamping parts and packing materials
- standard electronic components such as pneumatics, motors, sensors, switches and power supply

To support our production processes, we utilise subcontractors for manpower in wiring and assembly tasks. We also engage third-party contractors for the maintenance and enhancements of the Group's Enterprise Resource Planning system. Our supplier relationships, lasting from 1 to 20 years, reflect our dedication to building stable and reliable partnerships built on shared values.

### Approved List of Suppliers

The Group Procurement department maintains a list of approved suppliers for each type of sourced items. The Approved Vendor List, Evaluation and Performance Assessment Work Instruction procedures outline the criteria for each supplier to be included in the approved list of suppliers. The criteria for the suppliers include:

- legally registered business entity
- in stable financial condition
- provide service and respond to enquiries effectively
- provide a sustainable supply

The Group maintains a diverse list of suppliers to avoid dependence on a single source. As at 31 December 2024, the Group maintained about 1,000 approved suppliers.

We apply a rigorous selection process, selecting from the approved list of suppliers based on price, terms, minimum order of quantity, capability, service and support, warranty term, lead time and on-time delivery. Annual evaluations are conducted to ensure continued supplier approval, focusing on quality, timelines of deliveries, customer service and pricing provided throughout the year. As part of a broader supply chain management risk assessment planned in 2025, the Company will undertake to review its existing supplier selection and assessment methodology for further enhancements.

The Group establish Corporate Supply Agreement with our main suppliers to ensure fair terms and pricing, facilitating efficient access to products and services for our customers. A sample of the Corporate Supply Agreement is published and available on PCB's website. Our sourcing is driven by individual project and customer needs. In accordance with the Corporate Supply Agreement, all suppliers are required to adhere to the labour standards outlined in Schedule 1 of the Corporate Supply Agreement. These standards mandate the protection of worker rights including the prevention of forced labour and child labour, promotion of freedom of association, prevention of harassment and unlawful discrimination and compliance with all applicable wage laws including those relating to minimum wages.

In addition, the Group's Human Rights and Labour Standards Policy outlines the commitments required of its internal stakeholders as well as its business partners such as suppliers and vendors, as to not practice any coercive or deceptive employment practices across the supply chain. The Group adopts a zero-recruitment fee in its recruitment process and is committed to preventing and identifying vulnerable workers in its supply chain who are controlled, isolated, threatened and intimidated to be coerced.

## SUSTAINABILITY STATEMENT

The Group strives to source materials and parts mainly from local suppliers. In FY2024, the Group's proportion of spending on local suppliers amounted to approximately 63.6% of its procurement spending, which is a reduction from 78.9% in FY2023. The number of suppliers slightly increased in FY2024 compared to FY2023, due to new product and specifications demands from clients. Due to the unavailability of these products in Malaysia, sourcing from overseas suppliers is necessary.

The table below provides an overview of the number of suppliers for the Group by geographical region over the last three financial years:

| Number of Suppliers by Geographical Region | FY2024       | FY2023       | FY2022       |
|--------------------------------------------|--------------|--------------|--------------|
| Asia                                       | 953          | 927          | 901          |
| America                                    | 58           | 64           | 70           |
| Europe                                     | 39           | 22           | 27           |
| Oceania                                    | 2            | 4            | 5            |
| <b>Total</b>                               | <b>1,052</b> | <b>1,017</b> | <b>1,003</b> |

### Product Quality and Responsibility

Our commitment is to consistently deliver high-quality products that not only meet our customers' needs but also adhere to all relevant laws and regulations. Failure to do so may result in damaged reputation and impact our relationship with our key stakeholders, mainly our customers. Our Group's Quality Policy establishes a framework to setting measurable quality objectives. This framework, implemented across all functions and levels, includes a strong focus on risk mitigation and continuous improvement of our quality management system.

The following certifications are in place for the Group as at 31 December 2024:

- ISO 9001: 2015 Quality Management Systems ("QMS")
- ISO 13485: Medical Devices – Quality Management
- Medical Device Registration Certificate by the Malaysian Medical Device Authority

*\*The scope of the ISO 9001: 2015 QMS for the Group covers both the production plants in Bayan Lepas and Batu Kawan.*

### Testing and Compliance

We maintain exceptional quality standards through rigorous product testing, tailored to meet specific customer requirements. This includes adherence to RoHS (Restriction of Hazardous Substances) compliance, a European Union ("EU") directive aimed to restrict hazardous substances in electrical and electronic equipment as per EU directives. Additionally, some customers require CE (European compliant) certified on certain machines which are deemed to meet EU health and environmental protection.

To ensure quality of our products and solutions, the Group implements a comprehensive quality control system, which includes:

#### Supplier Selection

- Procure materials only from an approved list of suppliers who meet the Group's stringent quality standards

## SUSTAINABILITY STATEMENT

### ***Incoming Material Inspection***

- Immediate quality checks upon material arrival at production plant warehouses
- Random and mandatory inspections (fabrication, sheet metal and critical components) to verify adherence to the Group's standards
- Quality checks include: Visual inspection of material appearances, dimensional and fitting test
- Rejection and return of non-compliant items

### ***Production***

- Continuous quality checks during assembly and production stages
- Ensuring only acceptable in-process products proceed

### ***Final Inspection and Testing***

- Final checks conducted by our quality team
- Factory Acceptance Test report issued before product is shipped out to customers
- Site Acceptance Test report issued after testing at the customer's site (once products are assembled and operational)

### ***Compliance***

- Adherence to ISO 9001:2015 QMS Standards

### **Customer Satisfaction and Complaints Handling**

As customer satisfaction and feedback are vital to drive our success and industry reputation, we are committed to continuous improvement. We leverage customer insights to address their concerns to continuously enhance our products and services, ensuring our commitment to high-quality standards.

Our project teams manage all customer complaints, ensuring prompt resolution within the project schedule. Following the Group's Handling of Customer Complaint Procedure Policy, teams are required to acknowledge product quality issues within two working days. Upon investigation, a containment action plan is developed and implemented, and we collaborate closely with customers to ensure issues are resolved within reasonable timeframe.

In FY2024, the Group recorded two customer complaints. In response, immediate corrective measures were taken for each of the reported complaints, including providing additional training to the person in charge and conducting a thorough review of the product designs and packaging methods to ensure improved component tightening and secure packaging.

To proactively gather customer feedback and improve experience with our products and services, we conduct an annual customer satisfaction survey, primarily targeting our key clients (platinum and gold categories). This survey evaluates critical aspects, such as:

- query responsiveness
- product quality
- reliability and stability
- technical support and service response time
- overall satisfaction with the Group

We maintain consistent customer engagement through various channels, including emails, physical meetings, phone calls or video conferences.

## SUSTAINABILITY STATEMENT

The table below provides an overview of the product recalls and customer complaints received by the Group over the last three financial years.

| Product Recalls and Customer Complaints                                             | FY2024 | FY2023 | FY2022 |
|-------------------------------------------------------------------------------------|--------|--------|--------|
| Total products sold or shipped subject to recalls for safety and health reasons (%) | 0.0    | 0.0    | 0.0    |
| Products and service-related complaints received and how they are dealt with (No.)  | 2      | 4      | 1      |

### Intellectual Property

The Group recognises that its IP is a key business asset. We are committed to protecting the Group's proprietary technology, knowledge and manufacturing processes. The Group prioritises the protection of its IP, recognising its critical role in maintaining competitive advantage and driving competitive success. Unauthorised infringement, such as copying or use, may present a risk to the Group's standing, sales and reputation.

The Group's business model, centred on its core technology, continuous innovation and provision of customised high-value and technology products and solutions to customers, drive intensive R&D activity. Our R&D team collaborates closely with the project teams to develop solutions to meet specific customer needs. This focus on innovation has resulted in significant proprietary solutions, leading to increased IP filings. The Group also actively pursued trademark registrations and secured copyright declarations for key software products.

The Group is committed to safeguarding the confidentiality and security of all information to maintain trust of all stakeholders. To uphold this commitment, we adhere to the following principles on confidentiality and privacy outlined in the Group's Code of Conduct, which is published on the Company's website:

- ensuring all personal information on employees, customers, business partners or suppliers is handled diligently and treated with the utmost confidentiality, fully respecting all privacy rights
- commitment extends to all forms of confidential information including IP such as trade secrets, patents, trademarks, copyrights, manufacturing know-how, designs, inventions and database; business and marketing information; salary information; and/or any material non-public information

All employees are required to sign a Non-Disclosure Agreement, which serves as a vital safeguard against unauthorised disclosure, theft or misuse of sensitive information. To ensure ongoing protection, the Group consistently reviews and enhances its IP strategies and procedures, adapting to changing business environments and technologies.

In FY2024, a UK based company brought a claim against PCB for alleged infringement of their patents which comprised of a warehouse and robotics storage system. The Company has reported that it has not engaged in any acts of infringements and maintain no involvement with the specific technologies or systems described in the claim. PCB has taken appropriate legal action to strike out the claims. PCB does not expect that the litigation to have a material impact on the financial position or operation, aside from the legal fees incurred in defending or striking out the matter. As at 31 December 2024, there were no other legal actions regarding IP rights infringement instituted against the Group other than the claim referenced in this paragraph.

## SUSTAINABILITY STATEMENT

### GOVERNANCE

The Group prioritises ethical conduct and strong corporate governance, demonstrated by our commitment to accountability. Details of the Group's governance practices are outlined in the Annual Report 2024's Corporate Governance Report.

The Group strictly adheres to all relevant laws and regulations, ensuring sustainable operations. Our robust internal controls guarantee compliance, and as of 31 December 2024, no reports of any incidents of non-compliance were reported or made against the Group in relation to any permits, standards or breach of any relevant laws and regulations.

As the Group strives to create value through sustainable practices, the Group's commitment to anti-corruption and bribery stands as a cornerstone of our ethical framework. By ensuring integrity in the Group's operations, we not only enhance our reputation but also contribute to building stronger, more resilient communities.

### Anti-Corruption and Bribery

The Group recognises that fostering a culture of integrity and transparency is essential to its long-term success and the trust the stakeholders place on the Group. We are committed to conducting our business in compliance with all applicable anti-corruption and bribery laws and regulations.

#### Commitment to ethical conduct

PCB has a zero-tolerance approach towards any form of corruption and bribery in conducting its business. PCB's Anti-Corruption and Bribery Policy serves as a guiding framework to prevent the occurrence of bribery and corrupt practices in the conduct of the Group's business. The Board has oversight over the Anti-Corruption and Bribery Policy. The Company's Code of Conduct also reinforces the expectations of the Board, managers and employees not to conduct themselves in practices that seek to obtain business through improper means. During the last financial year, there were no staff disciplined or dismissed due to non-compliance of the Anti-Corruption and Bribery Policy.

To ensure that the high standards of openness, probity and accountability are maintained in the conduct of businesses and operations, the Company has in place a whistle-blowing channel as outlined under the Whistleblowing Policy and Procedures, for all employees, customers, suppliers and other stakeholders to raise concerns or any suspected misconduct, or malpractice within the company through confidential means. There were no reports made via the whistleblowing channels over the last three financial years. All employees can also report any grievance or any work-related complaint such as any unjust treatment, harassment and or safety and health concerns at the workplace, directly to their heads of department or to HR under the Grievance Handling Policy.

Both the Anti-Corruption and Bribery Policy and the Whistleblowing Policy and Procedures are available on the Company's website.

#### Training

All existing employees must receive regular and adequate training on the Company's stand on anti-corruption and bribery, integrity and ethics to ensure their thorough understanding of this Policy. New employees are briefed during onboarding sessions on the Company's position on anti-corruption and bribery practices.

In FY2024, 124 employees participated in anti-corruption and bribery training, a decrease of approximately 39.0% compared to the 202 employees who received training in the previous year. This reduction aligns with the lower number of new hires joining the Group in FY2024, who are trained on these topics during their onboarding programme. Existing employees are required to read and acknowledge their understanding of the Policy annually.

#### Risk Assessment

All our operations are assessed for corruption risks. In higher risk areas of the operations, the Group has stringent internal controls to effectively mitigate such risk. This process includes conducting due diligence on third-party suppliers to ensure they adhere to our ethical standards. By maintaining rigorous monitoring systems, we aim to detect and prevent corrupt practices before they occur.

## SUSTAINABILITY STATEMENT

We measure our employees who have received training on anti-corruption and bribery each year, which is presented in the following table below:

| Employees who have received training on anti-corruption by employee category | FY2024 | FY2023 | FY2022 |
|------------------------------------------------------------------------------|--------|--------|--------|
|                                                                              | %      | %      | %      |
| (i) Management                                                               | 6.0    | 7.0    | 6.0    |
| (ii) Executive                                                               | 15.0   | 21.0   | 40.0   |
| (iii) Non-executive/Technical Staff                                          | 19.0   | 40.0   | 50.0   |
| (iv) General Workers                                                         | 0.0    | 10.0   | 78.0   |

### Data Privacy and Security

As cybersecurity concerns increase in complexity, the Group must continuously strengthen its preventive measures. Data security and privacy are crucial to maintaining trust with our clients, employees and stakeholders. At PCB, we are committed to protecting consumer data and privacy, adhering to laws like the Personal Data Protection Act 2010. To ensure understanding and compliance, all employees must acknowledge Personal Data Protection notice, which details the Group's practices for collecting, using, disclosing, holding and storing employee data.

Operational data is regularly backed up by the Group's management information systems operational team. Daily backups are automated to offsite server and tested quarterly. This offsite availability allows for immediate recovery during system disruptions. The Business Continuity and Disaster Response and Recovery Plan supports continued critical business processes during unplanned interruptions.

The Group provides ongoing training on data security to enhance data security efforts within the Group. During the reporting year, several employees attended certified training on Cybersecurity Technician and Ethical Hacker. Creating a culture of awareness empowers employees to take responsibility for safeguarding data and ensures that everyone understands their role in our security framework.

As at 31 December 2024, there were zero substantiated complaints concerning breaches of customer privacy or losses of customer data. This is consistent with the results reported over the last three financial years.

## SUSTAINABILITY STATEMENT

### PERFORMANCE DATA TABLE

| Indicators                                        | Unit                       | FY2024    | FY2023    | FY2022    | Target                  |
|---------------------------------------------------|----------------------------|-----------|-----------|-----------|-------------------------|
| <b>Energy Management</b>                          |                            |           |           |           |                         |
| Total purchased electricity consumption           | kWh'000                    | 9,093.66  | 6,040.32  | 6,464.24  |                         |
| Purchased electricity consumption intensity       | per RM' million in revenue | 14.60     | 8.73      | 10.76     |                         |
| Total fuel consumption                            | litre                      | 23,871.45 | N/A       | N/A       |                         |
| Bursa C4(a) Total energy consumption              | gigajoules                 | 33,519.74 | 21,745.14 | 23,271.26 |                         |
| Energy consumption intensity                      | per RM' million in revenue | 53.80     | 31.43     | 38.75     | Reduce by 20.0% by 2030 |
| <b>Water Management</b>                           |                            |           |           |           |                         |
| Bursa C9(a) Total volume of water used            | megalitres                 | 32.86     | 30.03     | 30.29     |                         |
| Total volume of water used                        | m <sup>3</sup>             | 32,856    | 30,033    | 30,293    |                         |
| Water consumption intensity                       | per RM' million in revenue | 52.74     | 43.40     | 50.44     | Reduce 20.0% by 2030    |
| <b>Packaging Materials</b>                        |                            |           |           |           |                         |
| Total packaging materials                         | tonnes                     | 96.75     | 148.39    | 117.09    |                         |
| Packaging materials intensity                     | per RM' million in revenue | 0.16      | 0.21      | 0.19      |                         |
| <b>Waste Management</b>                           |                            |           |           |           |                         |
| Bursa C10(a) Total waste generated                | metric tonnes              | 56.23     | 30.52     | 24.03     | Reduce by 20.0% by 2030 |
| Waste consumption intensity                       | per RM' million in revenue | 0.09      | 0.044     | 0.040     |                         |
| Total hazardous waste                             | metric tonnes              | 6.70      | 0.75      | 0.21      |                         |
| Hazardous waste intensity                         | per RM' million in revenue | 0.01      | 0.0011    | 0.0003    |                         |
| Total non-hazardous waste                         | metric tonnes              | 49.53     | 29.77     | 23.82     |                         |
| Non-hazardous waste intensity                     | per RM' million in revenue | 0.08      | 0.043     | 0.04      |                         |
| Bursa C10(a)(ii) Total waste directed to disposal | metric tonnes              | 49.53     | N/A       | N/A       |                         |

## SUSTAINABILITY STATEMENT

### PERFORMANCE DATA TABLE

| Indicators                                                                                                     | Unit                       | FY2024   | FY2023   | FY2022   | Target                  |
|----------------------------------------------------------------------------------------------------------------|----------------------------|----------|----------|----------|-------------------------|
| <b>Emissions</b>                                                                                               |                            |          |          |          |                         |
| Total GHG emissions                                                                                            | tCO <sub>2</sub> e         | 8,759.40 | 4,785.00 | 5,038.44 |                         |
| GHG emissions intensity                                                                                        | per RM'million in revenue  | 14.06    | 6.92     | 8.39     | Reduce by 20.0% by 2030 |
| Bursa C11(a) Scope 1 GHG emissions in tonnes of CO <sub>2</sub> e                                              | tCO <sub>2</sub> e         | 49.76    | N/A      | N/A      |                         |
| Scope 1 GHG emissions intensity                                                                                | per RM'million in revenue  | 0.08     | N/A      | N/A      |                         |
| Bursa C11 (b) Scope 2 GHG emissions in tonnes of CO <sub>2</sub> e                                             | tCO <sub>2</sub> e         | 7,038.49 | 4,578.56 | 4,899.89 |                         |
| Scope 2 GHG emissions intensity                                                                                | per RM'million in revenue  | 11.30    | 6.62     | 8.16     |                         |
| Bursa C11(c) Scope 3 GHG emissions in tonnes of CO <sub>2</sub> e (ie. business travel and employee commuting) | tCO <sub>2</sub> e         | 1,671.15 | 206.44   | 138.55   |                         |
| Scope 3 GHG emissions intensity                                                                                | per RM' million in revenue | 2.68     | 0.30     | 0.23     |                         |
| <b>Employee Management</b>                                                                                     |                            |          |          |          |                         |
| Turnover Rate of employees                                                                                     | %                          | 14.0     | 11.0     | 30.0     |                         |
| <i>Turnover Rate by gender</i>                                                                                 |                            |          |          |          |                         |
| Male                                                                                                           | %                          | 84.0     | 85.0     | 80.0     |                         |
| Female                                                                                                         | %                          | 16.0     | 15.0     | 20.0     |                         |
| <i>Turnover Rate by age group</i>                                                                              |                            |          |          |          |                         |
| Under 30                                                                                                       | %                          | 71.0     | 62.0     | 54.0     |                         |
| Between 30-50                                                                                                  | %                          | 25.0     | 36.0     | 45.0     |                         |
| Above 50                                                                                                       | %                          | 4.0      | 2.0      | 1.0      |                         |
| <i>Turnover Rate by geographical region</i>                                                                    |                            |          |          |          |                         |
| Malaysia                                                                                                       | %                          | 100.0    | 100.0    | 100.0    |                         |
| Others                                                                                                         | %                          | 0.0      | 0.0      | 0.0      |                         |
| <i>Bursa C6(c) Total number of employee turnover by employee category</i>                                      |                            |          |          |          |                         |
| Management                                                                                                     | No.                        | 5        | 6        | 15       |                         |
| Executive                                                                                                      | No.                        | 85       | 60       | 160      |                         |
| Non-executive/Technical Staff                                                                                  | No.                        | 32       | 26       | 49       |                         |
| General Workers                                                                                                | No.                        | 0        | 0        | 1        |                         |

## SUSTAINABILITY STATEMENT

### PERFORMANCE DATA TABLE

| Indicators                                                                                    | Unit | FY2024 | FY2023 | FY2022 | Target |
|-----------------------------------------------------------------------------------------------|------|--------|--------|--------|--------|
| <b>Diversity and Equal Opportunities</b>                                                      |      |        |        |        |        |
| Total number of employees                                                                     | No.  | 881    | 859    | 737    |        |
| <i>By gender</i>                                                                              |      |        |        |        |        |
| Male                                                                                          | No.  | 721    | 700    | 602    |        |
|                                                                                               | %    | 82.0   | 82.0   | 82.0   |        |
| Female                                                                                        | No.  | 160    | 159    | 135    |        |
|                                                                                               | %    | 18.0   | 18.0   | 18.0   |        |
| <i>Employees by employment type</i>                                                           |      |        |        |        |        |
| Permanent (Full-Time)                                                                         | No.  | 875    | 840    | 729    |        |
|                                                                                               | %    | 99.0   | 98.0   | 99.0   |        |
| Contract                                                                                      | No.  | 6      | 19     | 8      |        |
| <i>Bursa C6(b) Percentage of employees that are contractors or temporary staff</i>            | %    | 1.0    | 2.0    | 1.0    |        |
| <i>Employees by age group</i>                                                                 |      |        |        |        |        |
| Under 30                                                                                      | No.  | 466    | 498    | 421    |        |
| Between 30-50                                                                                 | No.  | 364    | 317    | 275    |        |
| Above 50                                                                                      | No.  | 51     | 44     | 41     |        |
| <i>Employees by geographical region</i>                                                       |      |        |        |        |        |
| Malaysia                                                                                      | %    | 100.0  | 100.0  | 100.0  |        |
| Others                                                                                        | %    | 0.0    | 0.0    | 0.0    |        |
| <i>Bursa C3(a) Percentage of employees by gender and age group for each employee category</i> |      |        |        |        |        |
| <i>(i) Management</i>                                                                         |      |        |        |        |        |
| Male                                                                                          | %    | 12.4   | 12.7   | 14.8   |        |
| Female                                                                                        | %    | 1.9    | 3.7    | 4.3    |        |
| Under 30                                                                                      | %    | 0.2    | 0.4    | 0.4    |        |
| Between 30-50                                                                                 | %    | 11.4   | 13.4   | 15.2   |        |
| Above 50                                                                                      | %    | 2.7    | 2.7    | 2.9    |        |

## SUSTAINABILITY STATEMENT

### PERFORMANCE DATA TABLE

| Indicators                                                                        | Unit | FY2024 | FY2023 | FY2022 | Target |
|-----------------------------------------------------------------------------------|------|--------|--------|--------|--------|
| <i>(ii) Executive</i>                                                             |      |        |        |        |        |
| Male                                                                              | %    | 50.3   | 49.1   | 52.0   |        |
| Female                                                                            | %    | 10.3   | 8.7    | 9.0    |        |
| Under 30                                                                          | %    | 33.5   | 37.0   | 40.4   |        |
| Between 30-50                                                                     | %    | 24.7   | 19.1   | 18.7   |        |
| Above 50                                                                          | %    | 2.4    | 1.6    | 1.8    |        |
| <i>(iii) Non-executive/Technical Staff</i>                                        |      |        |        |        |        |
| Male                                                                              | %    | 17.9   | 19.1   | 14.9   |        |
| Female                                                                            | %    | 5.2    | 5.5    | 4.3    |        |
| Under 30                                                                          | %    | 17.6   | 19.7   | 15.3   |        |
| Between 30-50                                                                     | %    | 5.1    | 4.3    | 3.3    |        |
| Above 50                                                                          | %    | 0.5    | 0.6    | 0.7    |        |
| <i>(iv) General Workers</i>                                                       |      |        |        |        |        |
| Male                                                                              | %    | 1.2    | 0.6    | 0.7    |        |
| Female                                                                            | %    | 0.7    | 0.6    | 0.7    |        |
| Under 30                                                                          | %    | 1.6    | 0.9    | 1.0    |        |
| Between 30-50                                                                     | %    | 0.1    | 0.1    | 0.1    |        |
| Above 50                                                                          | %    | 0.2    | 0.2    | 0.2    |        |
| <i>Bursa C3(b) Percentage of directors by gender and age group</i>                |      |        |        |        |        |
| Male                                                                              | %    | 66.7   | 66.7   | 66.7   |        |
| Female                                                                            | %    | 33.3   | 33.3   | 33.3   |        |
| Under 30                                                                          | %    | 0.0    | 0.0    | 0.0    |        |
| Between 30 – 50                                                                   | %    | 33.3   | 33.3   | 33.3   |        |
| Above 50                                                                          | %    | 66.7   | 66.7   | 66.7   |        |
| <i>Human Rights</i>                                                               |      |        |        |        |        |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations | No.  | 0      | 0      | 0      |        |

# SUSTAINABILITY STATEMENT

## PERFORMANCE DATA TABLE

| Indicators                                                             | Unit        | FY2024    | FY2023             | FY2022    | Target |
|------------------------------------------------------------------------|-------------|-----------|--------------------|-----------|--------|
| <b>Development and Training</b>                                        |             |           |                    |           |        |
| Total number of training hours                                         | Hours       | 5,456     | 8,949              | 6,567     |        |
| Percentage of total employees who received training                    | %           | 48.2      | 74.3               | 48.9      |        |
| <i>Total employees who took part in training by gender</i>             |             |           |                    |           |        |
| Male                                                                   | %           | 72.7      | 74.7               | 80.0      |        |
| Female                                                                 | %           | 27.3      | 25.3               | 20.0      |        |
| <i>Bursa C6(a) Total hours of training by employee category</i>        |             |           |                    |           |        |
| Management                                                             | Hours       | 1,350     | 2,605              | 1,755     |        |
|                                                                        | %           | 93.7      | 82.3               | 61.3      |        |
| Executive                                                              | Hours       | 3,385     | 5,938              | 4,308     |        |
|                                                                        | %           | 49.1      | 82.7               | 55.7      |        |
| Non-executive/Technical Staff                                          | Hours       | 693       | 322                | 343       |        |
|                                                                        | %           | 20.6      | 15.2               | 13.4      |        |
| General Workers                                                        | Hours       | 28        | 84                 | 161       |        |
|                                                                        | %           | 17.6      | 60.0               | 88.9      |        |
| Average training hours per employee (overall)                          | Hours       | 6.2       | 10.3               | 8.9       |        |
| <i>Average training hours by gender</i>                                |             |           |                    |           |        |
| Male                                                                   | Hours       | 5.6       | 14.2               | 18.1      |        |
| Female                                                                 | Hours       | 8.8       | 12.8               | 18.9      |        |
| <i>Average training hours by employee category</i>                     |             |           |                    |           |        |
| Management                                                             | Hours       | 10.7      | 22.5               | 20.9      |        |
| Executive                                                              | Hours       | 6.3       | 14.2               | 17.5      |        |
| Non-executive/Technical Staff                                          | Hours       | 3.4       | 10.6               | 17.2      |        |
| General Workers                                                        | Hours       | 1.7       | 14.0               | 20.1      |        |
| Total cost of training                                                 | RM          | 397,782   | 324,748            | 476,819   |        |
| <b>Health and Safety</b>                                               |             |           |                    |           |        |
| Bursa C5(a) Number of work-related fatalities                          | No.         | 0         | 0                  | 0         |        |
| Rate of work-related fatalities                                        | Rate        | 0.0       | 0.0                | 0.0       |        |
| Bursa C5(b) Lost-Time Incident Rate ("LTIR")                           | Rate        | 0.5       | 0.1 <sup>(b)</sup> | 0         |        |
| Lost-time or days due to work injuries                                 | No. of days | 808       | 6                  | 0         |        |
| Total Hours Worked                                                     | Hours       | 1,712,664 | 1,683,640          | 1,438,624 |        |
| Total number of work-related injuries                                  | No.         | 4         | 1                  | 0         |        |
| Bursa C5(c) Number of employees trained on health and safety standards | No.         | 58        | 22                 | 16        |        |

## SUSTAINABILITY STATEMENT

### PERFORMANCE DATA TABLE

| Indicators                                                                                                          | Unit | FY2024  | FY2023  | FY2022  | Target |
|---------------------------------------------------------------------------------------------------------------------|------|---------|---------|---------|--------|
| <b>Community Investments</b>                                                                                        |      |         |         |         |        |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | RM   | 637,550 | 332,000 | 256,000 |        |
| <b>Supply Chain Management</b>                                                                                      |      |         |         |         |        |
| Total number of suppliers                                                                                           | No.  | 1,052   | 1,017   | 1,003   |        |
| Bursa C7(a) Proportion of spending on local suppliers                                                               | %    | 63.6    | 78.9    | 59.9    |        |
| <b>Product Quality and Responsibility</b>                                                                           |      |         |         |         |        |
| Total products sold or shipped subject to recalls for health and safety reasons                                     | %    | 0.0     | 0.0     | 0.0     |        |
| Number of complaints received on products and or services                                                           | No.  | 2       | 4       | 1       |        |
| <b>Intellectual Property</b>                                                                                        |      |         |         |         |        |
| Number of actions instituted for any infringement of IP rights                                                      | No.  | 1       | 0       | 0       |        |
| <b>Anti-corruption</b>                                                                                              |      |         |         |         |        |
| <i>Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category</i>       |      |         |         |         |        |
| Management                                                                                                          | %    | 6.0     | 7.0     | 6.0     |        |
| Executive                                                                                                           | %    | 15.0    | 21.0    | 40.0    |        |
| Non-executive/Technical Staff                                                                                       | %    | 19.0    | 40.0    | 50.0    |        |
| General Workers                                                                                                     | %    | 0.0     | 10.0    | 78.0    |        |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks                                          | %    | 100.0   | 100.0   | 100.0   |        |
| Bursa C1(c) Confirmed incidents of corruption and action taken                                                      | No.  | 0       | 0       | 0       |        |
| Employees participated in anti-bribery and corruption training                                                      | No.  | 124     | 202     | 268     |        |
| Whistleblowing reports via whistleblowing channels                                                                  | No.  | 0       | 0       | 0       |        |
| Number of incidents of non-compliance of any permits, standards or relevant laws and regulations                    | No.  | 0       | 0       | 0       |        |
| <b>Data Privacy and Security</b>                                                                                    |      |         |         |         |        |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data   | No.  | 0       | 0       | 0       |        |

N/A – Not available

\* Restatement

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors recognises the importance of good corporate governance and the need to ensure that it is observed and practised throughout the Group. It strives to continually improve and comply with the principles and recommendations on corporate governance as articulated in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021").

This Statement sets out the details on how the Group has applied the Principles and Recommendations mentioned above.

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### I. Board Responsibilities

The Board is responsible for guiding and monitoring the Company on behalf of its shareholders. The Board has adopted a Board Charter that sets out the division of responsibilities between the Executive Directors, the Non-Executive Directors and the management team. The Board delegates the day-to-day management of the business to the Executive Directors and the management team. However, certain functions are specifically reserved for the Board which include the following:

- in conjunction with management, establishing a vision and strategies for the Group;
- approving the Group's annual business plan and budget;
- approving specific items of material capital expenditure and investments and disinvestments;
- appointing Directors to the Board;
- appointing and approving the terms and conditions of appointment of Executive Directors;
- approving any significant changes to accounting policies;
- approving the quarterly financial statements;
- approving the annual financial statements;
- approving any interim dividends and recommending any final dividends to shareholders;
- approving all circulars, statements and corresponding documents sent to shareholders;
- approving the terms of reference and membership of Board Committees; and
- approving Company policies which may be developed from time to time.

#### Roles and responsibilities

In fulfilling its function, the Board assumes, among others, the following responsibilities:

- Promoting, together with senior management, good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- Providing leadership and strategic directions for the Group which supports long term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- Overseeing the proper conduct of the business;
- Ensuring prudent and effective controls and risk management system;
- Reviewing the performance of management; and
- Overseeing the development and implementation of shareholder communication policy.

In looking into future growth, the Group continues to grow its customer base into industries other than the semiconductor industry by leveraging on its core competencies in providing automation solution. This strategy of customer risk diversification and penetration into other industries is a risk strategy to mitigate against the highly cyclical nature of the semiconductor industry and also to ensure that the Group's earnings is not too dependent on a single industry.

The Board continues to monitor the execution of the strategies adopted to grow its customer base and diversify into other industries by leveraging on its core competencies. This strategy which is delegated to the Executive Directors to implement is reported back to the Board on a periodical basis. In executing the strategy, the Board will constantly advise management to be mindful of inventory levels and credit risks on receivables. The Board monitors these two important areas regularly at its quarterly meetings. The Audit Committee assists the Board to monitor other areas of internal control over material areas of the Group's operations through the internal audit function. Areas of concern and recommendations put forward by the internal auditors are reported back to the Audit Committee and the Board for appropriate action to be taken.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### I. Board Responsibilities (Cont'd)

#### Separation of position of Chairman and Executive Director

The Executive Chairman is responsible for the conduct of Board meetings and ensures that Board discussions are conducted in a manner that all views are taken into account before a decision is made. The Executive Director has the general responsibility for day-to-day running of the Group's business, implementation of Board policies and making of operational decisions duly assisted by the Management team. The positions of the Executive Chairman and the Executive Director are held by different individuals.

#### Independence of Chairman from Board Committees

The Executive Chairman maintains independence from the Board Committees and is not a member of the Audit Committee, Nominating Committee and Remuneration Committee.

#### Company Secretary

The Directors have direct access to the advice and the services of the Company Secretaries to enable them to discharge their duties. The Company Secretaries update the Directors periodically when new statutes and requirements are issued by the regulatory authorities to ensure that the Directors are aware of regulatory developments that affect them in carrying out their responsibilities. The Company Secretaries also make announcements to Bursa Malaysia Securities Berhad ("Bursa Malaysia") on behalf of the Company and brief the Board on proposed contents of material announcements prior to their release.

The Company Secretaries convene all Board meetings and at least one of them attends all Board meetings to ensure that Board procedures are followed and accurate records of the proceedings and resolutions passed are maintained. The Company Secretaries also ensure that the statutory registers are properly maintained at the registered office of the Company. The Board believes that the current Company Secretaries who are qualified and experienced are capable of carrying out their duties to assist the Board in ensuring adherence to Board policies and procedures.

#### Access to information and advice

All Directors have full and timely access to information with Board papers distributed within a reasonable period prior to the meeting. Agenda and discussion papers, including quarterly and annual financial statements, minutes of meetings and Board papers which include reports relevant to the issues of the meetings covering the areas of strategic, financial and operational matters are normally circulated one week prior to Board Meetings to allow the Directors to study and evaluate the matters to be discussed.

If required, the Directors may take independent professional advice in the furtherance of their duties at the Company's expense. Before incurring the professional fee, the concerned Director must seek the approval of the Board. The Directors may access all information within the Group in furtherance of their duties.

#### Board Charter

The Board has formally adopted a Board Charter which provides guidance to the Board in the fulfillment of its roles, duties and responsibilities which are in line with relevant legislations, regulations and the principles of good corporate governance. The Board Charter outlines the composition and structure of the Board, the appointment of new Directors to the Board, the Board's powers duties and responsibilities including the division of responsibilities between executive and non-executive directors and management, establishment of Board Committees, remuneration of Directors and processes and procedures for convening Board meetings. The Board Charter also underlines the Board's commitment to the compliance with laws, regulations and its internal Code of Ethics. The Board Charter is subject to periodic review and will be updated from time to time to reflect changes to the Company's policies, procedures and processes as well as changes to legislations and regulations. The Board Charter is available on the Company's website at <https://www.pentamaster.com>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### I. Board Responsibilities (Cont'd)

#### Code of Conduct

The Board is committed to uphold compliance with relevant requirements of laws, the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia ("Listing Requirements") in the conduct of the business of the Company. In addition, the Directors observe a Code of Ethics, which was developed by the Board based substantially on the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. The Directors' Code of Ethics is available on the Company's website at <https://www.pentamaster.com>

Similarly, the Group has in place a code of conduct which is applied to the Group's employees. The code of conduct for employees documented policies and guidelines within the Group covering the conduct of employees to comply with laws and regulations when they carry out their duties and responsibilities. The Code of Conduct for employees is available on the Company's website at <https://www.pentamaster.com>

#### Anti-Corruption and Bribery Policy and Whistleblowing policy

The Group has adopted an Anti-Corruption and Bribery Policy which sets out parameters to prevent the occurrence of bribery and corrupt practices in the conduct of the Group's business. This policy provides information and guidelines to all Directors and employees of the Group in relation to the standard of behaviour which they must adhere to and how to recognise and deal with bribery and corruption.

The Board recognises the importance of whistle blowing where a programme has been introduced for the employees as well as customers, consultants, vendors, contractors and/or any other parties with a business relationship with the company to channel concerns about illegal or unethical business conduct affecting the Company.

Any employee or member of the public who have concerns about illegal or unethical business conduct in the work place, the concerns may be reported to the appropriate channel, and the matter and outcome will be highlighted at the Audit Committee meetings.

The Anti-Corruption and Bribery Policy and Whistleblowing Policy of the Group are available on the Company's website at <https://www.pentamaster.com>

#### Sustainability Strategy

In setting the Group's overall business strategy, the Board took into consideration and implemented strategies and practices that would promote sustainable growth for the Group. The Group is committed to ensuring the long-term sustainability of the Group's businesses by embedding various sustainability measures in the Group's business operations which are interconnected with ESG. Within this context, an ESG committee has been established with the objective to assist the Board in its oversight responsibilities, in particular, to ensure the strategic plan for the Group supports long-term value creation and sustainability goals as well as to ensure the development and implementation of the strategic plan for the Group is effective and takes into account sustainability considerations.

The Board through the ESG committee views and monitors the Group's ESG policies and practices in ensuring compliance with legal and regulatory requirements. The ESG committee is responsible to:

- (i) oversee and execute the Group's sustainability strategy;
- (ii) review and ensure proper disclosure and compliance with the relevant ESG Guidelines;
- (iii) review the annual ESG risks;
- (iv) present and regularly report to the Board on sustainability performance; and
- (v) make recommendations to enhance sustainability strategies and practices.

The ESG committee ensures that the Board stays abreast and understands the sustainability issues relevant to the Group. The Board regularly engages with the ESG committee which is currently led by the Group's Operations Director and Chief Financial Officer.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### I. Board Responsibilities (Cont'd)

#### Sustainability Strategy (cont'd)

The Board also assess the sustainability risks through its Risk Management Committee which explicitly oversees various risks faced by the Group.

For more information about the Group's sustainability matters, please refer to the Sustainability Statement set out in this Annual Report.

#### Directors' Fit and Proper Policy

The Board has on 12 May 2022 adopted the Directors' Fit and Proper Policy to ensure a formal, rigorous and transparent process for appointment and re-election of directors of the Group. The Directors' Fit and Proper Policy is available on the Company's website at <https://www.pentamaster.com>

### II. Board Composition

The Board presently has six (6) members which consists of two (2) Executive Directors, two (2) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors. Under the recommendation of MCCG 2021, at least half of the Board should comprise Independent Directors. The Board will look into bringing its composition to be in line with the recommendation under MCCG 2021.

Given the nature and scope of the Group's operations, the Board considers that the current composition of the Board is of the appropriate size and with the right mix of skills and experience in meeting the Group's current needs and requirements. A profile of each Director is presented on pages 20 to 26 of this Annual Report.

#### Annual assessment of independent directors

The role of the Independent Directors is to bring independent and objective judgment to the Board which mitigates risks arising from conflict of interest or undue influence from interested parties and protects the interest of minority shareholders. The Board recognises that it is important to periodically assess whether a Director who is designated as independent continues to satisfy such designation. Towards this end, an assessment of independence is carried out on each of the Independent Directors annually by every other member of the Board.

During the financial year, the Board carried out an assessment on each of the Independent Director. Each Independent Director was required to declare his/her compliance with the criteria of independence as set out in the Board Charter. In addition, all the Board members were required to evaluate whether each of the Independent Director had continued to show independent and objective judgment in deliberations at Board meetings as well as his/her conduct outside of Board meetings in matters relating to the Group's affairs. Based on the evaluation carried out, the Board of Directors concluded that the Independent Directors satisfied the criteria of independence set by the Board.

#### Tenure of directors

The MCCG 2021 recommends that the composition of the Board is refreshed periodically. The tenure of each director should be reviewed by the Nominating Committee and the annual re-election of a director should be contingent on satisfactory evaluation of the director's performance of and contribution to the Board.

The Board does not have a policy requiring the composition of the Board to be refreshed periodically. Re-election of directors is done in accordance with the Company's constitution and the Listing Requirements which require the directors to retire from office at least once in every 3 years with such directors being eligible for re-election. The Nominating Committee ensures the leadership of the Group through the Board is equipped with the right skills and experience to steer the Group towards its long-term strategy and goals. The Nominating Committee also ensures that the Board can function optimally for the current needs of the Company and the Group.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### II. Board Composition (Cont'd)

#### Tenure of directors (cont'd)

The Board is mindful of the recent amendments to the Listing Requirements where a director cannot act as an Independent Director for more than twelve (12) years and that the amendment was implemented on or after 1 June 2023. With the foregoing amendment and the implementation thereof in mind, each of the Independent Directors continues to comply with the current definition of an Independent Director under paragraph 1.01 and Practice Note 13 of the Listing Requirements.

It has also stipulated that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, it should justify and seek annual shareholders' approval. Shareholders' approval through a two-tier voting process at a general meeting must be sought in the event that the Company intends to retain him/her as an Independent Director of the Company.

The Board does not have a policy which limits the tenure of an Independent Director to nine (9) years as it believes that the tenure of service is not a major factor to determine the independence of a Director. However, in accordance with the Listing Requirements, an Independent Director's cumulative service must not exceed twelve (12) years from the date of his or her appointment. After the twelve-year period has elapsed, an Independent Director has the option of resigning from the position as a Director of the Company or remaining on the Board, depending upon their re-designation as a Non-Independent Director.

A summary of tenure of service of Independent Directors who currently sit on the Board are as follows:

| Name of directors    | Date of appointment | Tenure of service as at 31 March 2025 |
|----------------------|---------------------|---------------------------------------|
| Lee Kean Cheong      | 19 December 2017    | 7 years 3 months                      |
| Roslinda Binti Ahmad | 7 April 2023        | 1 year 11 months                      |

#### Criteria used in recruitment and annual assessment

The Nominating Committee's responsibilities include the development and review of the criteria to be used in the recruitment of Board members and the annual assessment of Directors.

The Board uses a variety of sources for the identification of suitable candidates. The Nominating Committee reviews the composition, skill sets, gender and Board requirements every year as part of the Board assessment. The Board may rely on recommendations from existing board members and other sources to meet the skill sets and requirements of the Board. The Board is open to utilising independent sources as well. The Board will use a myriad of resources to source for candidates based on recommendations and independent sources. The Nominating Committee has developed the following procedure for considering potential Board candidates:

- (a) the skills and experience appropriate for a candidate will be determined, having regard to those of the existing directors and any other likely changes to the Board;
- (b) upon identifying a potential candidate, the following will be considered:
  - qualifications and competencies of the candidate;
  - character and integrity of the candidate;
  - other directorships and time availability of the candidate;
  - independence of the candidate, if an Independent Director is being considered;
  - the effect that the appointment would have on the overall balance and diversity (including gender diversity) of the composition of the Board will be considered; and
- (c) the proposed appointee must be approved by all existing Board members.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### II. Board Composition (Cont'd)

##### Criteria used in recruitment and annual assessment (cont'd)

An annual assessment of the Board is undertaken following the completion of the financial year. The evaluation is carried out by way of questionnaires sent to each Director. The questionnaires cover the composition, role, procedures and practices of the Board as a whole and the assessment of each Director's performance by each of his/her peers. The individual responses to the questionnaires are confidential to each Director, with questionnaire responses sent to the Company Secretary for summarisation for consideration by the Nominating Committee and subsequent report back to the Board.

The Nominating Committee has also conducted an annual review on the performance of the Audit Committee and its members. Each member assessed the performance of his/her peers and the Audit Committee as a whole to determine whether the Audit Committee and its members have carried out their duties in accordance with the terms of reference of the Audit Committee.

An evaluation of the Board and the Audit Committee took place following the end of the financial year in accordance with the processes described above.

##### Time commitment of directors

The Board meets at least four (4) times a year to review and approve the quarterly and year-end financial results. Additional meetings are convened as necessary, when there are urgent and important matters that require the Board's deliberation. Board members may also be nominated to serve on Board Committees which hold their own meetings. Directors and Board Committee members are normally furnished with papers, reports and material relevant to the issues to be discussed one week prior to the meetings and are expected to review such material beforehand so that meaningful discussion can take place during meetings. This expectation of time commitment is communicated to new Board members before they are appointed. Directors should also notify the Chairman before accepting any new directorship in other listed companies to assess whether they will be able to devote sufficient time to the Company.

During the financial year ended 31 December 2024, there were five Board meetings held. The commitment of the Directors in carrying out their duties is reflected in full attendance of the Directors at Board meetings held during the financial year as shown below:-

| Name of Director     | Designation                            | Attendance |
|----------------------|----------------------------------------|------------|
| Chuah Choon Bin      | Executive Chairman                     | 5/5        |
| Gan Pei Joo          | Executive Director                     | 5/5        |
| Leng Kean Yong       | Non-Independent Non-Executive Director | 5/5        |
| Dato' Loh Nam Hooi   | Non-Independent Non-Executive Director | 5/5        |
| Lee Kean Cheong      | Independent Non-Executive Director     | 5/5        |
| Roslinda Binti Ahmad | Independent Non-Executive Director     | 5/5        |

##### Continuing education programmes

All Directors have completed the Mandatory Accreditation Programme prescribed by the Bursa Malaysia. The Directors recognise the need to continue to undergo relevant training programmes to update their knowledge and enhance their skills where relevant to enable them to sustain their active participation as a Board member.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### II. Board Composition (Cont'd)

##### Continuing education programmes (cont'd)

During the financial year ended 31 December 2024, the current Directors of the Company had attended training programme, seminars or conferences organised externally. The programmes attended by the current Directors during the year, include the following:

| Name of Directors    | Name of Course                                                                                                    | Mode of training | Number of day (s) spent |
|----------------------|-------------------------------------------------------------------------------------------------------------------|------------------|-------------------------|
| Chuah Choon Bin      | Bursa Malaysia's Mandatory Accreditation Programme Part II: Leading for Impact (LIP)                              | Webinar          | 2.0                     |
| Gan Pei Joo          | PwC Asia Pacific Sustainability Outlook                                                                           | Webinar          | 0.5                     |
|                      | Service tax for service industry                                                                                  | Webinar          | 1.0                     |
|                      | Mutual agreement procedure and advance pricing arrangement: effectiveness in addressing transfer pricing disputes | Webinar          | 0.5                     |
|                      | Virtual Corporate Day (Economics) 2024                                                                            | Webinar          | 0.5                     |
|                      | Implementation strategies for E-Invoicing                                                                         | In person        | 1.0                     |
|                      | Taxation of capital gains in Malaysia                                                                             | Webinar          | 1.0                     |
|                      | Bursa Malaysia's Mandatory Accreditation Programme Part II: Leading for Impact (LIP)                              | In person        | 2.0                     |
|                      | Malaysia's Economic Outlook & Implication of the U.S. Rate Decision                                               | Webinar          | 0.5                     |
|                      | EQ leadership skills                                                                                              | In person        | 2.0                     |
|                      | Enhance compliance through Malaysia's Tax Corporate Governance Program                                            | Webinar          | 0.5                     |
|                      | Grant Thornton: Budget 2025                                                                                       | In person        | 1.0                     |
|                      | PwC Budget 2025 seminar                                                                                           | In person        | 1.0                     |
|                      | Deloitte TaxMax - The 50th series                                                                                 | In person        | 0.5                     |
|                      | CGSI 11th China Smartphone & NEV Virtual Corporate Day                                                            | In person        | 0.5                     |
|                      | Maybank IBG's Invest ASEAN Corporate Day                                                                          | In person        | 1.0                     |
|                      | 20 <sup>th</sup> CITIC CLSA Asean Forum                                                                           | In person        | 2.0                     |
|                      | Nomura Investment Forum Asia 2024                                                                                 | In person        | 2.0                     |
| Leng Kean Yong       | Bursa Malaysia's Mandatory Accreditation Programme Part II: Leading for Impact (LIP)                              | Webinar          | 2.0                     |
|                      | CGSI 11th China Smartphone & NEV Virtual Corporate Day                                                            | In person        | 0.5                     |
|                      | Maybank IBG's Invest ASEAN Corporate Day                                                                          | In person        | 1.0                     |
|                      | 20 <sup>th</sup> CITIC CLSA Asean Forum                                                                           | In person        | 2.0                     |
|                      | Nomura Investment Forum Asia 2024                                                                                 | In person        | 2.0                     |
|                      | Grant Thornton: Budget 2025                                                                                       | In person        | 1.0                     |
| Dato' Loh Nam Hooi   | Bursa Malaysia's Mandatory Accreditation Programme Part II: Leading for Impact (LIP)                              | In person        | 2.0                     |
| Lee Kean Cheong      | Bursa Malaysia's Mandatory Accreditation Programme Part II: Leading for Impact (LIP)                              | Webinar          | 2.0                     |
|                      | Future-proof accounting and finance teams: compliance, cybersecurity, technology and more                         | Webinar          | 0.5                     |
|                      | AOB Conversation with Audit Committees                                                                            | Webinar          | 0.5                     |
|                      | Navigating the updates on International Valuation Standards: transforming valuation practices                     | Webinar          | 0.5                     |
| Roslinda Binti Ahmad | Bursa Malaysia's Mandatory Accreditation Programme Part II: Leading for Impact (LIP)                              | In person        | 2.0                     |
|                      | 11th Islamic Finance & Investment School (IFIS 2024)                                                              | In person        | 4.0                     |

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### II. Board Composition (Cont'd)

##### Gender Diversity Policy

The Board acknowledges the recommendations of the MCGG 2021 on the establishment of a gender diversity policy and the composition of the Board which comprises at least 30% women directors. The Board via the Nominating Committee will consider female representation when suitable candidates are identified underpinned by the overriding primary aim of selecting the best candidate to support the Group's objectives. On the other hand, the Board places importance on the composition of Board members based on meritocracy and in line with the Group's vision and mission.

The Board has fulfilled the recommendation of the MCGG 2021 of having at least 30% female directors on the Board. During the financial year ended 31 December 2024, the Board has two (2) female directors which represents 33% of the composition of the Board.

##### Nominating Committee

The Nominating Committee comprises wholly Non-Executive Directors. The key duties and responsibilities of the Nominating Committee include the following:

- (a) to bring to the Board recommendations as to the appointment of any new executive or non-executive director and the Directors to fill the seats on Board Committees;
- (b) to assess the effectiveness of the Board of Directors as a whole, the Board Committees and contribution of each individual Director on an annual basis. In developing such recommendations, the Nominating Committee will consult all Directors and reflects that consultation in any recommendation of the Nominating Committee brought forward to the Board;
- (c) to review the required mix of skills, experience, gender diversity and other qualities, including core competencies, of the members of the Board;
- (d) to review and assess the independence of Independent Directors on the Board; and
- (e) to review the terms of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

The terms of reference of the Nominating Committee is available on the Company's website at <https://www.pentamaster.com>

Currently, the members of the Nominating Committee are Pn. Roslinda Binti Ahmad (Chairman), Dato' Loh Nam Hooi and Mr. Lee Kean Cheong.

Dato' Loh Nam Hooi has been designated as the Senior Non-Independent Non-Executive Director to whom concerns may be conveyed. Any matters of concern may be raised to the Senior Independent Non-Executive Director through regular mail to the Company's registered address.

The Nominating Committee has met once during the financial year, in carrying out an annual review of the Board, its Committees and the contribution of individual Directors to the Company.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### III. Remuneration

##### Remuneration policies and procedures

The Remuneration Committee which consists wholly of Non-Executive Directors recommends the remuneration for the Executive Directors. The determination of the remuneration of Non-Executive Directors is a matter for the Board as a whole. Individual Director abstains from deliberations and voting on the decision in respect of their own remuneration.

The Board recognises that the remuneration package should be sufficient to attract, retain and motivate Directors of calibre needed to run the Group successfully. The remuneration of Directors is generally based on market conditions, responsibilities held and the Group's overall financial performance. Decisions and recommendations of the Committee are reported back to the Board for approval and where required by the rules and regulations governing the Company, for approval of shareholders at the Annual General Meeting.

The terms of reference of the Remuneration Committee is available on the Company's website at <https://www.pentamaster.com>

Currently, the Remuneration Committee members are Mr. Leng Kean Yong (Chairman), Pn. Roslinda Binti Ahmad and Mr. Lee Kean Cheong.

The Remuneration Committee has met once during the financial year.

##### Directors' Remuneration

The details of the Directors' remuneration for the financial year ended 31 December 2024 are disclosed in the Corporate Governance Report which is available on the Company's website at <https://www.pentamaster.com>

The analysis of the top five senior management by remuneration band is as follows:

| Remuneration Band (in RM) | Number of senior management |
|---------------------------|-----------------------------|
| 650,000 to 700,000        | 2                           |
| 850,000 to 900,000        | 1                           |
| 950,000 to 1,000,000      | 1                           |
| 1,100,000 to 1,150,000    | 1                           |
| <b>Total</b>              | <b>5</b>                    |

The Board has decided to disclose the remuneration of the top five senior management in bands instead of named basis as the Board considered the information of the remuneration of these individuals to be sensitive. The disclosure of the remuneration of the top five (5) senior management exclude remuneration paid to Directors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. Audit Committee

#### Audit Committee Composition

The Audit Committee of the Company comprises two (2) Independent Non-Executive Directors and a Non-Independent Non-Executive Director with appropriate professional qualifications including accounting and related financial management expertise. The Audit Committee is chaired by an Independent Non-Executive Director, Mr. Lee Kean Cheong, who is a member of the Malaysian Institute of Accountants. Other members of the Audit Committee are Dato' Loh Nam Hooi and Pn. Roslinda Binti Ahmad. The Audit Committee is responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit. The Audit Committee's duties and powers include, among others:

- primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any issues related to its resignation or dismissal;
- to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; and to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;
- to develop and implement policy on engaging an external auditors to supply non-audit services. For this purpose, "external auditors" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally;
- to report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- to review the Group's financial information;
- to monitor the integrity of the Group financial statements and annual report and accounts, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the committee should focus particularly on:
  - (a) any changes in accounting policies and practices;
  - (b) major judgmental areas;
  - (c) significant adjustments resulting from audit;
  - (d) the going concern assumptions and any qualifications;
  - (e) compliance with accounting standards; and
  - (f) compliance with the Listing Requirements and legal requirements in relation to financial reporting.

The Audit Committee requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee and such practice was formalised and incorporated in the Terms of Reference of the Audit Committee.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### I. Audit Committee (Cont'd)

#### Compliance with applicable financial reporting standards

The Directors aim to present a fair assessment of the Group's financial performance, position and prospects primarily through the quarterly reports to Bursa Malaysia as well as the Annual Report to shareholders.

The Board aims to ensure that it fulfills its responsibility in the area of financial reporting by appointing a suitably qualified finance manager to oversee the financial reporting function. The Board is also assisted by the Audit Committee to oversee the Group's financial reporting process and the quality of its financial reporting. Towards this end, the Audit Committee meets to discuss and review the quarterly results and the year-end financial statements together with the finance manager and the external auditors where applicable before the financial reports are recommended to the Board for approval and public release.

#### Suitability, objectivity and independence of external auditors

The external auditors fulfill an essential role in giving assurance to the shareholders and other parties of the reliability of the financial statements of the Company. The Company has always maintained a formal and transparent relationship with the external auditors in ensuring the Company's compliance with applicable approved accounting standards and statutory requirements.

The role of the Audit Committee in relation to the external auditors is described in the Audit Committee's terms of reference which is available at the Company's website.

The Audit Committee is responsible for recommending the appointment or re-appointment of external auditors. In assessing the suitability of external auditors, the Audit Committee will ensure that only firms which have experience in the audit of listed companies and are registered with the Audit Oversight Board will be considered.

The Audit Committee recognises that the regular provision of non-audit services by the external auditors may lead to impairment of the external auditors' independence and objectivity. The external auditors are therefore not normally engaged for non-audit related services. However, the external auditors may be engaged for services related to corporate exercises carried out by the Group from time to time, which are not regular in nature, for which the engagement of the external auditors may be deemed to be more effective for the Group. The external auditors have affirmed that members of their engagement team and the firm have complied with the relevant ethical requirements regarding independence in the conduct of their audit engagement.

The Audit Committee had assessed the performance and independence of the external auditors for the financial year under review. The Board of Directors approved the Audit Committee's recommendation to seek shareholders' approval for the re-appointment of the external auditors at the forthcoming Annual General Meeting of the Company.

### II. Risk Management and Internal Control Framework

#### Framework to manage risks

The Board is responsible for establishing a sound framework to manage risks and maintaining a sound system of internal controls to safeguard shareholders' investment and the Company's assets as required by the MCCG 2021. The Directors also have a general responsibility for taking reasonable steps to prevent and detect fraud and other irregularities. The Statement on Risk Management and Internal Control set out in this Annual Report, provides an overview of risk management and the state of internal control within the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### II. Risk Management and Internal Control Framework (Cont'd)

##### Internal audit function

The Board has outsourced its internal audit activities to a professional service firm ("Internal Auditors") to support the internal audit function. The Internal Auditors report directly to the Audit Committee. The outsourcing of the internal audit function coupled with the fact that the Internal Auditors report directly to the Audit Committee helps to ensure that internal audit is carried out objectively and is independent from the management of the Company and the functions which it audits. The personnel who carry out internal audit work are free from any relationships or conflict of interest which could impair their objectivity and independence.

The current Internal Auditors is a firm with experience in internal audit and headed by a Chartered Accountant. In appointing the Internal Auditors, the Board and the Audit Committee have taken into consideration that the firm is adequately staffed with a team of qualified, competent and experienced personnel to carry out the internal audit assignments.

The scope of work in internal audit is carried out in accordance with an internal audit plan approved by the Audit Committee. The audit plan focused on high risk areas identified through the Group's risk evaluation process.

The Audit Committee Report set out in this Annual Report provides a summary of the internal audit function and the internal audit activities carried out during the financial year.

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

#### I. Communication with Stakeholders

##### Corporate disclosure policies and procedures

The Board abides with the corporate disclosure policies as set out in the Listing Requirements. It is the policy of the Company that immediate disclosure is made of material information. Information is considered material if it is reasonable to expect that it will have a material effect on the price, value or market activity of the Company's securities or it will affect the decision of an investor or holder of the Company's securities in determining his choice of action. The Board members will be kept informed of material matters which require disclosure and appropriate announcement will be drafted by management. Announcements of material matters will be circulated to the Board for buy-off before public release.

However, in exceptional circumstances, the Company may temporarily withhold the disclosure of material information to a more appropriate time such as instances where immediate disclosure would affect the ability of the Company to pursue its corporate objectives, when the facts of the matter at hand is in a state of flux or where company or securities laws may restrict the extent of permissible disclosure. Material information which is withheld will be restricted to persons on a strict need-to-know basis and all persons with such information will be informed of the requirement to maintain strict confidentiality. In the event that material information that has been withheld or is believed to have been inadvertently disclosed or where the information has become generally available to the public, the Company will immediately announce the information. The Company will also monitor the market activity of its securities during a period where information is withheld. Should there be unusual price movement, trading activity, or both ("unusual market activity") in its securities which is believed to signify a "leak" of the information or when rumours or reports concerning the information have appeared or where the Company learns that there are signs that insider trading may be taking place, the Company will take steps to announce the information that has been withheld immediately.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### I. Communication with Stakeholders (Cont'd)

#### Corporate disclosure policies and procedures (cont'd)

The Company strives to ensure that information that is released is in a manner that would obtain wide public dissemination. Disclosure of material information by the Company is first made by an announcement to Bursa Malaysia via the BURSA LINK. All announcements are also made available on the Company's website. Press conferences may be held if the Board is of the opinion that it would draw better attention to the information that is to be disseminated. However, the Company will ensure that any such information will be first released or simultaneously released to Bursa Malaysia. The Company will ensure that material information will not be made on an individual or selective basis to any individual or group if it has not been disclosed and disseminated to the public.

While the Company endeavours to provide information to its shareholders and stakeholders it is also mindful of the requirement to refrain from misleading promotional disclosure activity. The Board will not approve any announcement that may mislead investors and cause unwarranted price movement and activity in the Company's securities.

If the Company becomes aware of any rumour or report, whether true or false, that contains material information on the Company or the Group, the Company will make due enquiry among the Board members and senior management and publicly clarify, confirm or deny the rumour or report as soon as possible.

Where unusual market activity of the Company's securities occurs, the Company will undertake a due enquiry among the Board members and senior management to seek the cause of the unusual market activity and take appropriate action. If the Company determines that the unusual market activity results from material information that has already been publicly disclosed, it will take no further action.

All Board members and parties who are insiders are aware of the provisions of the Capital Markets and Services Act 2007 and the Companies Act 2016 with regards to prohibition of trading in the securities of the Company on the basis of material information which is not known to the public. In addition, affected persons are notified of the restrictions in dealing in the Company's securities while in possession of price-sensitive information and during closed periods unless the procedures for dealings during closed periods as set out in the Listing Requirements have been complied with.

#### Use of information technology to disseminate information

Shareholders and investors are kept informed of all major development within the Group by way of announcements via the BURSA LINK. Announcements are also made of the Company's quarterly results, Annual Reports and other circulars to shareholders, where appropriate, and all these announcements are available to shareholders electronically at Bursa Malaysia's website. Shareholders can also access the Company's website, <https://www.pentamaster.com> for up to date information about the Company and its business as well as announcements made to Bursa Malaysia.

### II. Conduct of General Meetings

#### Shareholder participation at general meetings

The Annual General Meeting ("AGM") is the principal forum for dialogue with shareholders. Notice of AGM and Annual Reports are sent to shareholders at least 28 days before the meeting.

During the AGM, shareholders are given opportunities to enquire and comment on matters relating to the Group's business. The shareholders are encouraged to participate in the open question and answer session in the AGM pertaining to the resolutions being proposed at the meeting and the financial performance and business operation in general. The Directors are available to provide responses to questions from the shareholders during the meeting.

In addition, Extraordinary General Meetings ("EGM") are held as and when needed to obtain shareholders' approval on certain business or corporate proposals. Adequate notice of EGM, in compliance with regulatory requirements, are sent to shareholders together with comprehensive Circulars/Statements setting out details and explaining the rationale with regards to the matters for which shareholders' approval are being sought.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### II. Conduct of General Meetings (Cont'd)

##### Poll voting

The Constitution of the Company provides that a resolution put to the vote of a meeting may be decided on a show of hands or poll. In line with the Listing Requirements, the Company conducts poll voting for all the resolutions put to vote at general meetings. In addition, the Company will appoint a scrutineer to validate the votes cast at the general meeting.

##### Communication and proactive engagement with shareholders

The Board and senior management recognise their responsibilities to represent the interests of all shareholders and to maximise shareholder value. Communication with shareholders and accountability to shareholders is a high priority of the Company.

Communication with shareholders is summarised below:

- the Board will maintain an on-going dialogue with the shareholders and particularly for communicating with them and encouraging their participation through annual general meetings or other general meetings;
- information will be communicated to the shareholders through the Company's financial reports, annual general meetings and other general meetings that may be convened, as well as all the disclosures submitted to Bursa Malaysia via the BURSA LINK;
- effective and timely dissemination of information to the shareholders will be ensured at all times;
- the Company will assign dedicated employee(s) to be in charge of ensuring effective and timely dissemination of information to shareholders;
- the Company will provide shareholders with ready access to understandable information about the Company;
- the Company will take steps to solicit and understand the views of shareholders and other stakeholders;
- the Company will facilitate shareholders' participation in annual general meetings and make available the chairman of the board committees and advisory panel(s) (if any), appropriate management executives, auditors at annual general meetings to answer questions from shareholders; and
- Shareholders may, at any time, direct questions, communicate their views on various matters affecting the Company or the Group, request for publicly available information and provide comments and suggestions to directors or management of the Company through the prescribed channel stated in the below paragraphs.

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. Corporate communication will be provided to the shareholders in plain language to facilitate shareholders' understanding. Shareholders are encouraged to provide, amongst other things, in particular, their email addresses to the Company in order to facilitate timely and effective communication.

A dedicated investor relation section is available on the Company's website at <https://www.pentamaster.com> and a dedicated email, ie. [investor.relation@pentamaster.com.my](mailto:investor.relation@pentamaster.com.my) has been assigned for shareholders to communicate with the Company. Information on the website is updated regularly.

The Company has been striving to maintain high transparency and communicate with the shareholders and the investors of the Company through diversified communication channels. The Company holds press conferences and analyst briefing sessions from time to time to provide the latest business information about the Group to the investors.

Having considered the multiple channels of communication during the year, the Board considers its effort in communicating with shareholders in 2024 to be effective. The Board does not receive any complaints regarding shareholders' communication in 2024.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### II. Conduct of General Meetings (Cont'd)

##### Procedures for putting enquiries to the Board of Directors

Shareholders may at any time send their enquiries and concerns in writing to the Board of Directors, which contact details are as follows:

Pentamaster Corporation Berhad  
Plot 18 & 19, Technoplex  
Medan Bayan Lepas  
Taman Perindustrian Bayan Lepas  
Phase IV, 11900 Penang  
Malaysia

Telephone: (+604) 646 9212  
Fax: (+604) 646 7212  
Email: [investor.relation@pentamaster.com.my](mailto:investor.relation@pentamaster.com.my)

##### Compliance Statement

Save as disclosed, throughout the financial year ended 31 December 2024, the Group has complied with all the principles and recommendations of the MCCG 2021.

This statement was made in accordance with a Board of Directors' resolution dated 25 April 2025.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the Listing Requirements, the Board is pleased to provide the following statement on the state of risk management and internal control of the Group, which had been prepared in accordance with the “Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers” and Principle B of the MCGG 2021.

### Board's Responsibility

The Board is responsible for the adequacy and effectiveness of the Group's risk management and internal control system. The Board recognises the importance of good corporate governance and is committed to maintaining a sound system of internal control and risk management. This includes the establishment of an appropriate level of risk tolerance, control environment and risk management framework, processes and structures and continually reviewing the adequacy and integrity of the said systems to safeguard shareholders' investment and the Group's assets. The Board is pleased to provide the following statement, which outlines the nature and the scope of risk management and internal control of the Group during the year.

The system of risk management and internal control covers finance, operations, management information systems and compliance with relevant laws, regulations, policies and procedures. There is an ongoing process to identify, evaluate and manage significant risk faced or potentially to be encountered by the Group. The process is regularly reviewed by the Board.

Due to the limitations that are inherent in any system of internal controls, these systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives and it can only provide reasonable and not absolute assurance against material misstatement or loss.

The implementation of the risk management and internal control system within the Group inclusive of design, operation, identification, assessment, mitigation and control risks, are operated with the assistance of management throughout the period. The Board has received assurance from the Executive Chairman and Chief Financial Officer (“CFO”) 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 system of the Group.

The key features of the risk management and internal control systems are described under the following headings:

### Risk Management and Internal Control Structure

The Group has an ongoing process for the identification, evaluation, reporting, managing, monitoring and reviewing of the major strategic, business and operation risks within the Group. Both the Audit Committee and Board of Directors review the effectiveness of the risk management function and deliberate on the risk management and internal control frameworks, functions, processes and reports on a regular basis. The framework is continually monitored to ensure it is responsive to the changes in the business environment and clearly communicated to all levels.

The Board has established a Risk Management Committee (“RMC”) which comprises the CFO and senior management to assist in the risk management process within the Group.

The Group has an established internal control structure and is committed to evaluating, enhancing and maintaining the structure to ensure effective control over the Group's business operations and to safeguard the value and security of the Group's assets. There is a clearly defined operating structure with lines of responsibilities and delegated authority in place to assist the Board to maintain a proper control environment. The control structure and environment are supported by the following activities:-

- (a) An organisation structure with clearly defined lines of responsibility, authority and accountability;
- (b) Documented internal policies, guidelines, procedures and manuals, which are updated from time to time;
- (c) Regular Board and management meetings where information is provided to the Board and management covering financial performance and operation;
- (d) Quarterly review of financial results by the Board and Audit Committee;

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Risk Management and Internal Control Structure (Cont'd)

- (e) Regular training and development programmes attended by employees with the objective of enhancing their knowledge and competency;
- (f) Existence of risk management team to enhance its risk management practice; and
- (g) Ongoing reviews on the system of internal controls by an independent internal audit function. Results of such reviews are reported to the Audit Committee, which in turn reports to the Board.

In addition, the CFO and senior management has day to day involvement with the business and is responsible for monitoring risks affecting the business and control activities. These are supplemented by comprehensive and independent reviews undertaken by the internal audit function on the controls in operation in each individual business. The internal auditors independently report to the Audit Committee on the outcome and findings from their reviews.

### Risk Management Process

The Board regards risk management as an integral part of business operations. For the year under review, the RMC is assisted by the senior management team from various divisions to effectively embed risk management and control into the corporate culture, processes and structures within the Group. The RMC has identified and reviewed the major business risk factors affecting the Group and derived risk management strategies to manage and mitigate the risks identified. The following factors were considered in the risk assessment:

- (a) The nature and extent of risks facing the Group;
- (b) The extent and categories of risk which it regards as acceptable for the Group to bear;
- (c) The likelihood of major risks materialising; and
- (d) The Group's ability to reduce the incidence of major risks that may materialise and mitigate their impact on the business.

### Control Environment

The Group has in place a proper control environment which emphasises on quality and performance of the Group's employees through the development and implementation of human resource policies and programmes designed to enhance the effectiveness and efficiency of the individual and the organisation.

The Board believes that a sound internal control system reduces, but cannot eliminate, the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

### Internal Audit Function

The Board has outsourced its internal audit activities to a professional service firm to support the internal audit function. The Internal Auditors report directly to the Audit Committee. The outsourcing of the internal audit function coupled with the fact that the Internal Auditors report directly to the Audit Committee helps to ensure that internal audit is carried out objectively and is independent from the management of the Company and the functions which it audits. The personnel who carry out internal audit work are free from any relationships or conflict of interest which could impair their objectivity and independence. The scope of work in internal audit is carried out in accordance with an internal audit plan approved by the Audit Committee. The audit plan focused on high-risk areas identified through the Group's risk evaluation process.

The Board is of the opinion that the Group's system of internal controls is adequate based on the report and findings in the Internal Auditors' report for the financial year ended 31 December 2024. Nevertheless, the internal control systems will continue to be reviewed, enhanced or updated in line with changes in the operating environment.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### **Review of the Statement of Risk Management and Internal Control by External Auditors**

Pursuant to paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this statement of risk management and internal control for inclusion in the 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 this statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

### **Conclusion**

The Board is of the opinion that the system of internal control and risk management is in place for the year under review, and up to the date of this statement is effective and adequate to safeguard the shareholders' investment and the Group's assets.

This statement was made in accordance with a Board of Directors' resolution dated 25 April 2025.

# AUDIT COMMITTEE REPORT

## 1. MEMBERSHIP AND MEETINGS

Details of the membership of the Audit Committee and attendance of meetings during the financial year are as follows:-

|           | <u>Name and designation</u>                                        | <u>Attendance</u> |
|-----------|--------------------------------------------------------------------|-------------------|
| Chairman: | Lee Kean Cheong (Independent Non-Executive Director)               | 4/4               |
| Members:  | Dato' Loh Nam Hooi (Non-Independent Non-Executive Director)        | 4/4               |
|           | Roslinda Binti Ahmad ( <i>Independent Non-Executive Director</i> ) | 4/4               |

## 2. TERMS OF REFERENCE

The terms of reference of the Audit Committee is available on the Company's website at [www.pentamaster.com](http://www.pentamaster.com)

The Board is satisfied that the Audit Committee and its members have discharged their responsibilities during the financial year in accordance with the terms of reference of the Audit Committee.

## 3. SUMMARY OF WORK DURING THE FINANCIAL YEAR

The Audit Committee met four (4) times during the financial year ended 31 December 2024 and had carried out the following activities to meet their responsibilities as set out in the terms of reference of the Audit Committee:

### Financial reporting

- Reviewed the financial performance and financial highlights of the Group at quarterly meetings;
- Reviewed the unaudited quarterly financial results of the Group before recommending the same to the Board of Directors for approval and subsequent release to Bursa Malaysia Securities Berhad; and
- Reviewed the audited financial statements of the Group and Company for the financial year ended 31 December 2023 before recommending the same to the Board of Directors for approval.

### External Audit

- Reviewed the status of the audit for the financial year ended 31 December 2023 with the external auditors. The external auditors briefed the Audit Committee on the progress of the annual audit and issues discussed with management. The Audit Committee was informed that there were no significant changes to the scope or audit approach as compared to the audit plan. The external auditors briefed the Audit Committee on key audit matters that were of significance in the audit of the financial statements of the Group and of the Company and how those matters were addressed in the context of the audit;
- Reviewed the independence of the external auditors. The external auditors confirmed that they were independent of the Group and of the Company and that members of their engagement team and the firm have complied with the relevant ethical requirements regarding independence, including the Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, in the conduct of their audit engagement;
- Reviewed the extent of assistance rendered by management in the course of the audit and based on feedback from the external auditors, the Audit Committee was satisfied that management had co-operated fully and the external auditors were able to obtain information requested to carry out their work. The external auditors also reported that based on the audit work performed the auditors have not identified any major matters to highlight to the Audit Committee;
- Reviewed the audit fees and the performance of the external auditors and was satisfied with the conduct of their professional work and the timeliness of completion of their work to meet the reporting deadline. Accordingly, the Audit Committee recommended the re-appointment of the external auditors at the annual general meeting; and
- Reviewed and approved the external auditors' audit plan for the Group and the Company for the year ending 31 December 2024 which covered the key areas of audit focus and the audit approach for each area identified. The Audit Committee was briefed on amendments to accounting standards issued by the Malaysian Accounting Standards Board. The Audit Committee also reviewed and agreed to the proposed reporting timeline of the audit for the financial year ending 31 December 2024 to meet the reporting deadlines.

## AUDIT COMMITTEE REPORT

### 3. SUMMARY OF WORK DURING THE FINANCIAL YEAR (CONT'D)

#### Internal audit and risk management

- (a) Met with the Internal Auditors twice during the year to receive internal audit reports on internal audit activities that had been conducted in accordance with an audit plan approved by the Audit Committee. Relevant members of management including the Executive Directors were invited to attend the Audit Committee meetings to provide insight and clarification on specific matters raised in the internal audit reports and their views on internal audit recommendations;
- (b) Reviewed the status updates provided by the Internal Auditors in respect of implementation of management action plans or agreed course of action on the findings reported in previous audit cycles to ensure that issues that have been highlighted were resolved satisfactorily; and
- (c) Received briefing by management on the activities carried out by the Risk Management Team in assessing and managing risks in the Group.

#### Related Party Transaction and Conflict of Interest

- (a) Reviewed any related party transactions and conflict of interest situation (if any) that may arise within the Company or the Group, including any transactions, procedure or course of conduct that may raise questions of management integrity; and
- (b) Reviewed recurrent related party transactions on quarterly basis to ascertain if the transactions were at arm's length basis and on normal commercial terms.

#### Other matters

- (a) Reviewed the Statement on Risk Management and Internal Control of the Group for the financial year ended 31 December 2023 and recommended it to the Board of Directors for approval;
- (b) Reviewed the Corporate Governance Overview Statement of the Group for inclusion in the Company's Annual Report 2023; and
- (c) Reviewed and approved the Audit Committee Report for the financial year ended 31 December 2023 for inclusion in the Company's Annual Report 2023.

### 4. INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit activities to a professional service firm to support the internal audit function. The Internal Auditors report directly to the Audit Committee. The outsourcing of the internal audit function coupled with the fact that the internal auditors report directly to the Audit Committee helps to ensure that internal audit is carried out objectively and is independent from the management of the Company and the functions which it audits. The personnel who carry out internal audit work are free from any relationships or conflict of interest which could impair their objectivity and independence. The cost incurred for the internal audit function in respect of the financial year ended 31 December 2024 was RM60,000.

### 5. SUMMARY OF WORK OF THE INTERNAL AUDITORS

During the financial year ended 31 December 2024, internal audit reviews have been carried out according to the internal audit plan, which has been approved by the Audit Committee. The internal audit reviews covered IT asset management, overtime management and on-loan item management. The findings and recommendations were highlighted to management for their comments and further action. Internal audit reports were presented to the Audit Committee and also reported to the Board.

## DIRECTORS' RESPONSIBILITY STATEMENT

### IN RESPECT OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

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

The Directors consider that, in preparing the financial statements, the Group has adopted appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016 and applicable approved accounting standards.

## OTHER INFORMATION

### MATERIAL CONTRACTS

Save as disclosed below, the Group does not have any material contracts involving the interest of its Directors and major shareholders, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

- (a) PCB and Puga Holdings Limited ("Puga") have entered into a joint offeror agreement dated 19 December 2024 to participate in the proposed privatisation of PIL by way of a scheme of arrangement under Section 86 of the Companies Act of the Cayman Islands (the "Scheme").
- (b) PCB and Puga as joint offerors have entered into an implementation agreement dated 19 December 2024 with PIL to propose for the acquisition of all issued Shares of PIL by means of a Scheme. Upon the Scheme having become effective and binding, PIL will be owned as to approximately 29% and 71% by Puga and PCB respectively. A special dividend will be declared by PIL which is subject to (i) the passing of an ordinary resolution by a simple majority of the votes cast by the shareholders at the EGM and (ii) the Scheme becoming effective and binding.

Please refer to PCB's announcements released to Bursa Securities for details with regards to the above.

### MATERIAL CONTRACTS RELATING TO LOANS

The Group does not have any material contracts relating to loan involving the interest of its Directors and major shareholders.

### PROPOSED PRIVATISATION AND WITHDRAWAL OF THE LISTING ON THE HONG KONG STOCK EXCHANGE ("HKSE")

On 19 December 2024, the Company announced the corporate exercise in relation to the proposed privatisation and withdrawal of the listing on the HKSE of Pentamaster International Limited ("PIL") by way of a scheme of arrangement pursuant to the Cayman Islands Companies Act. PIL is a subsidiary of the Company which was previously listed on the Main Board of the HKSE. As all the conditions as set out in the scheme document have been fulfilled, the listing of the shares of PIL on the HKSE had been withdrawn on 19 March 2025. For further details, please refer to note 39 as set out on page 169 to 170 of this Annual Report.

### SHARE AWARD SCHEME

On 1 April 2020, PIL, a 63.9%-owned subsidiary of the Company, implemented a share award scheme ("Share Award Scheme 2020") to recognise and retain key employees and to support the long-term goals of the Group. The scheme is administered by the Board and the appointed trustee. The scheme is valid for 10 years with the maximum number of shares subscribed or purchased by the trustee capped at 5% of the total issued shares. The maximum number of shares that may be awarded to any selected employee shall not exceed 1% of total issued shares.

During the year ended 31 December 2024, a sum of approximately HK\$14.2 million (equivalent to approximately RM8 million) (2023: HK\$20.9 million (equivalent to approximately RM12.3 million)) has been used to acquire 21,486,629 (2023: 20,514,000) shares from the open market by the trustee of the Scheme.

A total of 6,035,000 (2023: 16,127,000) of PIL's Shares has been granted to selected employees on 7 August 2024 (2023: 1 July 2023), which will be vested in tranches of one-third each on every anniversary date of the grant date starting from the 1st anniversary date until the 3rd anniversary date. The fair value of the granted shares is calculated based on the closing market price of the shares of HK\$ 0.64 (2023: HK\$0.98) on the day of the grant, and amounted to HK\$3.9 million (equivalent to approximately RM2.2 million) (2023: HK\$15.8 million (equivalent to approximately RM9.4 million)) in total. Together with the granted shares in prior years, the Group recognised a share award scheme expense of HK\$7.6 million (equivalent to approximately RM4.4 million) (2023: HK\$15.4 million (equivalent to approximately RM8.9 million)) during the year ended 31 December 2024.

During the year ended 31 December 2024, a total of 12,724,432 (2023: 15,511,179) awarded shares were vested. The cost and the fair value of the related vested shares were HK\$11.2 million (2023: HK\$15.8 million) (equivalent to approximately RM6.7 million (2023: RM8.9 million)) and HK\$11 million (2023: HK\$15.5 million) (equivalent to approximately RM6.4 million (2023: RM8.6 million)) respectively. The difference of RM321,000 (2023: RM257,000) was charged to retained profits. As at 31 December 2024, the carrying amount of Shares held for Share Award Scheme was HK\$28.4 million (2023: HK\$25.9 million) (equivalent to approximately RM16.2 million (2023: RM14.9 million)).

Save as disclosed above, the Group does not have any outstanding options or shares granted.

Following the withdrawal of PIL's listing from HKSE on 19 March 2025, the Company's ownership in PIL increased to 71.0%.

## OTHER INFORMATION

### UTILISATION OF PROCEEDS

As the proceeds previously raised from the listing of PIL have not been fully utilised, the Company will continue to provide the disclosure below on the status of the utilisation of proceeds until they are fully utilised.

#### 1) Share Award Scheme

Subsequent to obtaining approval from the Company's shareholders on 16 November 2017 and in relation to the listing of PIL on the HKSE ("PIL Listing"), the Company adopted a share award scheme on 8 December 2017 to recognise contributions made by certain Directors and employees of PIL Group ("Share Award Scheme 2017"), and to provide the eligible employees with incentives in order to retain them for the continual operation, growth and further development of the PIL Group. The utilisation of proceeds of RM29.5 million raised from the Share Award Scheme, up to 31 December 2024 is as follows:

| Purpose                                                                                                                                                      | Proposed Utilisation (RM'000) | Gross Proceeds Received (RM'000) | Actual Utilisation (RM'000) | Intended Timeframe                    | Balance (RM'000) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------------|-----------------------------|---------------------------------------|------------------|
| Payment of staff salaries and benefits                                                                                                                       | 4,500                         | 4,500                            | 4,500                       | Within one (1) year                   | -                |
| Purchase of raw materials such as sensors, control panels, input/output control and computer field bus system and other services such as subcontracting work | 20,000                        | 20,000                           | 2,048                       | Within eight (8) years <sup>(3)</sup> | 17,952           |
| General administrative and operating expenses                                                                                                                | 5,000                         | 5,000                            | 5,000                       | Within one (1) year                   | -                |
| <b>Total</b>                                                                                                                                                 | <b>29,500</b>                 | <b>29,500</b>                    | <b>11,548</b>               |                                       | <b>17,952</b>    |

#### 2) PIL Listing

The utilisation of proceeds of RM87.1 million from the offer for sale by the Company in conjunction with the PIL Listing, up to 31 December 2024 is as follows:

| Purpose                                                                                              | Proposed Utilisation                     |                                          | Gross Proceeds Received <sup>(2)</sup> (RM'000) | Actual Utilisation (RM'000) | Intended Timeframe for Utilisation    | Balance (RM'000) |
|------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|-------------------------------------------------|-----------------------------|---------------------------------------|------------------|
|                                                                                                      | Minimum Scenario <sup>(1)</sup> (RM'000) | Maximum Scenario <sup>(1)</sup> (RM'000) |                                                 |                             |                                       |                  |
| Business expansion through investment and acquisition                                                | 33,972                                   | 37,775                                   | 32,741                                          | 5,000                       | Within eight (8) years <sup>(3)</sup> | 27,741           |
| Investment into technology related solutions and business applications                               | 29,726                                   | 33,059                                   | 28,648                                          | 28,648                      | Within eight (8) years <sup>(3)</sup> | -                |
| Working capital                                                                                      | 21,172                                   | 23,549                                   | 20,405                                          | 20,405                      | Within five (5) years                 | -                |
| Defray estimated expenses in relation to Listing Exercise, bonus issue and share split, collectively | 5,508                                    | 5,508                                    | 5,306                                           | 5,306                       | Within six (6) months                 | -                |
| <b>Total</b>                                                                                         | <b>90,378</b>                            | <b>99,891</b>                            | <b>87,100</b>                                   | <b>59,359</b>               |                                       | <b>27,741</b>    |

#### Notes:

- (1) The minimum and maximum scenario under the proposed utilisation was based on the indicative offer price in relation to the PIL listing of HKD0.95 and HKD1.05 respectively.
- (2) The actual gross proceeds received was based on the actual offer price of HKD1.00 in relation to PIL listing. The difference between the gross proceeds received and the proposed utilisation was due to the difference in the conversion rate.
- (3) The original intended timeframe for utilisation of two (2) years was extended to five (5) years on 17 January 2020 and further extended to eight (8) years on 18 January 2023.

## OTHER INFORMATION

### AUDIT FEES AND NON-AUDIT FEES

The audit fees and non-audit fees payable to the external auditors during the financial year ended 31 December 2024 are as follows:-

|                 | <b>Group<br/>(RM)</b> | <b>Company<br/>(RM)</b> |
|-----------------|-----------------------|-------------------------|
| Audit fees      | 888,452               | 75,000                  |
| Non-audit fees* | 47,000                | 15,000                  |
| <b>Total</b>    | <b>935,452</b>        | <b>90,000</b>           |

\* Non- audit fees paid or payable to the auditors are in relation to:-

- (i) review of Statement of Risk Management and Internal Control; and
- (ii) verification of annual confirmation forms to Malaysian Investment Development Authority.

### RECURRENT RELATED PARTY TRANSACTIONS

The Company had at its AGM held on 7 June 2024 obtained a mandate from its shareholders for the Group to enter into recurrent related party transactions ("RRPTs") of a revenue or trading nature.

Pursuant to Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, details of the RRPTs of a revenue and trading nature entered into during the financial year are as follows:

| Nature of RRPTs                                             | Transacting parties        |                    | Related Parties           | Interested Directors/Major Shareholders and persons connected | Actual Value as at 31 December 2024 (RM) |
|-------------------------------------------------------------|----------------------------|--------------------|---------------------------|---------------------------------------------------------------|------------------------------------------|
|                                                             | Provider                   | Recipient          |                           |                                                               |                                          |
| Licensing of software and provision of integration services | Pentamaster Smart Solution | Pingspace Sdn.Bhd. | Chuah Di Ken <sup>1</sup> | Chuah Choon Bin and Neoh Boon Loon <sup>2</sup>               | 60,000                                   |
| Provision of hardware and system in integration solution    | Pentamaster Equipment      | Pingspace Sdn.Bhd. | Chuah Di Ken <sup>1</sup> | Chuah Choon Bin and Neoh Boon Loon <sup>2</sup>               | 13,936,136                               |

#### Notes

- (1) Chuah Di Ken is the son of Chuah Choon Bin and Neoh Boon Loon. Chuah Di Ken is a Director of Pingspace Sdn.Bhd. ("PSB") and he has 93.20% direct interest in PSB. He has no interest in the shareholding of the Company, Pentamaster Smart Solution and Pentamaster Equipment.
- (2) Chuah Choon Bin is the Executive Chairman of the Company and he has 19.74% (excluding a total of 1,000,000 of the Company's shares retained as treasury shares) direct interest in the ordinary shares of the Company comprising of 140,420,120 ordinary shares and 0.02% indirect interest in the ordinary shares of the Company comprising of 138,510 ordinary shares (deemed interested through the shareholding of his spouse, Neoh Boon Loon, pursuant to Section 59(11)(c) of the Companies Act 2016) as at 31 December 2024. Chuah Choon Bin and Neoh Boon Loon have no interest in the shareholding of PSB.

## DIRECTORS' REPORT

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

#### PRINCIPAL ACTIVITIES

The principal activities of the Company in the course of the financial year remain unchanged and consist of investment holding and provision of management services.

The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

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

#### RESULTS

|                               | GROUP<br>RM        | COMPANY<br>RM     |
|-------------------------------|--------------------|-------------------|
| Profit for the financial year | <b>103,883,240</b> | <b>15,506,080</b> |
| Attributable to:              |                    |                   |
| Owners of the Company         | <b>65,211,065</b>  | <b>15,506,080</b> |
| Non-controlling interests     | <b>38,672,175</b>  | <b>-</b>          |
|                               | <b>103,883,240</b> | <b>15,506,080</b> |

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **31 December 2024** have not been substantially affected by any item, transaction or event of a material and unusual nature.

#### DIVIDENDS

Since the end of the previous financial year, the Company had on 26 July 2024 paid a final single tier dividend of 2.0 sen per ordinary share amounting to RM14,226,342 in respect of the financial year ended 31 December 2023 as reported in the directors' report of that year.

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

#### RESERVES AND PROVISIONS

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

#### SHARE CAPITAL AND DEBENTURE

During the financial year, the Company did not issue any shares or debentures.

#### TREASURY SHARES

During the financial year, the Company did not repurchase any of its issued ordinary shares from the open market.

As at 31 December 2024, the Company held 1,000,000 treasury shares out of its total 712,317,121 issued ordinary shares. The treasury shares are held at carrying amount of RM3,052,249 and further relevant details are disclosed in Note 19 to the financial statements.

## DIRECTORS' REPORT

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### DIRECTORS

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

##### **Directors of the Company:**

Chuah Choon Bin ^  
 Gan Pei Joo ^  
 Leng Kean Yong ^  
 Dato' Loh Nam Hooi  
 Lee Kean Cheong  
 Roslinda Binti Ahmad

^ Directors of the Company and certain subsidiaries.

##### **Directors of the Subsidiaries:**

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office since the beginning of the financial year to the date of this report are as follows:

Hon Tuck Weng  
 Chan May May  
 Chuah Jin Chong  
 Sim Seng Loong @ Tai Seng  
 Ng Chin Keng  
 Dato' Yong Weng Kian  
 Chuah Chong Ewe  
 You Chin Teik  
 Tai Kui Yuong (appointed on 29.3.2024)

#### DIRECTORS' INTERESTS IN SHARES

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

|                                | ----- Number of ordinary shares ----- |        |      |                             |
|--------------------------------|---------------------------------------|--------|------|-----------------------------|
|                                | Balance<br>at<br>1.1.2024             | Bought | Sold | Balance<br>at<br>31.12.2024 |
| <b>Interest in the Company</b> |                                       |        |      |                             |
| <b>Direct Interest:</b>        |                                       |        |      |                             |
| Chuah Choon Bin                | 140,420,120                           | -      | -    | 140,420,120                 |
| Gan Pei Joo                    | 50,486                                | -      | -    | 50,486                      |
| Lee Kean Cheong                | 10,000                                | -      | -    | 10,000                      |
| Leng Kean Yong                 | 55,000                                | -      | -    | 55,000                      |
| Dato' Loh Nam Hooi             | 437,400                               | -      | -    | 437,400                     |
| <b>Indirect Interest:</b>      |                                       |        |      |                             |
| Chuah Choon Bin *              | 138,510                               | -      | -    | 138,510                     |

\* Deemed interest by virtue of shares held by his spouse.

# DIRECTORS' REPORT

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### DIRECTORS' INTERESTS IN SHARES (CONT'D)

|                                          | ----- Number of ordinary shares of HKD0.01 ----- |                              |           |                             |
|------------------------------------------|--------------------------------------------------|------------------------------|-----------|-----------------------------|
|                                          | Balance<br>at<br>1.1.2024                        | Bought/<br>Shares<br>awarded | Sold      | Balance<br>at<br>31.12.2024 |
| <b>Interest in a subsidiary</b>          |                                                  |                              |           |                             |
| <b>Pentamaster International Limited</b> |                                                  |                              |           |                             |
| <b>Direct Interest:</b>                  |                                                  |                              |           |                             |
| Chuah Choon Bin                          | 26,611,200                                       | -                            | -         | 26,611,200                  |
| Gan Pei Joo                              | 8,120,210                                        | 197,334                      | -         | 8,317,544                   |
| Leng Kean Yong                           | 250,000                                          | -                            | -         | 250,000                     |
| Dato' Loh Nam Hooi                       | 1,012,000                                        | -                            | -         | 1,012,000                   |
|                                          | ----- Number of Employee Share Scheme -----      |                              |           |                             |
|                                          | over ordinary shares                             |                              |           |                             |
|                                          | Balance<br>at<br>1.1.2024                        | Granted                      | Vested    | Balance<br>at<br>31.12.2024 |
| <b>Pentamaster International Limited</b> |                                                  |                              |           |                             |
| Gan Pei Joo                              | 283,334                                          | 42,000                       | (197,334) | 128,000                     |

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

### DIRECTORS' REMUNERATION AND BENEFITS

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

|                                            | Incurred by the<br>Company<br>RM | Incurred by the<br>subsidiaries<br>RM | Group<br>RM      |
|--------------------------------------------|----------------------------------|---------------------------------------|------------------|
| Salaries, allowances, bonus and incentive  | 141,000                          | 3,188,011                             | 3,329,011        |
| Defined contribution plan                  | 22,800                           | 602,964                               | 625,764          |
| Fees                                       | 319,440                          | 251,038                               | 570,478          |
| Benefits-in-kind                           | -                                | 15,500                                | 15,500           |
| Equity-settled share award scheme expenses | -                                | 66,399                                | 66,399           |
|                                            | <b>483,240</b>                   | <b>4,123,912</b>                      | <b>4,607,152</b> |

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

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

## DIRECTORS' REPORT

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage and insurance premium paid for certain directors and officers of the Group were approximately **RM22 million** and **RM34,000** respectively.

#### OTHER STATUTORY INFORMATION

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

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

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

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

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

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

In the opinion of the directors:

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

#### SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

The details of the significant events during and subsequent to the financial year are disclosed in Note 39 to the financial statements.

## DIRECTORS' REPORT

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### AUDITORS

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

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

|                                  | GROUP<br>RM    | COMPANY<br>RM |
|----------------------------------|----------------|---------------|
| Statutory audit                  | 888,452        | 75,000        |
| Assurance and non-audit services | 47,000         | 15,000        |
| Total                            | <b>935,452</b> | <b>90,000</b> |

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

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

\_\_\_\_\_  
**Chuah Choon Bin**

**Penang,**

**Date: 25 April 2025**

\_\_\_\_\_  
**Gan Pei Joo**

## DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 109 to 170 are properly drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December 2024** and of their financial performance and cash flows for the financial year then ended.

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

\_\_\_\_\_  
**Chuah Choon Bin**

**Date: 25 April 2025**

\_\_\_\_\_  
**Gan Pei Joo**

## STATUTORY DECLARATION

I, **Chuah Choon Bin**, the director primarily responsible for the financial management of **Pentamaster Corporation Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 109 to 170 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by )  
the abovenamed at Penang, this **25th** )  
day of **April 2025**. )

\_\_\_\_\_  
**Chuah Choon Bin**

**Before me,**

\_\_\_\_\_  
**Goh Suan Bee (P125)**  
**Commissioner for Oaths**

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

## OF PENTAMASTER CORPORATION BERHAD 200201004644 (572307-U)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Pentamaster Corporation Berhad**, which comprise the statements of financial position as at **31 December 2024** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 109 to 170.

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

#### Basis for Opinion

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

#### Independence and Other Ethical Responsibilities

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

#### Key Audit Matters

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

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | How Our Audit Addressed the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue recognition</b><br><i>(Note 28 to the financial statements)</i><br><br>The revenue recognition from the automated test equipment, factory automated solutions and smart control solution system segments depends on the nature of the contractual arrangement with the customer and this could impact the point at which the control is transferred and service is rendered to the customer. The Group's revenue during the financial year from these activities amounted to approximately RM623 million.<br><br>We identified revenue recognition to be an area of audit focus as we consider the magnitude and high volume of transactions to be a possible cause of a higher risk of material misstatements in respect of the timing and amount of revenue recognised. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue. | Our audit procedures in relation to revenue recognition included, amongst others, the following: <ul style="list-style-type: none"> <li>- Evaluated the assessment performed by management on compliance with revenue recognition policies.</li> <li>- Obtained an understanding of the Group's revenue recognition process and their application and thereafter testing controls on the occurrence of revenue.</li> <li>- Performed analytical procedures on the trend of revenue recognised to identify for any abnormalities.</li> <li>- Performed substantive testing on a sampling basis to verify that revenue recognition criteria are being properly applied.</li> <li>- Assessed the correct period for the revenue recognised by testing cut-off through assessing sales transactions taking place at either side of the end of the reporting period as well as checking credit notes and sales return issued after the reporting period.</li> <li>- Reviewed the sales ledger and identified for sales transactions that are entered using journals or debit notes and evaluated the nature of the transactions and whether they are bona fide transactions.</li> </ul> |

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

## OF PENTAMASTER CORPORATION BERHAD 200201004644 (572307-U)

### Key Audit Matters (CONT'D)

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | How Our Audit Addressed the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Provision for expected credit losses ("ECL") of trade receivables</b><br/> <i>(Notes 3.2(ii), 14 and 36.3.1 to the financial statements)</i></p> <p>The Group has significant exposure to credit risk arising from its trade receivables as at 31 December 2024.</p> <p>Assessing ECL of trade receivables requires management's judgement and the use of estimates in determining the probability of default occurring by considering the ageing of receivables, historical loss experience and forward-looking information.</p> <p>We have identified the provision for ECL of trade receivables as a key audit matter due to the significance of trade receivables and the significant estimation involved in determining the provision for ECL of trade receivables.</p> | <p>Our audit procedures in relation to the provision for ECL of trade receivables included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>- Obtained an understanding of: <ul style="list-style-type: none"> <li>(i) the Group's control over the trade receivables' collection process;</li> <li>(ii) how the Group identifies and assesses the ECL of trade receivables; and</li> <li>(iii) how the Group makes the accounting estimates for provision for ECL.</li> </ul> </li> <li>- Evaluated techniques and methodology adopted by the Group in assessing ECL against the requirements of MFRS 9.</li> <li>- Assessed the reasonableness of estimates and assumptions made by the management in determining the ECL, including assessed the accuracy of the historical default data, detailed analysis of ageing of trade receivables and forward-looking information.</li> </ul> |

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

### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

## OF PENTAMASTER CORPORATION BERHAD 200201004644 (572307-U)

### Responsibilities of the Directors for the Financial Statements

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

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

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

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PENTAMASTER CORPORATION BERHAD 200201004644 (572307-U)

### **Auditors' Responsibilities for the Audit of the Financial Statements (CONT'D)**

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 subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

### **Other Matter**

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

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

**Yeap Bee Har**  
**No. 03715/02/2027 J**  
**Chartered Accountant**

**Penang**

**Date: 25 April 2025**

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2024

|                                             |      | GROUP         |               | COMPANY     |             |
|---------------------------------------------|------|---------------|---------------|-------------|-------------|
|                                             | NOTE | 2024<br>RM    | 2023<br>RM    | 2024<br>RM  | 2023<br>RM  |
| ASSETS                                      |      |               |               |             |             |
| Non-current assets                          |      |               |               |             |             |
| Property, plant and equipment               | 4    | 457,333,691   | 282,037,266   | -           | -           |
| Investment properties                       | 5    | 9,470,522     | 22,560,254    | -           | -           |
| Goodwill                                    | 6    | 4,495,368     | 4,495,368     | -           | -           |
| Intangible assets                           | 7    | 36,291,304    | 40,057,679    | -           | -           |
| Investment in subsidiaries                  | 8    | -             | -             | 118,741,107 | 120,173,083 |
| Investment in an associate                  | 9    | 19,945,932    | 17,577,679    | -           | -           |
| Other investments                           | 10   | 11,047,301    | 9,868,309     | -           | -           |
| Other receivables, deposits and prepayments | 11   | 5,580,763     | 13,612,411    | -           | -           |
| Amount due from a subsidiary                | 12   | -             | -             | 24,992,659  | 25,543,191  |
|                                             |      | 544,164,881   | 390,208,966   | 143,733,766 | 145,716,274 |
| Current assets                              |      |               |               |             |             |
| Inventories                                 | 13   | 121,796,207   | 190,607,697   | -           | -           |
| Trade receivables                           | 14   | 167,856,326   | 196,289,435   | -           | -           |
| Other receivables, deposits and prepayments | 11   | 62,713,260    | 45,066,560    | 10,909      | 42,583      |
| Amount due from subsidiaries                | 12   | -             | -             | 36,248,365  | 32,425,000  |
| Derivative financial assets                 | 15   | -             | 2,384,171     | -           | -           |
| Other investments                           | 10   | 199,143       | 170,597       | -           | -           |
| Tax recoverable                             |      | 2,126,744     | 2,292,628     | 226         | 146         |
| Cash and cash equivalents                   | 16   | 448,658,139   | 490,869,827   | 138,595,495 | 92,599,175  |
|                                             |      | 803,349,819   | 927,680,915   | 174,854,995 | 125,066,904 |
| Non-current asset held for sale             | 17   | 4,204,805     | -             | -           | -           |
|                                             |      | 807,554,624   | 927,680,915   | 174,854,995 | 125,066,904 |
| TOTAL ASSETS                                |      | 1,351,719,505 | 1,317,889,881 | 318,588,761 | 270,783,178 |

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

## STATEMENTS OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2024

|                                               |      | GROUP         |               | COMPANY     |             |
|-----------------------------------------------|------|---------------|---------------|-------------|-------------|
|                                               | NOTE | 2024<br>RM    | 2023<br>RM    | 2024<br>RM  | 2023<br>RM  |
| EQUITY AND LIABILITIES                        |      |               |               |             |             |
| Share capital                                 | 18   | 79,303,370    | 79,303,370    | 79,303,370  | 79,303,370  |
| Treasury shares                               | 19   | (3,052,249)   | (3,052,249)   | (3,052,249) | (3,052,249) |
| Shares held for employee share scheme ("ESS") | 20   | (16,171,571)  | (14,922,790)  | -           | -           |
| Reserves                                      | 21   | 2,258,256     | 4,376,568     | -           | -           |
| Retained profits                              | 22   | 685,675,518   | 633,735,131   | 195,326,710 | 194,046,972 |
|                                               |      | 748,013,324   | 699,440,030   | 271,577,831 | 270,298,093 |
| Non-controlling interests                     |      | 333,018,261   | 306,117,925   | -           | -           |
| Total equity                                  |      | 1,081,031,585 | 1,005,557,955 | 271,577,831 | 270,298,093 |
| Non-current liabilities                       |      |               |               |             |             |
| Deferred income                               | 23   | 893,167       | 620,182       | -           | -           |
| Deferred tax liabilities                      | 24   | 1,612,296     | 2,149,728     | -           | -           |
| Other payables, accruals and provision        | 25   | 10,845,385    | 6,717,269     | -           | -           |
|                                               |      | 13,350,848    | 9,487,179     | -           | -           |
| Current liabilities                           |      |               |               |             |             |
| Trade payables                                | 26   | 128,929,155   | 118,029,653   | -           | -           |
| Other payables, accruals and provision        | 25   | 66,437,265    | 44,483,903    | 505,584     | 481,199     |
| Contract liabilities                          | 27   | 58,006,271    | 138,440,948   | -           | -           |
| Amount due to subsidiaries                    | 12   | -             | -             | 46,505,346  | 3,886       |
| Derivative financial liabilities              | 15   | 3,361,509     | 1,833,238     | -           | -           |
| Tax payable                                   |      | 602,872       | 57,005        | -           | -           |
|                                               |      | 257,337,072   | 302,844,747   | 47,010,930  | 485,085     |
| Total liabilities                             |      | 270,687,920   | 312,331,926   | 47,010,930  | 485,085     |
| TOTAL EQUITY AND LIABILITIES                  |      | 1,351,719,505 | 1,317,889,881 | 318,588,761 | 270,783,178 |

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

## STATEMENTS OF COMPREHENSIVE INCOME

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|                                                                                       | NOTE | GROUP              |               | COMPANY           |             |
|---------------------------------------------------------------------------------------|------|--------------------|---------------|-------------------|-------------|
|                                                                                       |      | 2024<br>RM         | 2023<br>RM    | 2024<br>RM        | 2023<br>RM  |
| Revenue                                                                               | 28   | 623,024,060        | 691,944,062   | 18,424,070        | 17,608,221  |
| Cost of goods sold                                                                    |      | (444,535,412)      | (484,472,924) | -                 | -           |
| <b>Gross profit</b>                                                                   |      | <b>178,488,648</b> | 207,471,138   | <b>18,424,070</b> | 17,608,221  |
| Other income                                                                          |      | 1,088,127          | 8,260,216     | 518,415           | 7,068,276   |
| Distribution costs                                                                    |      | (9,410,945)        | (9,255,718)   | -                 | -           |
| Administrative expenses                                                               |      | (73,476,775)       | (78,576,691)  | (3,209,536)       | (2,395,665) |
| (Addition)/Reversal of allowance<br>for expected credit losses on<br>receivables, net |      | (1,780,456)        | 1,141,228     | -                 | -           |
| Impairment loss on:                                                                   |      |                    |               |                   |             |
| - amount due from subsidiaries                                                        |      | -                  | -             | (1,279,059)       | (5,116,234) |
| - investment in a subsidiary                                                          |      | -                  | -             | (1,431,976)       | -           |
| - investment properties                                                               |      | (284,372)          | -             | -                 | -           |
| Other operating expenses                                                              |      | (1,444,090)        | (616,757)     | (141,900)         | (216,755)   |
| <b>Operating profit</b>                                                               |      | <b>93,180,137</b>  | 128,423,416   | <b>12,880,014</b> | 16,947,843  |
| Finance income                                                                        |      | 12,794,983         | 12,963,405    | 2,626,066         | 2,992,625   |
| Share of (loss)/profit of associates                                                  |      | (556,747)          | 39,365        | -                 | -           |
| <b>Profit before tax</b>                                                              | 29   | <b>105,418,373</b> | 141,426,186   | <b>15,506,080</b> | 19,940,468  |
| Taxation                                                                              | 30   | (1,535,133)        | (952,603)     | -                 | -           |
| <b>Profit for the financial year/Balance<br/>carried forward</b>                      |      | <b>103,883,240</b> | 140,473,583   | <b>15,506,080</b> | 19,940,468  |

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

## STATEMENTS OF COMPREHENSIVE INCOME

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|                                                                            | NOTE | GROUP              |             | COMPANY           |            |
|----------------------------------------------------------------------------|------|--------------------|-------------|-------------------|------------|
|                                                                            |      | 2024<br>RM         | 2023<br>RM  | 2024<br>RM        | 2023<br>RM |
| <b>Profit for the financial year/Balance brought forward</b>               |      | <b>103,883,240</b> | 140,473,583 | <b>15,506,080</b> | 19,940,468 |
| <b>Total other comprehensive income, net of tax:</b>                       |      |                    |             |                   |            |
| <b>Items that will be reclassified subsequently to profit or loss</b>      |      |                    |             |                   |            |
| Foreign currency translation of foreign operations                         |      | (237,436)          | 45,521      | -                 | -          |
| <b>Total comprehensive income for the financial year</b>                   |      | <b>103,645,804</b> | 140,519,104 | <b>15,506,080</b> | 19,940,468 |
| <b>Profit for the financial year, attributable to:</b>                     |      |                    |             |                   |            |
| Owners of the Company                                                      |      | <b>65,211,065</b>  | 89,127,479  | <b>15,506,080</b> | 19,940,468 |
| Non-controlling interests                                                  |      | <b>38,672,175</b>  | 51,346,104  | -                 | -          |
|                                                                            |      | <b>103,883,240</b> | 140,473,583 | <b>15,506,080</b> | 19,940,468 |
| <b>Total comprehensive income for the financial year, attributable to:</b> |      |                    |             |                   |            |
| Owners of the Company                                                      |      | <b>65,059,343</b>  | 89,156,567  | <b>15,506,080</b> | 19,940,468 |
| Non-controlling interests                                                  |      | <b>38,586,461</b>  | 51,362,537  | -                 | -          |
|                                                                            |      | <b>103,645,804</b> | 140,519,104 | <b>15,506,080</b> | 19,940,468 |
| <b>Earnings per share attributable to owners of the Company (Sen):-</b>    |      |                    |             |                   |            |
| - Basic/Diluted                                                            | 31   | <b>9.17</b>        | 12.53       |                   |            |

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|                                                                     | Attributable to Owners of the Company |                          |                              |                |                           |               | Total<br>RM  | Non-controlling<br>Interests<br>RM | Total<br>Equity<br>RM |
|---------------------------------------------------------------------|---------------------------------------|--------------------------|------------------------------|----------------|---------------------------|---------------|--------------|------------------------------------|-----------------------|
|                                                                     | Share<br>Capital<br>RM                | Treasury<br>Shares<br>RM | Shares Held<br>for ESS<br>RM | Reserves<br>RM | Retained<br>Profits<br>RM | Distributable |              |                                    |                       |
| NOTE                                                                |                                       |                          |                              |                |                           |               |              |                                    |                       |
| <b>2024</b>                                                         |                                       |                          |                              |                |                           |               |              |                                    |                       |
| Balance at beginning                                                | 79,303,370                            | (3,052,249)              | (14,922,790)                 | 4,376,568      | 633,735,131               |               | 699,440,030  | 306,117,925                        | 1,005,557,955         |
| Total comprehensive income for the financial year                   | -                                     | -                        | -                            | (151,722)      | 65,211,065                |               | 65,059,343   | 38,586,461                         | 103,645,804           |
| <i>Transactions with owners:</i>                                    |                                       |                          |                              |                |                           |               |              |                                    |                       |
| Dividend paid                                                       | -                                     | -                        | -                            | -              | (14,226,342)              |               | (14,226,342) | -                                  | (14,226,342)          |
| Dividend paid to non-controlling interest                           | -                                     | -                        | -                            | -              | -                         |               | -            | (10,409,530)                       | (10,409,530)          |
| Equity-settled ESS expenses                                         | -                                     | -                        | -                            | 4,419,911      | (1,595,588)               |               | 2,824,323    | 1,595,588                          | 4,419,911             |
| ESS vested                                                          | -                                     | -                        | 6,707,447                    | (6,386,501)    | (320,946)                 |               | -            | -                                  | -                     |
| Purchase of shares held for ESS                                     | -                                     | -                        | (7,956,228)                  | -              | 2,872,198                 |               | (5,084,030)  | (2,872,198)                        | (7,956,228)           |
| Non-controlling interest arising from incorporation of a subsidiary | -                                     | -                        | -                            | -              | -                         |               | -            | 15                                 | 15                    |
| Total transactions with owners                                      | -                                     | -                        | (1,248,781)                  | (1,966,590)    | (13,270,678)              |               | (16,486,049) | (11,686,125)                       | (28,172,174)          |
| Balance at end                                                      | 79,303,370                            | (3,052,249)              | (16,171,571)                 | 2,258,256      | 685,675,518               |               | 748,013,324  | 333,018,261                        | 1,081,031,585         |

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|                                                   | Attributable to Owners of the Company |                          |                                                   |                |                                            |                                    | Total<br>Equity<br>RM |
|---------------------------------------------------|---------------------------------------|--------------------------|---------------------------------------------------|----------------|--------------------------------------------|------------------------------------|-----------------------|
|                                                   | Share<br>Capital<br>RM                | Treasury<br>Shares<br>RM | Non-distributable<br>Shares Held<br>for ESS<br>RM | Reserves<br>RM | Distributable<br>Retained<br>Profits<br>RM | Non-controlling<br>Interests<br>RM |                       |
| NOTE                                              |                                       |                          |                                                   |                |                                            |                                    |                       |
| 2023                                              |                                       |                          |                                                   |                |                                            |                                    |                       |
| Balance at beginning                              | 79,303,370                            | (3,052,249)              | (11,477,811)                                      | 3,655,263      | 558,358,585                                | 265,953,680                        | 892,740,838           |
| Total comprehensive income for the financial year | -                                     | -                        | -                                                 | 29,088         | 89,127,479                                 | 51,362,537                         | 140,519,104           |
| <i>Transactions with owners:</i>                  |                                       |                          |                                                   |                |                                            |                                    |                       |
| Dividend paid                                     | -                                     | -                        | -                                                 | -              | (14,226,342)                               | -                                  | (14,226,342)          |
| Dividend paid to non-controlling interest         | -                                     | -                        | -                                                 | -              | -                                          | (9,948,579)                        | (9,948,579)           |
| Effect of changes in shareholding                 | -                                     | -                        | -                                                 | -              | (63,665)                                   | -                                  | (63,665)              |
| Equity-settled ESS expenses                       | -                                     | -                        | -                                                 | 8,872,500      | (3,202,973)                                | 3,202,973                          | 8,872,500             |
| ESS vested                                        | -                                     | -                        | 8,890,922                                         | (8,634,141)    | (256,781)                                  | -                                  | -                     |
| Purchase of shares held for ESS                   | -                                     | -                        | (12,335,901)                                      | -              | 4,452,686                                  | (4,452,686)                        | (12,335,901)          |
| Transfers to statutory reserve                    | -                                     | -                        | -                                                 | 453,858        | (453,858)                                  | -                                  | -                     |
| Total transactions with owners                    | -                                     | -                        | (3,444,979)                                       | 692,217        | (13,750,933)                               | (11,198,292)                       | (27,701,987)          |
| Balance at end                                    | 79,303,370                            | (3,052,249)              | (14,922,790)                                      | 4,376,568      | 633,735,131                                | 306,117,925                        | 1,005,557,955         |

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

## STATEMENT OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|                                                   | NOTE      | Share<br>Capital<br>RM   | Treasury<br>Shares<br>RM  | Distributable<br>Retained<br>Profits<br>RM | Total<br>Equity<br>RM     |
|---------------------------------------------------|-----------|--------------------------|---------------------------|--------------------------------------------|---------------------------|
| <b>2024</b>                                       |           |                          |                           |                                            |                           |
| Balance at beginning                              |           | <b>79,303,370</b>        | <b>(3,052,249)</b>        | <b>194,046,972</b>                         | <b>270,298,093</b>        |
| Total comprehensive income for the financial year |           | -                        | -                         | <b>15,506,080</b>                          | <b>15,506,080</b>         |
| <i>Transaction with owners:</i>                   |           |                          |                           |                                            |                           |
| Dividend paid                                     | <b>32</b> | -                        | -                         | <b>(14,226,342)</b>                        | <b>(14,226,342)</b>       |
| Balance at end                                    |           | <b><u>79,303,370</u></b> | <b><u>(3,052,249)</u></b> | <b><u>195,326,710</u></b>                  | <b><u>271,577,831</u></b> |
| <b>2023</b>                                       |           |                          |                           |                                            |                           |
| Balance at beginning                              |           | 79,303,370               | (3,052,249)               | 188,332,846                                | 264,583,967               |
| Total comprehensive income for the financial year |           | -                        | -                         | 19,940,468                                 | 19,940,468                |
| <i>Transaction with owners:</i>                   |           |                          |                           |                                            |                           |
| Dividend paid                                     | <b>32</b> | -                        | -                         | <b>(14,226,342)</b>                        | <b>(14,226,342)</b>       |
| Balance at end                                    |           | <b><u>79,303,370</u></b> | <b><u>(3,052,249)</u></b> | <b><u>194,046,972</u></b>                  | <b><u>270,298,093</u></b> |

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

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|                                                                            | GROUP               |              | COMPANY            |             |
|----------------------------------------------------------------------------|---------------------|--------------|--------------------|-------------|
|                                                                            | 2024<br>RM          | 2023<br>RM   | 2024<br>RM         | 2023<br>RM  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                |                     |              |                    |             |
| Profit before tax                                                          | <b>105,418,373</b>  | 141,426,186  | <b>15,506,080</b>  | 19,940,468  |
| Adjustments for:                                                           |                     |              |                    |             |
| Amortisation of intangible assets                                          | <b>7,824,541</b>    | 6,259,239    | -                  | -           |
| Depreciation of:                                                           |                     |              |                    |             |
| - investment properties                                                    | <b>199,426</b>      | 244,515      | -                  | -           |
| - property, plant and equipment                                            | <b>13,540,388</b>   | 11,231,207   | -                  | -           |
| Equity-settled ESS expenses                                                | <b>4,419,911</b>    | 8,872,500    | -                  | 10,807      |
| Expected credit loss on receivables                                        |                     |              |                    |             |
| - additions                                                                | <b>2,374,918</b>    | 485,786      | -                  | -           |
| - reversal                                                                 | <b>(594,462)</b>    | (1,627,014)  | -                  | -           |
| Gain on changes in fair value of other investments                         | <b>(28,546)</b>     | (12,467)     | -                  | -           |
| Gain on disposal of:                                                       |                     |              |                    |             |
| - investment in a subsidiary                                               | -                   | -            | -                  | (5,929,367) |
| - other investments                                                        | -                   | (17,796)     | -                  | -           |
| Impairment loss on:                                                        |                     |              |                    |             |
| - amount due from subsidiaries                                             | -                   | -            | <b>1,279,059</b>   | 5,116,234   |
| - investment in a subsidiary                                               | -                   | -            | <b>1,431,976</b>   | -           |
| - investment properties                                                    | <b>284,372</b>      | -            | -                  | -           |
| Intangible assets written off                                              | <b>365</b>          | 2,997        | -                  | -           |
| Interest income                                                            | <b>(12,794,983)</b> | (12,963,405) | <b>(2,626,066)</b> | (2,992,625) |
| Inventories written down - additions                                       | <b>4,280,229</b>    | 869,478      | -                  | -           |
| - reversal                                                                 | <b>(1,205,719)</b>  | (214,096)    | -                  | -           |
| Inventories written off                                                    | <b>3,523,788</b>    | -            | -                  | -           |
| Loss/(Gain) on changes in fair value of foreign currency forward contracts | <b>3,912,442</b>    | (6,908,611)  | -                  | -           |
| Loss on disposal of:                                                       |                     |              |                    |             |
| - interest in an associate                                                 | -                   | 25,526       | -                  | -           |
| - investment properties                                                    | <b>523,128</b>      | -            | -                  | -           |
| Property, plant and equipment written off                                  | <b>64</b>           | 4,257        | -                  | -           |
| Provision for warranty - additions                                         | <b>3,046,509</b>    | 2,499,289    | -                  | -           |
| - reversal                                                                 | <b>(2,499,289)</b>  | (1,515,000)  | -                  | -           |
| Share of loss/(profit) of associates                                       | <b>556,747</b>      | (39,365)     | -                  | -           |
| Unrealised loss on foreign exchange                                        | <b>1,720,084</b>    | 1,185,908    | <b>1,418,398</b>   | 629,517     |
| Operating profit before working capital changes                            | <b>134,502,286</b>  | 149,809,134  | <b>17,009,447</b>  | 16,775,034  |
| Changes in:                                                                |                     |              |                    |             |
| Inventories                                                                | <b>62,213,192</b>   | (20,328,828) | -                  | -           |
| Receivables                                                                | <b>7,098,569</b>    | 59,827,231   | <b>30,818</b>      | 285,622     |
| Payables                                                                   | <b>16,134,932</b>   | (8,905,210)  | <b>24,385</b>      | 81,956      |
| Contract liabilities                                                       | <b>(80,434,677)</b> | 37,859,791   | -                  | -           |
| Cash generated from operations/Balance carried forward                     | <b>139,514,302</b>  | 218,262,118  | <b>17,064,650</b>  | 17,142,612  |

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|                                                                                     | NOTE     | GROUP                |               | COMPANY             |              |
|-------------------------------------------------------------------------------------|----------|----------------------|---------------|---------------------|--------------|
|                                                                                     |          | 2024<br>RM           | 2023<br>RM    | 2024<br>RM          | 2023<br>RM   |
| Cash generated from operations/Balance brought forward                              |          | <b>139,514,302</b>   | 218,262,118   | <b>17,064,650</b>   | 17,142,612   |
| Grant received                                                                      |          | <b>272,985</b>       | 620,182       | -                   | -            |
| Income tax paid                                                                     |          | <b>(2,302,900)</b>   | (3,233,580)   | <b>(80)</b>         | (80)         |
| Income tax refunded                                                                 |          | <b>925,710</b>       | 284,229       | -                   | 206          |
| Net cash from operating activities                                                  |          | <b>138,410,097</b>   | 215,932,949   | <b>17,064,570</b>   | 17,142,738   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                         |          |                      |               |                     |              |
| Acquisition of:                                                                     |          |                      |               |                     |              |
| - interest of non-controlling interest in a subsidiary                              |          | -                    | (6,826,089)   | -                   | (6,826,089)  |
| - other investments                                                                 |          | <b>(1,178,992)</b>   | (3,751,588)   | -                   | -            |
| Additional investment in an associate                                               |          | <b>(2,925,000)</b>   | -             | -                   | -            |
| Deposits paid for acquisition of property, plant and equipment                      |          | <b>(3,131,171)</b>   | (13,612,411)  | -                   | -            |
| Interest received                                                                   |          | <b>12,794,983</b>    | 12,963,405    | <b>2,626,066</b>    | 2,992,625    |
| Net changes in related subsidiaries' balances                                       |          | -                    | -             | <b>(111,912)</b>    | 582,904      |
| Proceeds from disposal of:                                                          |          |                      |               |                     |              |
| - investment in associates                                                          |          | -                    | 7,009         | -                   | -            |
| - investment properties                                                             |          | <b>7,878,001</b>     | -             | -                   | -            |
| - other investments                                                                 |          | -                    | 77,976        | -                   | -            |
| Proceeds from issuance of shares to non-controlling interest of a subsidiary        |          | <b>15</b>            | 6,762,428     | -                   | 6,762,428    |
| Purchase of:                                                                        |          |                      |               |                     |              |
| - intangible assets                                                                 |          | <b>(4,070,387)</b>   | (5,634,853)   | -                   | -            |
| - property, plant and equipment                                                     | <b>A</b> | <b>(154,928,447)</b> | (102,466,822) | -                   | -            |
| Redemption of redeemable convertible preference shares invested in an associate     |          | -                    | 2,500,000     | -                   | -            |
| Net cash (used in)/from investing activities                                        |          | <b>(145,560,998)</b> | (109,980,945) | <b>2,514,154</b>    | 3,511,868    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                         |          |                      |               |                     |              |
| Advances from/(to) subsidiaries                                                     |          | -                    | -             | <b>42,061,480</b>   | (3,125,000)  |
| Dividend paid                                                                       |          | <b>(14,226,342)</b>  | (14,226,342)  | <b>(14,226,342)</b> | (14,226,342) |
| Dividend paid to non-controlling interest of a subsidiary                           |          | <b>(10,409,530)</b>  | (9,948,579)   | -                   | -            |
| Purchase of shares in a subsidiary for ESS                                          |          | <b>(7,956,228)</b>   | (12,335,901)  | -                   | -            |
| Net cash used in financing activities                                               |          | <b>(32,592,100)</b>  | (36,510,822)  | <b>27,835,138</b>   | (17,351,342) |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS/BALANCE CARRIED FORWARD</b> |          |                      |               |                     |              |
|                                                                                     |          | <b>(39,743,001)</b>  | 69,441,182    | <b>47,413,862</b>   | 3,303,264    |

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

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|                                                                                             | GROUP               |               | COMPANY            |            |
|---------------------------------------------------------------------------------------------|---------------------|---------------|--------------------|------------|
|                                                                                             | 2024<br>RM          | 2023<br>RM    | 2024<br>RM         | 2023<br>RM |
| <b>NET (DECREASE)/INCREASE IN CASH<br/>AND CASH EQUIVALENTS/BALANCE<br/>BROUGHT FORWARD</b> | <b>(39,743,001)</b> | 69,441,182    | <b>47,413,862</b>  | 3,303,264  |
| Effects of foreign exchange rate changes                                                    | (2,468,687)         | 203,483       | (1,417,542)        | (614,172)  |
| <b>CASH AND CASH EQUIVALENTS AT<br/>BEGINNING</b>                                           | <b>490,869,827</b>  | 421,225,162   | <b>92,599,175</b>  | 89,910,083 |
| <b>CASH AND CASH EQUIVALENTS AT END</b>                                                     | <b>448,658,139</b>  | 490,869,827   | <b>138,595,495</b> | 92,599,175 |
| <b>A. Purchase of property, plant and equipment</b>                                         |                     |               |                    |            |
| Total acquisition cost                                                                      | (188,871,097)       | (123,260,396) | -                  | -          |
| Other receivables (Note 11 (i))                                                             | 11,162,819          | -             | -                  | -          |
| Other payables (Note 25)                                                                    | 22,779,831          | 20,793,574    | -                  | -          |
| Total cash acquisition                                                                      | (154,928,447)       | (102,466,822) | -                  | -          |

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 1. CORPORATE INFORMATION

### General

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

The registered office of the Company is located at 35, 1st Floor, Jalan Kelisa Emas 1, Taman Kelisa Emas, 13700 Seberang Jaya, Penang.

The principal place of business of the Company is located at Plot 18 & 19, Technoplex, Medan Bayan Lepas, Taman Perindustrian Bayan Lepas, Phase IV, 11900 Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 April 2025.

### Principal Activities

The principal activities of the Company in the course of the financial year remain unchanged and consist of investment holding and provision of management services.

The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

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

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

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

### 2.2 Basis of Measurement

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

### 2.3 Functional and Presentation Currency

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

RM is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operation has different functional currency.

### 2.4 Adoption of Amendments to MFRSs

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

#### **Effective for annual period beginning on or after 1 January 2024**

*Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback*

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

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

Initial application for the above amendments to MFRSs did not have any material impact to the financial statements of the Group and of the Company upon adoption.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

### 2.5 Standards/Amendments to MFRSs Issued But Not Yet Effective

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

#### **Effective for annual period beginning on or after 1 January 2025**

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

#### **Effective for annual period beginning on or after 1 January 2026**

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

*Annual Improvements to MFRS Accounting Standards - Volume 11*

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

#### **Effective for annual period beginning on or after 1 January 2027**

*MFRS 18 Presentation and Disclosure in Financial Statements*

*MFRS 19 Subsidiaries without Public Accountability: Disclosures*

#### **Effective date yet to be confirmed**

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

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

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

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

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

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

### 3.1 Judgements made in applying accounting policies

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

### 3.2 Key sources of estimation uncertainty

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

#### (i) Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimate is made. Possible changes in these estimates could result in revisions to the valuations of inventories.

The inventories written-down to their net realisable value are disclosed in Note 13 to the financial statements.

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

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

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

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

The information about the ECL on the Group's trade receivables is disclosed in Note 36.3.1 to the financial statements.

#### (iii) Research and development costs

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset only when all the criteria as set out in MFRS138 Intangible assets are met, whereas research costs are expensed as incurred. The Group's management also monitor whether the recognition requirements for development cost continue to be met.

As at 31 December 2024, the net carrying amount of capitalised development costs is disclosed in Note 7.2 to the financial statements.

#### (iv) Impairment assessment of goodwill

The Group performs an impairment assessment on its goodwill at least on an annual basis or when there is evidence of impairment. This requires an estimation of the value-in use of the cash generating unit ("CGU"). The value-in use calculation is based on a Discounted Cash Flows ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGU is disclosed in Note 6 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 4. PROPERTY, PLANT AND EQUIPMENT

## GROUP

| 2024                            | Leasehold land RM | Buildings on leasehold land RM | Machinery and equipment RM | Furniture, fittings and office equipment RM | Computers RM     | Electrical installation RM | Motor vehicles RM | Capital expenditure in progress RM | Total RM           |
|---------------------------------|-------------------|--------------------------------|----------------------------|---------------------------------------------|------------------|----------------------------|-------------------|------------------------------------|--------------------|
| <b>At cost</b>                  |                   |                                |                            |                                             |                  |                            |                   |                                    |                    |
| Balance at beginning            | 36,984,753        | 92,034,434                     | 94,879,744                 | 2,486,887                                   | 9,525,687        | 2,751,605                  | 4,038,671         | 101,175,959                        | 343,877,740        |
| Additions                       | -                 | -                              | 14,809,213                 | 37,258                                      | 973,723          | -                          | 93,189            | 172,957,714                        | 188,871,097        |
| Written off                     | -                 | -                              | -                          | -                                           | (351,166)        | -                          | -                 | -                                  | (351,166)          |
| Reclassification                | -                 | 1,193,116                      | -                          | -                                           | -                | -                          | -                 | (1,193,116)                        | -                  |
| Foreign currency translation    | -                 | -                              | -                          | (47,821)                                    | (8,986)          | -                          | (8,469)           | -                                  | (65,276)           |
| Balance at end                  | 36,984,753        | 93,227,550                     | 109,688,957                | 2,476,324                                   | 10,139,258       | 2,751,605                  | 4,123,391         | 272,940,557                        | 532,332,395        |
| <b>Accumulated depreciation</b> |                   |                                |                            |                                             |                  |                            |                   |                                    |                    |
| Balance at beginning            | 2,084,715         | 18,461,236                     | 25,874,125                 | 1,800,126                                   | 7,463,643        | 2,423,674                  | 3,732,955         | -                                  | 61,840,474         |
| Current charge                  | 616,412           | 1,949,552                      | 9,236,695                  | 271,212                                     | 1,306,235        | 45,672                     | 114,610           | -                                  | 13,540,388         |
| Written off                     | -                 | -                              | -                          | -                                           | (351,102)        | -                          | -                 | -                                  | (351,102)          |
| Foreign currency translation    | -                 | -                              | -                          | (23,817)                                    | (6,297)          | -                          | (942)             | -                                  | (31,056)           |
| Balance at end                  | 2,701,127         | 20,410,788                     | 35,110,820                 | 2,047,521                                   | 8,412,479        | 2,469,346                  | 3,846,623         | -                                  | 74,998,704         |
| <b>Carrying amount</b>          | <b>34,283,626</b> | <b>72,816,762</b>              | <b>74,578,137</b>          | <b>428,803</b>                              | <b>1,726,779</b> | <b>282,259</b>             | <b>276,768</b>    | <b>272,940,557</b>                 | <b>457,333,691</b> |

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

| 2023                            | Leasehold land<br>RM | Buildings on<br>leasehold<br>land<br>RM | Machinery<br>and<br>equipment<br>RM | Furniture,<br>fittings<br>and office<br>equipment<br>RM | Computers<br>RM | Electrical<br>installation<br>RM | Motor<br>vehicles<br>RM | Capital<br>expenditure<br>in progress<br>RM | Total<br>RM |
|---------------------------------|----------------------|-----------------------------------------|-------------------------------------|---------------------------------------------------------|-----------------|----------------------------------|-------------------------|---------------------------------------------|-------------|
| At cost                         |                      |                                         |                                     |                                                         |                 |                                  |                         |                                             |             |
| Balance at beginning            | 36,984,753           | 91,279,376                              | 64,188,723                          | 2,263,803                                               | 8,581,440       | 2,751,605                        | 3,888,671               | 11,216,658                                  | 221,155,029 |
| Additions                       | -                    | -                                       | 30,691,021                          | 220,638                                                 | 1,484,378       | -                                | 150,000                 | 90,714,359                                  | 123,260,396 |
| Written off                     | -                    | -                                       | -                                   | -                                                       | (541,891)       | -                                | -                       | -                                           | (541,891)   |
| Reclassification                | -                    | 755,058                                 | -                                   | -                                                       | -               | -                                | -                       | (755,058)                                   | -           |
| Foreign currency<br>translation | -                    | -                                       | -                                   | 2,446                                                   | 1,760           | -                                | -                       | -                                           | 4,206       |
| Balance at end                  | 36,984,753           | 92,034,434                              | 94,879,744                          | 2,486,887                                               | 9,525,687       | 2,751,605                        | 4,038,671               | 101,175,959                                 | 343,877,740 |
| Accumulated<br>depreciation     |                      |                                         |                                     |                                                         |                 |                                  |                         |                                             |             |
| Balance at beginning            | 1,664,687            | 16,890,203                              | 18,422,453                          | 1,351,558                                               | 6,826,074       | 2,378,003                        | 3,613,326               | -                                           | 51,146,304  |
| Current charge                  | 420,028              | 1,571,033                               | 7,451,672                           | 448,392                                                 | 1,174,782       | 45,671                           | 119,629                 | -                                           | 11,231,207  |
| Written off                     | -                    | -                                       | -                                   | -                                                       | (537,634)       | -                                | -                       | -                                           | (537,634)   |
| Foreign currency<br>translation | -                    | -                                       | -                                   | 176                                                     | 421             | -                                | -                       | -                                           | 597         |
| Balance at end                  | 2,084,715            | 18,461,236                              | 25,874,125                          | 1,800,126                                               | 7,463,643       | 2,423,674                        | 3,732,955               | -                                           | 61,840,474  |
| Carrying amount                 | 34,900,038           | 73,573,198                              | 69,005,619                          | 686,761                                                 | 2,062,044       | 327,931                          | 305,716                 | 101,175,959                                 | 282,037,266 |

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

### GROUP

The Group's leasehold land meets the definition of right-of-use assets. However, the Group elected not to disclose the right-of-use assets separately. Instead, they continue to be recognised under property, plant and equipment as though these assets are owned.

### Material accounting policy information

Property, plant and equipment are initially stated at cost less accumulated depreciation and accumulated impairment losses.

Buildings erected on leasehold land are depreciated on a straight-line basis over the lease period of the land of 60 years. The leasehold land of the Group is depreciated over the lease period. Depreciation on other property, plant and equipment is calculated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life at the following annual rates:

|                                          |              |
|------------------------------------------|--------------|
| Machinery and equipment                  | 10% - 20%    |
| Furniture, fittings and office equipment | 10% - 20%    |
| Computers                                | 20% - 33.33% |
| Electrical installation                  | 10%          |
| Motor vehicles                           | 20%          |

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

## 5. INVESTMENT PROPERTIES

### GROUP

|                                                      | <b>Leasehold commercial units</b> |                   |
|------------------------------------------------------|-----------------------------------|-------------------|
|                                                      | <b>2024</b>                       | <b>2023</b>       |
|                                                      | <b>RM</b>                         | <b>RM</b>         |
| <b>At cost</b>                                       |                                   |                   |
| Balance at beginning                                 | 23,453,500                        | 23,453,500        |
| Disposals                                            | (8,865,500)                       | -                 |
| Reclassification to non-current assets held for sale | (4,684,500)                       | -                 |
| Balance at end                                       | <b>9,903,500</b>                  | <b>23,453,500</b> |
| <b>Accumulated depreciation</b>                      |                                   |                   |
| Balance at beginning                                 | 893,246                           | 648,731           |
| Current charge                                       | 199,426                           | 244,515           |
| Disposals                                            | (464,371)                         | -                 |
| Reclassification to non-current assets held for sale | (195,323)                         | -                 |
| Balance at end                                       | <b>432,978</b>                    | <b>893,246</b>    |
| <b>Accumulated impairment losses</b>                 |                                   |                   |
| Current charge                                       | 284,372                           | -                 |
| Reclassification to non-current assets held for sale | (284,372)                         | -                 |
| Balance at end                                       | <b>-</b>                          | <b>-</b>          |
| <b>Carrying amount</b>                               | <b>9,470,522</b>                  | <b>22,560,254</b> |

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 5. INVESTMENT PROPERTIES (CONT'D)

- (i) The investment properties are held to earn rental and for capital appreciation.
- (ii) The fair value of investment properties for disclosure purpose is as follows:

|            | 2024<br>RM        | 2023<br>RM |
|------------|-------------------|------------|
| Fair value | <b>10,070,000</b> | 24,013,000 |

The fair value of the investment properties is measured by reference to the valuation by independent professional qualified valuers or the open market value of properties in the vicinity under level 2 of the fair value hierarchy. The key input under this approach is the price per square foot from sale of comparable properties. The higher/(lower) the price per square foot, the higher/(lower) the fair value of the investment properties.

- (iii) The following amounts are recognised in profit or loss in respect of the investment properties:

|                                                 | 2024<br>RM       | 2023<br>RM |
|-------------------------------------------------|------------------|------------|
| Rental income from rental generating properties | <b>538,113</b>   | 389,557    |
| Direct operating expenses arising from:         |                  |            |
| - Rental generating properties                  | <b>(184,896)</b> | (217,242)  |
| - Non-rental generating properties              | <b>(150,666)</b> | (210,131)  |

- (iv) An impairment loss of RM284,372 recognised in the statement of comprehensive income during the financial year represents a write-down of the Group's investment properties to the net selling price as disclosed in the Note 17 to the financial statements.

### Material accounting policy information

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Leasehold commercial units are depreciated on a straight-line basis over the lease period of 99 years.

## 6. GOODWILL

The carrying amount of goodwill, net of any impairment loss, is allocated to the CGU of factory automation solutions - medical devices. No impairment loss was required for the goodwill as its recoverable amount is in excess of its carrying amount.

The recoverable amount for the CGU was determined based on value-in-use calculations covering a detailed five-year budget plan followed by an extrapolation of expected cash flows at the growth rates stated below.

The key assumptions used for value-in-use calculations were as follows:

|                      | 2024       | 2023 |
|----------------------|------------|------|
| Average growth rates | <b>3%</b>  | 3%   |
| Discount rates       | <b>15%</b> | 18%  |

The management believes that no reasonably possible changes in the key assumptions disclosed would cause the recoverable amount of the CGU to differ materially from its carrying amount except for changes in prevailing operating environment which is not ascertainable.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 7. INTANGIBLE ASSETS

|                            |      | GROUP             |                   |
|----------------------------|------|-------------------|-------------------|
|                            | NOTE | 2024<br>RM        | 2023<br>RM        |
| Property management right  | 7.1  | -                 | -                 |
| Development expenditure    | 7.2  | 22,752,125        | 24,969,491        |
| Computer software acquired | 7.3  | 2,342,679         | 1,652,388         |
| Technical know-how         | 7.4  | 11,196,500        | 13,435,800        |
|                            |      | <b>36,291,304</b> | <b>40,057,679</b> |

### 7.1 Project management right

|                                 | GROUP            |                  |
|---------------------------------|------------------|------------------|
|                                 | 2024<br>RM       | 2023<br>RM       |
| <b>At cost</b>                  | <b>9,000,000</b> | <b>9,000,000</b> |
| <b>Accumulated amortisation</b> | <b>9,000,000</b> | <b>9,000,000</b> |
| <b>Carrying amount</b>          | <b>-</b>         | <b>-</b>         |

### 7.2 Development expenditure

|                                    | GROUP             |                   |
|------------------------------------|-------------------|-------------------|
|                                    | 2024<br>RM        | 2023<br>RM        |
| <b>At cost</b>                     |                   |                   |
| Balance at beginning               | 52,095,002        | 48,114,183        |
| Additions                          | 2,123,387         | 3,980,819         |
| Balance at end                     | <b>54,218,389</b> | <b>52,095,002</b> |
| <b>Accumulated amortisation</b>    |                   |                   |
| Balance at beginning               | 23,535,511        | 20,327,164        |
| Current charge                     | 4,340,753         | 3,208,347         |
| Balance at end                     | <b>27,876,264</b> | <b>23,535,511</b> |
| <b>Accumulated Impairment loss</b> |                   |                   |
| Balance at beginning/end           | <b>3,590,000</b>  | <b>3,590,000</b>  |
| <b>Carrying amount</b>             | <b>22,752,125</b> | <b>24,969,491</b> |

Development expenditure relates to development of test and measurement instruments, test handler and solutions, automation warehouse solutions and single-use medical instruments.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 7. INTANGIBLE ASSETS (CONT'D)

### 7.3 Computer software acquired

|                                 | GROUP            |                  |
|---------------------------------|------------------|------------------|
|                                 | 2024<br>RM       | 2023<br>RM       |
| <b>At cost</b>                  |                  |                  |
| Balance at beginning            | 4,033,509        | 4,506,314        |
| Additions                       | 1,947,000        | 1,654,034        |
| Written off                     | (603,854)        | (2,129,320)      |
| Foreign currency translation    | (15,609)         | 2,481            |
| Balance at end                  | <u>5,361,046</u> | <u>4,033,509</u> |
| <b>Accumulated amortisation</b> |                  |                  |
| Balance at beginning            | 2,381,121        | 3,695,925        |
| Current charge                  | 1,244,488        | 811,592          |
| Written off                     | (603,489)        | (2,126,323)      |
| Foreign currency translation    | (3,753)          | (73)             |
| Balance at end                  | <u>3,018,367</u> | <u>2,381,121</u> |
| <b>Carrying amount</b>          | <u>2,342,679</u> | <u>1,652,388</u> |

### 7.4 Technical know-how

|                                 | GROUP             |                   |
|---------------------------------|-------------------|-------------------|
|                                 | 2024<br>RM        | 2023<br>RM        |
| <b>At cost</b>                  |                   |                   |
| Balance at beginning/end        | <u>22,393,000</u> | <u>22,393,000</u> |
| <b>Accumulated amortisation</b> |                   |                   |
| Balance at beginning            | 8,957,200         | 6,717,900         |
| Current charge                  | <u>2,239,300</u>  | <u>2,239,300</u>  |
| Balance at end                  | <u>11,196,500</u> | <u>8,957,200</u>  |
| <b>Carrying amount</b>          | <u>11,196,500</u> | <u>13,435,800</u> |

The technical know-how represents the research development information, technical data, design, prototypes and empirical data related to the technology of manufacturing and assembling of the automation machines and die casting parts for the medical industry.

The technical know-how was measured at their fair values using the income approach (excess earnings method) at the date of acquisition, i.e., 27 September 2019 and the valuation of the technical know-how was performed by an independent professional valuer.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 7. INTANGIBLE ASSETS (CONT'D)

### 7.4 Technical know-how (Cont'd)

#### Material accounting policy information

##### Project management right

The project management right was identified as an identifiable intangible asset acquired through a business combination. The project management right entails the Group to manage the construction of a phase of a property development project in Malaysia and in return will receive project management fee and share of profit generated by the developer from the project.

The project management right is measured at fair value on initial recognition at acquisition date. Following initial recognition, the project management right is carried at cost less accumulated amortisation and accumulated impairment losses.

Project management right is amortised over 4 years.

##### Research and development

Expenditure incurred on projects to develop new products is capitalised as development costs and deferred only when the Group can demonstrate the technical feasibility of completing the asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Development costs which do not meet these criteria are recognised in profit or loss as incurred.

Capitalised development costs, considered to have finite useful lives, are stated at cost less accumulated amortisation and any accumulated impairment losses. Development costs are amortised using the straight-line basis over the commercial lives of the underlying products from the commencement of the commercialisation of the products. Capitalised development costs are amortised over 5 years.

##### Computer software

The cost of computer software comprised the cost of acquisition of software and all directly attributable costs of preparing the assets for their intended use and are amortised on a straight-line basis over the estimated life of 3 to 5 years. The amount amortised is charged to profit or loss of the Group under administrative expenses.

##### Technical know-how

Technical know-how is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of these intangible assets. Technical know-how is amortised over 10 years.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 8. INVESTMENT IN SUBSIDIARIES

|                                   | COMPANY            |                    |
|-----------------------------------|--------------------|--------------------|
|                                   | 2024<br>RM         | 2023<br>RM         |
| <b>Unquoted shares, at cost</b>   |                    |                    |
| Balance at beginning/end          | 11,280,000         | 11,280,000         |
| Less: Accumulated impairment loss |                    |                    |
| Balance at beginning              | (4,848,024)        | (4,848,024)        |
| Current year                      | (1,431,976)        | -                  |
| Balance at end                    | (6,280,000)        | (4,848,024)        |
|                                   | 5,000,000          | 6,431,976          |
| <b>Quoted shares, at cost</b>     |                    |                    |
| Balance at beginning              | 113,741,107        | 107,748,079        |
| Addition                          | -                  | 6,826,089          |
| Disposal                          | -                  | (833,061)          |
| Balance at end                    | 113,741,107        | 113,741,107        |
|                                   | <b>118,741,107</b> | <b>120,173,083</b> |

- (i) Details of the subsidiaries, all of which were incorporated and their principal place of business are in Malaysia, except where indicated are as follows:

| Name of Company                                                                 | Effective               |       | Principal Activities                                                                |
|---------------------------------------------------------------------------------|-------------------------|-------|-------------------------------------------------------------------------------------|
|                                                                                 | Equity Interest<br>2024 | 2023  |                                                                                     |
| <b>Direct</b>                                                                   |                         |       |                                                                                     |
| # Pentamaster International Limited ("PIL")<br>(Incorporated in Cayman Islands) | 63.9%                   | 63.9% | Investment holding.                                                                 |
| Pentamaster Smart Solution Sdn. Bhd. ("PSS")                                    | 100%                    | 100%  | Designing and manufacturing of smart control solution systems.                      |
| Origo Ventures (M) Sdn. Bhd. ("OV")                                             | 100%                    | 100%  | Property project management activities.                                             |
| Pentamaster InnoTeq Sdn. Bhd. ("PX")                                            | 100%                    | 100%  | Investment holding and provision of testing solution services.                      |
| <b>Indirect - held through PIL</b>                                              |                         |       |                                                                                     |
| Pentamaster Technology (M) Sdn. Bhd. ("PT")                                     | 100%                    | 100%  | Design, assembly and installation of computerised automation systems and equipment. |

PT's branch office in Singapore is principally involved in the manufacture and repair of semiconductor assembly and testing equipment (including computer burn-in-system).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (i) Details of the subsidiaries, all of which were incorporated and their principal place of business are in Malaysia, except where indicated are as follows : (Cont'd)

| Name of Company                                                                                                                                       | Effective<br>Equity Interest |      | Principal Activities                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                       | 2024                         | 2023 |                                                                                                                                                                                                                         |
| Indirect - held through PIL<br>(Cont'd)                                                                                                               |                              |      |                                                                                                                                                                                                                         |
| Pentamaster Equipment Manufacturing Sdn. Bhd. ("PQ")                                                                                                  | 100%                         | 100% | Equipment design and manufacturing services and manufacturing of high precision machine parts.                                                                                                                          |
| Pentamaster Instrumentation Sdn. Bhd. ("PU")                                                                                                          | 100%                         | 100% | Designing and manufacturing of automated testing equipment and test and measurement system.                                                                                                                             |
| Pentamaster MediQ Sdn. Bhd. ("PD")                                                                                                                    | 100%                         | 100% | Designing and manufacturing of single-use medical devices, medical equipment and related instruments.                                                                                                                   |
| Indirect - held through PT                                                                                                                            |                              |      |                                                                                                                                                                                                                         |
| * Pentamaster Technology (Jiangsu) Limited ("PTJS")<br>(Incorporated and principal place of business is in The People's Republic of China)            | 100%                         | 100% | Research and development, manufacturing and sales of automated testing equipment and automation solutions as well as providing technical services, development, consulting and other businesses.                        |
| * Pentamaster Automation (Japan) Co., Ltd ("PAJ")<br>(Incorporated and principal place of business is in Japan)                                       | 100%                         | 100% | Design and development, production and sales of automated test equipment, factory automation system and other handling solutions as well as providing technical consulting services and other related support services. |
| * Pentamaster Automation (Germany) GmbH ("PAG")<br>(Incorporated and principal place of business is in Germany)                                       | 100%                         | 100% | Design and development, production and sales of automated test equipment, factory automation system and other handling solutions as well as providing technical consulting services and other related support services. |
| Indirect - held through PQ                                                                                                                            |                              |      |                                                                                                                                                                                                                         |
| TP Concept Sdn. Bhd. ("TP")                                                                                                                           | 100%                         | 100% | Manufacturing and assembling of medical machines and manufacturing of die casting parts.                                                                                                                                |
| * Pentamaster Equipment Manufacturing, Inc. ("PEMI")<br>(Incorporated and principal place of business is in California, the United States of America) | 100%                         | 100% | Provision of sales and support services.                                                                                                                                                                                |
| Pentamaster Eva Sdn. Bhd. ("PV")                                                                                                                      | 85%                          | -    | Equipment design, project management, manufacturing and production of automation solutions specifically for automotive and aerospace industry.                                                                          |

# Listed on the Main Board of The Stock Exchange of Hong Kong Limited. Audited by a member firm of Grant Thornton International Limited.

\* Not audited by Grant Thornton Malaysia PLT.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

### (ii) **Controlled structured entity**

The Group controls a structured entity through PIL, Pekerja SS Limited ("PILPSS"), a company incorporated in the British Virgin Islands. The principal activities of PILPSS are purchases, administer and hold the shares of PIL for the employee share scheme.

PILPSS was incorporated on 31 December 2020 for the purpose of purchasing, administering and holding the ordinary shares of PIL for the employee share scheme implemented by PIL. The Group has the power to direct the relevant activities of PILPSS and it has the ability to use its power over PILPSS to affect its exposure to returns. Therefore, the assets and liabilities of PILPSS are included in the Group's statements of financial position and PIL's ordinary shares that the Group holds are presented as a deduction in equity as shares held for employee share scheme.

### (iii) **Incorporation of subsidiaries**

#### **2024**

On 29 March 2024, a subsidiary of the Company, PQ, has subscribed to 85 ordinary shares in a newly incorporated subsidiary, PV, representing 85% equity interest in PV for a total consideration of RM85.

#### **2023**

In the previous financial year, the Company through its subsidiary, PT, had incorporated a wholly foreign-owned subsidiary, PAG, in Germany with an issued and paid-up share capital of Euro25,000.

### (iv) **Impairment on investment in a subsidiary**

During the financial year, the Company has carried out an impairment loss assessment on its cost of investment in subsidiaries as certain subsidiaries are either in continuing loss position or negative shareholder's fund. The recoverable amounts of the investment in subsidiaries are assessed by reference to the higher of value-in-use or fair value less cost to sell of the respective subsidiaries as at the end of the reporting period. Accordingly, an impairment loss of RM1,431,976 is recognised in the statement of comprehensive income during the financial year.

### (v) **Investment in PIL**

In the previous financial year, the Company had acquired 11,232,000 ordinary shares for a total consideration of RM6,826,089 and disposed of 11,232,000 ordinary shares for a total consideration of RM6,762,428. No changes in the percentage of effective equity interest in PIL subsequent to the acquisition and disposal of ordinary shares.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

### (vii) Non-controlling interests in a subsidiary

The Group's subsidiary that has material non-controlling interests ("NCI") is as follows:

|                                                                                     | <b>PIL and its subsidiaries</b> |               |
|-------------------------------------------------------------------------------------|---------------------------------|---------------|
|                                                                                     | <b>2024</b>                     | <b>2023</b>   |
|                                                                                     | <b>RM</b>                       | <b>RM</b>     |
| <b>NCI percentage of ownership interest and voting interest</b>                     | <b>36.1%</b>                    | <b>36.1%</b>  |
| Carrying amount of NCI                                                              | <b>333,018,261</b>              | 306,117,925   |
| Profit allocated to NCI                                                             | <b>38,672,175</b>               | 51,346,104    |
| <b>Summarised consolidated financial information before intra-group elimination</b> |                                 |               |
| <b>As at 31 December</b>                                                            |                                 |               |
| Non-current assets                                                                  | <b>523,657,525</b>              | 354,565,983   |
| Current assets                                                                      | <b>669,814,899</b>              | 804,474,649   |
| Non-current liabilities                                                             | <b>(13,350,848)</b>             | (9,487,179)   |
| Current liabilities                                                                 | <b>(257,631,345)</b>            | (301,581,362) |
| Non-controlling interests                                                           | <b>1,115</b>                    | -             |
| Net assets                                                                          | <b>922,491,346</b>              | 847,972,091   |
| <b>Financial year ended 31 December</b>                                             |                                 |               |
| Revenue                                                                             | <b>622,433,293</b>              | 691,850,152   |
| Profit for the financial year                                                       | <b>107,128,268</b>              | 142,232,976   |
| Profit for the financial year attributable to non-controlling interests             | <b>(1,130)</b>                  | -             |
| Total comprehensive income for the financial year                                   | <b>106,889,702</b>              | 142,278,497   |
| <b>Summary of consolidated cash flows for the financial year ended 31 December</b>  |                                 |               |
| Net cash from operating activities                                                  | <b>140,019,638</b>              | 216,752,691   |
| Net cash used in investing activities                                               | <b>(200,021,129)</b>            | (110,511,749) |
| Net cash used in financing activities                                               | <b>(36,785,942)</b>             | (39,890,307)  |
| Net cash (outflow)/inflow for the financial year                                    | <b>(96,787,433)</b>             | 66,350,635    |

### Material accounting policy information

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

Business combinations are accounted for using the acquisition method from the acquisition date which is the date on which control is transferred to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 9. INVESTMENT IN AN ASSOCIATE

|                                                                 | GROUP              |             |
|-----------------------------------------------------------------|--------------------|-------------|
|                                                                 | 2024<br>RM         | 2023<br>RM  |
| Unquoted shares, at cost                                        | <b>9,482,760</b>   | 6,557,760   |
| Share of post-acquisition reserves                              | <b>(5,036,828)</b> | (4,480,081) |
|                                                                 | <b>4,445,932</b>   | 2,077,679   |
| Investment in redeemable convertible preference shares ("RCPS") | <b>15,500,000</b>  | 15,500,000  |
|                                                                 | <b>19,945,932</b>  | 17,577,679  |

(i) The details of the associate, which is incorporated and its principal place of business is in Malaysia, are as follows:

| Name of Associate                             | Effective<br>Equity Interest |           | Principal Activity                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------|------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                               | 2024<br>%                    | 2023<br>% |                                                                                                                                                                                                                                                                                                                                                   |
| # Penang Automation Cluster Sdn. Bhd. ("PAC") | <b>38.08%</b>                | 35.64%    | Providing value added engineering development and technical training to the automation cluster companies specialised in the area of design, development and manufacture of high precision metal fabrication components, modules and systems for semiconductor, electronics, automotive, aerospace and other high growth industries in the region. |

# Not audited by Grant Thornton Malaysia PLT.

### (ii) Additional investment in PAC

During the financial year, PT, an indirect wholly-owned subsidiary of the Company has increased its investment in PAC by RM2,925,000 through the subscription of an additional 2,925,000 new ordinary shares. Therefore, the effective equity interest in PAC has now increased from 35.64% to 38.08%.

### (iii) Redemption of RCPS in PAC

In the previous financial year, PT, an indirect wholly-owned subsidiary had redeemed 2,500,000 RCPS out of 18,000,000 RCPS in PAC at a redemption price of RM1.00 per RCPS for a total cash redemption sum of RM2,500,000. No changes in the percentage of effective equity interest in PAC subsequent to the redemption of RCPS.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 9. INVESTMENT IN AN ASSOCIATE (CONT'D)

(iv) Set out below are the summarised financial information of PAC which is accounted for using the equity method:

|                                                                                                                                            | 2024<br>RM         | 2023<br>RM        |
|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|
| <b>Summarised financial information</b>                                                                                                    |                    |                   |
| <b>As at 31 December</b>                                                                                                                   |                    |                   |
| Non-current assets                                                                                                                         | 49,568,797         | 57,273,360        |
| Current assets                                                                                                                             | 14,010,885         | 9,912,754         |
| Non-current liabilities                                                                                                                    | (10,327,217)       | (13,175,115)      |
| Current liabilities                                                                                                                        | (11,654,846)       | (17,320,354)      |
| Non-controlling interests                                                                                                                  | (255,459)          | (362,491)         |
| Net assets attributable to owners                                                                                                          | <u>41,342,160</u>  | <u>36,328,154</u> |
| <b>Year ended 31 December</b>                                                                                                              |                    |                   |
| Revenue                                                                                                                                    | 22,131,774         | 18,561,131        |
| Net (loss)/profit, representing total comprehensive (loss)/income attributable to owners                                                   | <u>(1,485,996)</u> | <u>110,453</u>    |
| <b>Reconciliation of net assets to carrying amount as at 31 December</b>                                                                   |                    |                   |
| Net assets of PAC                                                                                                                          | 41,342,160         | 36,328,154        |
| Proportion of ownership interest held by the Group                                                                                         | <u>38.08%</u>      | <u>35.64%</u>     |
|                                                                                                                                            | 15,743,095         | 12,947,354        |
| * Adjustment                                                                                                                               | (11,475,888)       | (11,048,400)      |
| Goodwill                                                                                                                                   | <u>178,725</u>     | <u>178,725</u>    |
| Carrying amount in the statements of financial position                                                                                    | <u>4,445,932</u>   | <u>2,077,679</u>  |
| * Adjustment represented the Group's investment on PAC's preference shares which is not proportion to equity interest shared by the Group. |                    |                   |
|                                                                                                                                            | 2024<br>RM         | 2023<br>RM        |
| <b>Group's share of results for the financial year ended 31 December</b>                                                                   |                    |                   |
| Group's share of (loss)/profit                                                                                                             | <u>(556,747)</u>   | <u>39,365</u>     |

## (v) Salient features of PAC's RCPS

- The RCPS is convertible at the option of issuer at the issue price of RM1 per RCPS at any time after the issuance date, i.e., 29 December 2020 and up to maturity date, i.e., 28 December 2030;
- The RCPS holders shall be paid a non-cumulative preferential dividend at the rate of 1.5% per annum based on the issue price subject always to PAC achieving profit after tax of RM2,000,000 as stated in its audited accounts for that particular financial year end;

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 9. INVESTMENT IN AN ASSOCIATE (CONT'D)

### (v) Salient features of PAC's RCPS (Cont'd)

(c) The RCPS does not confer any voting rights unless converted into ordinary shares; and

(d) In the event of liquidation, the RCPS shall rank in priority to the ordinary shares of PAC.

As the rights and obligations of the ownership over RCPS are different from the ownership of ordinary shares of PAC, the Group's investment in RCPS is accounted for in accordance with MFRS 9 and measured at fair value through profit or loss ("FVTPL").

PAC is a strategic partner to build and manage the local supply chain ecosystem in the country that supports the Group's long-term strategy to grow its business in providing a wider range of high-end automated test equipment supporting various industries globally.

### Material accounting policy information

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

## 10. OTHER INVESTMENTS

|                                                      | GROUP             |                  |
|------------------------------------------------------|-------------------|------------------|
|                                                      | 2024<br>RM        | 2023<br>RM       |
| <b>Non-current asset</b>                             |                   |                  |
| <b>Fair value through other comprehensive income</b> |                   |                  |
| Unquoted shares in Malaysia                          | 5,000,000         | 5,000,000        |
| Unquoted shares outside Malaysia                     | 6,047,301         | 4,868,309        |
|                                                      | <b>11,047,301</b> | <b>9,868,309</b> |
| <b>Current asset</b>                                 |                   |                  |
| <b>Fair value through profit or loss</b>             |                   |                  |
| Quoted shares in Malaysia                            | 199,143           | 170,597          |

Equity instruments designated at fair value through other comprehensive income ("FVOCI") are investment in equity shares of unquoted companies/funds. The Group holds non-controlling interests of 4.36% to 6.80% in these investments. These investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

Fair value of the quoted shares is determined by reference to published price quoted in an active market.

### Material accounting policy information

For unquoted share in Malaysia and outside Malaysia, the Group has elected to classify these instruments irrevocably as equity instruments designated at FVOCI.

For quoted shares in Malaysia, the investment is carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

|                                          | GROUP             |            | COMPANY       |            |
|------------------------------------------|-------------------|------------|---------------|------------|
|                                          | 2024<br>RM        | 2023<br>RM | 2024<br>RM    | 2023<br>RM |
| <b>Non-current asset</b>                 |                   |            |               |            |
| Non-refundable deposits <sup>(i)</sup>   | <b>5,580,763</b>  | 13,612,411 | -             | -          |
| <b>Current assets</b>                    |                   |            |               |            |
| Other receivables <sup>(ii)</sup>        | <b>16,845,684</b> | 677,184    | -             | 35,466     |
| Refundable deposits                      | <b>31,700,613</b> | 30,678,578 | <b>1,000</b>  | 1,000      |
| Non-refundable deposits <sup>(iii)</sup> | <b>11,649,010</b> | 11,608,197 | -             | -          |
| Prepayments                              | <b>876,975</b>    | 1,028,138  | <b>9,909</b>  | 6,117      |
| Value-added tax claimable                | <b>1,640,978</b>  | 1,074,463  | -             | -          |
|                                          | <b>62,713,260</b> | 45,066,560 | <b>10,909</b> | 42,583     |
| <b>Total</b>                             | <b>68,294,023</b> | 58,678,971 | <b>10,909</b> | 42,583     |

### GROUP

- (i) Included in the non-refundable deposits under non-current assets of the Group represent the deposits paid to suppliers for the acquisition of property, plant and equipment. During the financial year, the Group has reclassified a total amount of **RM11,162,819** (2023: RM Nil) from non-refundable deposits to property, plant and equipment.
- (ii) Included in other receivables is an amount of **RM290,679** (2023: RM307,054) due from a related party, Maarij Development Sdn. Bhd. ("MDSB") for project financing expenses paid on behalf of MDSB for the property development project in which the Group is managing as disclosed in Note 7.1 to the financial statements and rental income charged.
- (iii) Non-refundable deposits under current assets of the Group represent the deposits paid to suppliers for purchase of raw materials.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 12. AMOUNT DUE FROM/TO SUBSIDIARIES

|                                     | COMPANY           |                   |
|-------------------------------------|-------------------|-------------------|
|                                     | 2024<br>RM        | 2023<br>RM        |
| <b>Amount due from subsidiaries</b> |                   |                   |
| <b>Non-current asset</b>            |                   |                   |
| Non-trade                           | 25,543,191        | 25,543,191        |
| Less: Impairment loss               | (550,532)         | -                 |
|                                     | <u>24,992,659</u> | <u>25,543,191</u> |
| <b>Current asset</b>                |                   |                   |
| Non-trade                           | 47,557,630        | 43,005,738        |
| Less: Impairment loss               |                   |                   |
| Balance at beginning                | (10,580,738)      | (5,464,504)       |
| Current year                        | (728,527)         | (5,116,234)       |
| Balance at end                      | (11,309,265)      | (10,580,738)      |
|                                     | <u>36,248,365</u> | <u>32,425,000</u> |
| <b>Total</b>                        | <u>61,241,024</u> | <u>57,968,191</u> |
| <b>Amount due to subsidiaries</b>   |                   |                   |
| <b>Current liability</b>            |                   |                   |
| Non-trade                           | <u>46,505,346</u> | <u>3,886</u>      |

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

The amount due to subsidiaries is non-trade related, unsecured, non-interest bearing and is repayable upon demand.

## 13. INVENTORIES

|                                         | GROUP              |                    |
|-----------------------------------------|--------------------|--------------------|
|                                         | 2024<br>RM         | 2023<br>RM         |
| Raw materials                           | 16,366,919         | 21,924,414         |
| Work-in-progress                        | 91,317,054         | 155,219,573        |
| Finished goods                          | <u>14,112,234</u>  | <u>13,463,710</u>  |
|                                         | <u>121,796,207</u> | <u>190,607,697</u> |
| Recognised in profit or loss:           |                    |                    |
| Inventories recognised as cost of sales | 437,937,114        | 483,817,542        |
| Write-down to net realisable value      |                    |                    |
| - Addition                              | 4,280,229          | 869,478            |
| - Reversal                              | (1,205,719)        | (214,096)          |
| Inventories written off                 | <u>3,523,788</u>   | <u>-</u>           |

The reversal of inventories written down was made during the financial year when the related inventories were consumed in the production.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 13. INVENTORIES (CONT'D)

### Material accounting policy information

Inventories are stated at the lower of cost and net realisable value.

Costs of all inventories are determined on the first-in, first-out basis.

## 14. TRADE RECEIVABLES

|                                            | GROUP              |                    |
|--------------------------------------------|--------------------|--------------------|
|                                            | 2024<br>RM         | 2023<br>RM         |
| Trade receivables                          | 171,803,047        | 198,483,262        |
| Less: Allowance for expected credit losses |                    |                    |
| Balance at beginning                       | (2,193,827)        | (3,296,621)        |
| Current year                               | (2,374,918)        | (1,606,786)        |
| Reversal                                   | 594,462            | 2,748,014          |
| Foreign currency translation               | 27,562             | (38,434)           |
| Balance at end                             | (3,946,721)        | (2,193,827)        |
|                                            | <b>167,856,326</b> | <b>196,289,435</b> |

(i) The normal credit terms granted to trade receivables range from **30 to 120 days** (2023: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(ii) The currency profile of trade receivables is as follows:

|                      | GROUP              |                    |
|----------------------|--------------------|--------------------|
|                      | 2024<br>RM         | 2023<br>RM         |
| United States Dollar | 96,345,545         | 125,402,378        |
| Ringgit Malaysia     | 51,215,873         | 36,395,270         |
| Chinese Renminbi     | 20,117,135         | 34,386,000         |
| Japanese Yen         | 94,021             | 105,787            |
| Euro                 | 83,752             | -                  |
|                      | <b>167,856,326</b> | <b>196,289,435</b> |

## 15. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

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

During the financial year, the Group recognised a loss of **RM3,912,442** (2023: gain of RM6,908,611) arising from fair value changes of derivative assets and liabilities. The fair value changes are attributable to changes in foreign exchange spot and forward rate. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 36.8 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 15. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONT'D)

| Notional amount                                       | Derivative asset/<br>(liability) amount<br>RM | Settlement date                   | Terms                      | Forward rates                    |
|-------------------------------------------------------|-----------------------------------------------|-----------------------------------|----------------------------|----------------------------------|
| <b>2024</b>                                           |                                               |                                   |                            |                                  |
| <b>RM146,532,550</b><br>(equivalent to USD33,700,000) | <b>(3,361,509)</b>                            | <b>7.1.2025 to<br/>10.11.2025</b> | <b>156 to 403<br/>days</b> | <b>RM4.20 to RM4.46/<br/>USD</b> |
| <b>2023</b>                                           |                                               |                                   |                            |                                  |
| RM118,783,640<br>(equivalent to USD25,460,000)        | 2,384,171                                     | 2.1.2024 to<br>18.3.2024          | 37 to 343 days             | RM4.65 to RM4.68/<br>USD         |
| RM59,892,500<br>(equivalent to USD13,500,000)         | (1,833,238)                                   | 19.1.2024 to<br>18.3.2024         | 278 to 312<br>days         | RM4.43 to RM4.47/<br>USD         |

## 16. CASH AND CASH EQUIVALENTS

|                        | <b>GROUP</b>       |                    | <b>COMPANY</b>     |                    |
|------------------------|--------------------|--------------------|--------------------|--------------------|
|                        | <b>2024<br/>RM</b> | <b>2023<br/>RM</b> | <b>2024<br/>RM</b> | <b>2023<br/>RM</b> |
| Cash and bank balances | <b>246,173,411</b> | 130,798,303        | <b>92,038,274</b>  | 7,587,081          |
| Short-term investments | <b>202,484,728</b> | 360,071,524        | <b>46,557,221</b>  | 85,012,094         |
|                        | <b>448,658,139</b> | <b>490,869,827</b> | <b>138,595,495</b> | <b>92,599,175</b>  |

- (i) The short-term investment represents investment in short-term funds. The short-term investments can be redeemed at any time upon notice given to the financial institution. The short-term funds invest in a mixture of money market instruments with different maturity periods. The effective interest rates per annum of the short-term investments of the Group and of the Company as at the end of the reporting period are as follows:

|                                        | <b>GROUP</b>        |              | <b>COMPANY</b>      |              |
|----------------------------------------|---------------------|--------------|---------------------|--------------|
|                                        | <b>2024</b>         | <b>2023</b>  | <b>2024</b>         | <b>2023</b>  |
| Effective interest rates per annum (%) | <b>3.40 to 3.66</b> | 2.05 to 3.66 | <b>3.40 to 3.54</b> | 3.50 to 3.51 |

- (ii) The currency profile of cash and cash equivalents is as follows:

|                      | <b>GROUP</b>       |                    | <b>COMPANY</b>     |                    |
|----------------------|--------------------|--------------------|--------------------|--------------------|
|                      | <b>2024<br/>RM</b> | <b>2023<br/>RM</b> | <b>2024<br/>RM</b> | <b>2023<br/>RM</b> |
| Ringgit Malaysia     | <b>268,994,768</b> | 412,207,606        | <b>58,598,222</b>  | 74,187,586         |
| Hong Kong Dollar     | <b>116,102,201</b> | 25,995,115         | <b>79,997,273</b>  | 18,411,589         |
| Chinese Renminbi     | <b>43,797,419</b>  | 33,279,946         | -                  | -                  |
| United States Dollar | <b>18,348,964</b>  | 18,113,518         | -                  | -                  |
| Singapore Dollar     | <b>627,053</b>     | 647,127            | -                  | -                  |
| Japanese Yen         | <b>478,689</b>     | 119,558            | -                  | -                  |
| Euro                 | <b>294,868</b>     | 493,060            | -                  | -                  |
| Others               | <b>14,177</b>      | 13,897             | -                  | -                  |
|                      | <b>448,658,139</b> | <b>490,869,827</b> | <b>138,595,495</b> | <b>92,599,175</b>  |

# NOTES TO THE FINANCIAL STATEMENTS

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## 17. NON-CURRENT ASSET HELD FOR SALE

|                                                        | GROUP            |            |
|--------------------------------------------------------|------------------|------------|
|                                                        | 2024<br>RM       | 2023<br>RM |
| <b>Leasehold commercial units:</b>                     |                  |            |
| Reclassified from investment properties/Balance at end | <b>4,204,805</b> | -          |

During the financial year, Origo Ventures (M) Sdn. Bhd., a wholly-owned subsidiary of the Company, has entered into Sale and Purchase Agreements with Gracious Jewel Sdn. Bhd. to dispose of 7 units of leasehold commercial shop lots for a total cash consideration of RM4,395,000. The disposal transactions have completed subsequent to the year end.

## 18. SHARE CAPITAL

|                                         | Number of ordinary shares |             | Amount            |            |
|-----------------------------------------|---------------------------|-------------|-------------------|------------|
|                                         | 2024                      | 2023        | 2024<br>RM        | 2023<br>RM |
| Issued and fully paid with no par value | <b>712,317,121</b>        | 712,317,121 | <b>79,303,370</b> | 79,303,370 |

## 19. TREASURY SHARES

The Company's mandate relating to the share buyback of up to 10% of the existing total paid-up share capital, was approved by the shareholders of the Company at the annual general meeting held on 31 May 2023.

Out of the total **712,317,121** (2023: 712,317,121) issued and paid-up ordinary shares as at 31 December 2024, **1,000,000** (2023: 1,000,000) ordinary shares are held as treasury shares by the Company.

As at the end of the reporting period, the number of outstanding ordinary shares in issue and fully paid after the set off is therefore **711,317,121** (2023: 711,317,121) ordinary shares.

Treasury shares have no rights to voting, dividends and participation in other distribution.

## 20. SHARES HELD FOR EMPLOYEE SHARE SCHEME ("ESS")

The shares held for ESS were purchased by a trust which administers the ESS of a foreign listed subsidiary of the Company. Details of the ESS are disclosed in Note 21.1 to the financial statements.

The movement of the share held for ESS is as follows:

|                      | Number of PIL ordinary shares<br>of HKD0.01 |              | Amount             |             |
|----------------------|---------------------------------------------|--------------|--------------------|-------------|
|                      | 2024                                        | 2023         | 2024<br>RM         | 2023<br>RM  |
| Balance at beginning | <b>25,409,455</b>                           | 20,289,293   | <b>14,922,790</b>  | 11,477,811  |
| Additions            | <b>21,486,629</b>                           | 20,514,000   | <b>7,956,228</b>   | 12,335,901  |
| Forfeited            | <b>48,000</b>                               | 117,341      | -                  | -           |
| Vested               | <b>(12,120,932)</b>                         | (15,511,179) | <b>(6,707,447)</b> | (8,890,922) |
| Balance at end       | <b>34,823,152</b>                           | 25,409,455   | <b>16,171,571</b>  | 14,922,790  |

# NOTES TO THE FINANCIAL STATEMENTS

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## 21. RESERVES

|                                               | NOTE | GROUP            |                  |
|-----------------------------------------------|------|------------------|------------------|
|                                               |      | 2024<br>RM       | 2023<br>RM       |
| Employee share scheme reserve ("ESS Reserve") | 21.1 | 1,977,659        | 3,944,249        |
| Foreign currency translation reserve          | 21.2 | (173,261)        | (21,539)         |
| Statutory reserve                             | 21.3 | 453,858          | 453,858          |
|                                               |      | <u>2,258,256</u> | <u>4,376,568</u> |

### 21.1 ESS reserve

PIL, a foreign listed subsidiary of the Company had on 1 April 2020 adopted an ESS to recognise contributions of employees within the PIL Group (comprising of PIL and its subsidiaries) and to incentivise these employees to achieve the long-term business goals and objectives of PIL.

The ESS is administered by the Board of PIL and the trustee as disclosed in Note 8(ii) to the financial statements in accordance with the ESS rules and the trust deed of the ESS. Subject to any early termination as may be determined by the Board of PIL, the ESS shall be valid and effective for a term of 10 years commencing on its adoption date (i.e., 1 April 2020).

The maximum number of shares to be subscribed for and/or purchased by the trustee by applying the trust fund of the ESS for each calendar year for the purpose of the ESS shall not exceed 5% of the total number of issued shares as at the beginning of such calendar year. The directors of PIL shall not instruct the trustee to subscribe and/or purchase any shares for the purpose of the ESS when such subscription and/or purchase will result in the said limit being exceeded. The maximum number of shares which may be awarded to a selected employee under the ESS shall not exceed 1% of the total number of issued shares of PIL from time to time.

The ESS reserve represents the fair value of the shares granted which was calculated based on the closing market price of the shares on the day of grant.

The number of shares granted and vested under the ESS of the Group during the financial year ended 31 December 2024 are as follows:

| ----- Number of shares granted under ESS ----- |                                         |                      |           |             |           |                |
|------------------------------------------------|-----------------------------------------|----------------------|-----------|-------------|-----------|----------------|
| Date of grant                                  | Exercise periods (both dates inclusive) | Balance at beginning | Granted   | Vested      | Lapsed    | Balance at end |
| 1.7.2022                                       | 1.7.2022 to 1.7.2024                    | 5,436,802            | -         | (5,387,124) | (49,678)  | -              |
| 1.7.2023                                       | 1.7.2023 to 1.7.2025                    | 10,751,363           | -         | (5,325,641) | (103,332) | 5,322,390      |
| 7.8.2024                                       | 7.8.2024 to 7.8.2026                    | -                    | 6,035,000 | (2,011,667) | -         | 4,023,333      |

The Board has full discretion to determine the amount of the share award to be vested to selected employees at the end of a performance period in accordance with the performance criteria approved by the Board. These performance criteria include at least one service year and key performance index.

The Group granted **6,035,000** (2023: 16,127,000) shares to selected employees on **7 August 2024** (2023: 1 July 2023), which will be vested in tranches of one-third each on every anniversary date of the grant date starting from the 1st anniversary date until the 3rd anniversary date. The fair value of the granted shares is calculated based on the closing market price of the shares of approximately **RM0.3687** (2023: RM0.5844) on the day of the grant and amounted to **RM2,224,816** (2023: RM9,402,776) in total. Together with the granted shares in previous years, the Group recognised a Share Award Scheme expense of **RM4,419,911** (2023: RM8,872,500) during the year ended 31 December 2024.

# NOTES TO THE FINANCIAL STATEMENTS

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## 21. RESERVES (CONT'D)

### 21.1 ESS reserve (Cont'd)

During the year ended 31 December 2024, a total of **12,724,432** (2023: 15,511,179) awarded shares were vested. The cost and the fair value of the related vested shares were **RM6,707,447** (2023: RM8,890,922) and **RM6,386,501** (2023: RM8,634,141) respectively. The difference of **RM320,946** (2023: RM256,781) was charged to retained profits. As at 31 December 2024, the carrying amount of Shares held for Share Award Scheme was **RM16,171,571** (2023: RM14,922,790).

The movement of ESS reserve is as follows:

|                      | GROUP            |                  |
|----------------------|------------------|------------------|
|                      | 2024<br>RM       | 2023<br>RM       |
| Balance at beginning | 3,944,249        | 3,705,890        |
| Addition             | 4,419,911        | 8,872,500        |
| Vested               | (6,386,501)      | (8,634,141)      |
| Balance at end       | <u>1,977,659</u> | <u>3,944,249</u> |

### 21.2 Foreign currency translation reserve

The foreign currency translation reserve is in respect of foreign exchange differences on translation of the financial statements of the Group's foreign subsidiaries.

### 21.3 Statutory reserves

In accordance with the Company Law of the People's Republic of China ("PRC"), PTJS, a subsidiary incorporated in the PRC, is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) to the statutory reserve fund. When the balance of the statutory reserve fund reaches 50% of the entity's registered capital, any further appropriation is optional. The statutory reserve fund can be utilised to offset prior years' losses or to increase the registered capital. However, such balance of the statutory reserve fund must be maintained at a minimum of 50% of the registered capital after such usages.

## 22. RETAINED PROFITS

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

## 23. DEFERRED INCOME

Deferred income represents government grants received by PD, an indirect wholly-owned subsidiary, for reimbursements of capital expenditure spent on research and development. Deferred income is released to profit or loss over the periods to match the related cost which the grants are intended to compensate, on a systematic basis. There are no unfulfilled conditions or contingencies relating to the grants.

# NOTES TO THE FINANCIAL STATEMENTS

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## 24. DEFERRED TAX LIABILITIES

The movement in deferred tax liabilities during the year is as follows:

|                              | Fair value<br>adjustment<br>on business<br>combination<br>RM | Property,<br>plant and<br>equipment<br>RM | Unused tax<br>losses<br>RM | Unabsorbed<br>capital<br>allowances<br>RM | Others<br>RM       | Total<br>RM      |
|------------------------------|--------------------------------------------------------------|-------------------------------------------|----------------------------|-------------------------------------------|--------------------|------------------|
| <b>GROUP</b>                 |                                                              |                                           |                            |                                           |                    |                  |
| <b>2024</b>                  |                                                              |                                           |                            |                                           |                    |                  |
| Balance at beginning         | 2,149,728                                                    | 6,470,000                                 | (548,000)                  | (7,000)                                   | (5,915,000)        | 2,149,728        |
| Recognised in profit or loss | (537,432)                                                    | (806,000)                                 | 536,000                    | 7,000                                     | 263,000            | (537,432)        |
| Balance at end               | <u>1,612,296</u>                                             | <u>5,664,000</u>                          | <u>(12,000)</u>            | <u>-</u>                                  | <u>(5,652,000)</u> | <u>1,612,296</u> |
| <b>2023</b>                  |                                                              |                                           |                            |                                           |                    |                  |
| Balance at beginning         | 3,762,024                                                    | 5,685,000                                 | (4,615,000)                | (50,000)                                  | (1,020,000)        | 3,762,024        |
| Recognised in profit or loss | -                                                            | 785,000                                   | 4,067,000                  | 43,000                                    | (4,895,000)        | -                |
|                              | 3,762,024                                                    | 6,470,000                                 | (548,000)                  | (7,000)                                   | (5,915,000)        | 3,762,024        |
| Over provision in prior year | (1,612,296)                                                  | -                                         | -                          | -                                         | -                  | (1,612,296)      |
| Balance at end               | <u>2,149,728</u>                                             | <u>6,470,000</u>                          | <u>(548,000)</u>           | <u>(7,000)</u>                            | <u>(5,915,000)</u> | <u>2,149,728</u> |

The following deferred tax assets (gross amount) have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised. As at the end of the reporting period, the Group's and the Company's deferred tax position are as follows:

|                                     | <b>GROUP</b>        |                     | <b>COMPANY</b>     |                    |
|-------------------------------------|---------------------|---------------------|--------------------|--------------------|
|                                     | <b>2024<br/>RM</b>  | <b>2023<br/>RM</b>  | <b>2024<br/>RM</b> | <b>2023<br/>RM</b> |
| Deferred tax assets not recognised: |                     |                     |                    |                    |
| Unused tax losses                   | (18,327,000)        | (19,941,000)        | (7,538,000)        | (7,538,000)        |
| Unabsorbed capital allowances       | (138,000)           | (220,000)           | (58,000)           | (58,000)           |
| Others                              | (14,677,000)        | (8,915,000)         | -                  | -                  |
|                                     | <u>(33,142,000)</u> | <u>(29,076,000)</u> | <u>(7,596,000)</u> | <u>(7,596,000)</u> |

# NOTES TO THE FINANCIAL STATEMENTS

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## 24. DEFERRED TAX LIABILITIES (CONT'D)

The gross amount and future availability of unused tax losses and unabsorbed capital allowances which are available to be carried forward for set-off against future taxable income are estimated as follows:

|                               | GROUP             |                   | COMPANY          |                  |
|-------------------------------|-------------------|-------------------|------------------|------------------|
|                               | 2024<br>RM        | 2023<br>RM        | 2024<br>RM       | 2023<br>RM       |
| Unabsorbed capital allowances | 138,000           | 227,000           | 58,000           | 58,000           |
| Unused tax losses             | 18,375,000        | 19,941,000        | 7,538,000        | 7,538,000        |
|                               | <b>18,513,000</b> | <b>20,168,000</b> | <b>7,596,000</b> | <b>7,596,000</b> |

In respect of Malaysia's subsidiaries and the Company, the unused tax losses can be carried forward for ten (10) consecutive years of assessment immediately following that year of assessment of which tax losses was incurred and this is effective from YA 2019. However, unabsorbed capital allowances can be carried forward indefinitely.

The unused tax losses of the Group and of the Company will be disregarded in the following years of assessment:

|         | GROUP             |                   | COMPANY          |                  |
|---------|-------------------|-------------------|------------------|------------------|
|         | 2024<br>RM        | 2023<br>RM        | 2024<br>RM       | 2023<br>RM       |
| YA 2029 | 10,660,000        | 13,082,000        | 5,439,000        | 5,439,000        |
| YA 2030 | 2,064,000         | 2,064,000         | 1,190,000        | 1,190,000        |
| YA 2031 | 1,935,000         | 1,935,000         | 902,000          | 902,000          |
| YA 2032 | 887,000           | 887,000           | 7,000            | 7,000            |
| YA 2033 | 625,000           | 625,000           | -                | -                |
| YA 2034 | 650,000           | 1,348,000         | -                | -                |
| YA 2035 | 1,554,000         | -                 | -                | -                |
|         | <b>18,375,000</b> | <b>19,941,000</b> | <b>7,538,000</b> | <b>7,538,000</b> |

## 25. OTHER PAYABLES, ACCRUALS AND PROVISION

|                                   | GROUP             |                   | COMPANY        |                |
|-----------------------------------|-------------------|-------------------|----------------|----------------|
|                                   | 2024<br>RM        | 2023<br>RM        | 2024<br>RM     | 2023<br>RM     |
| <b>Non-current liability</b>      |                   |                   |                |                |
| Retention sum payables            | 10,845,385        | 6,717,269         | -              | -              |
| <b>Current liabilities</b>        |                   |                   |                |                |
| Other payables <sup>(i)</sup>     | 4,037,327         | 15,862,557        | 293            | 76,932         |
| Accruals <sup>(ii)</sup>          | 58,552,899        | 26,052,075        | 505,291        | 404,267        |
| Deposit received <sup>(iii)</sup> | 783,000           | -                 | -              | -              |
| Sales and service tax payable     | 15,040            | 40,278            | -              | -              |
| Provision for warranty            | 3,019,094         | 2,494,114         | -              | -              |
| Withholding tax payable           | 29,905            | 34,879            | -              | -              |
|                                   | <b>66,437,265</b> | <b>44,483,903</b> | <b>505,584</b> | <b>481,199</b> |
| Total                             | <b>77,282,650</b> | <b>51,201,172</b> | <b>505,584</b> | <b>481,199</b> |

# NOTES TO THE FINANCIAL STATEMENTS

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## 25. OTHER PAYABLES, ACCRUALS AND PROVISION (CONT'D)

- (i) Included in the Group's other payables and accruals under current liabilities are an amount of **RM34,464,600** (2023: RM14,076,305) due to suppliers related to the construction work-in-progress.
- (ii) The Group's deposit received represents an amount received from a third party, Gracious Jewel Sdn. Bhd. in relation to the sales of a leasehold commercial shop lot as disclosed in Note 17 to the financial statements.

### Material accounting policy information

Provision for warranty costs is made in respect of goods sold and still under warranty at the end of the reporting period based on the terms of warranty and historical claim experience.

The Group typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under MFRS 137 Provisions, Contingent Liabilities and Contingent Assets.

## 26. TRADE PAYABLES

The currency profile of trade payables is as follows:

|                      | GROUP              |             |
|----------------------|--------------------|-------------|
|                      | 2024<br>RM         | 2023<br>RM  |
| Ringgit Malaysia     | <b>77,580,796</b>  | 61,758,262  |
| United States Dollar | <b>33,149,366</b>  | 15,154,677  |
| Euro                 | <b>11,095,314</b>  | 28,567,745  |
| Chinese Renminbi     | <b>5,796,390</b>   | 11,764,045  |
| Singapore Dollar     | <b>514,166</b>     | 603,603     |
| Swiss Franc          | <b>423,970</b>     | -           |
| Japanese Yen         | <b>277,561</b>     | 124,359     |
| Others               | <b>91,592</b>      | 56,962      |
|                      | <b>128,929,155</b> | 118,029,653 |

The normal credit terms granted by trade payables range from **7 to 150 days** (2023: 14 to 150 days).

Included in trade payables is an amount of **RM916,417** (2023: RM328,693) due to the Group's associate.

## 27. CONTRACT LIABILITIES

|                                                 | GROUP                |              |
|-------------------------------------------------|----------------------|--------------|
|                                                 | 2024<br>RM           | 2023<br>RM   |
| Balance at beginning                            | <b>138,440,948</b>   | 100,581,157  |
| Decrease on recognition of revenue              | <b>(132,346,742)</b> | (73,007,567) |
| Increase on receiving deposits for sales orders | <b>51,912,065</b>    | 110,867,358  |
| Balance at end                                  | <b>58,006,271</b>    | 138,440,948  |

Contract liabilities comprised of deposits received from customers for manufacturing orders.

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## 27. CONTRACT LIABILITIES (CONT'D)

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

All deposits received are expected to be settled within one year.

## 28. REVENUE

### 28.1 Disaggregation of revenue from contracts with customer

|                                                                                  | GROUP              |                    | COMPANY           |                   |
|----------------------------------------------------------------------------------|--------------------|--------------------|-------------------|-------------------|
|                                                                                  | 2024<br>RM         | 2023<br>RM         | 2024<br>RM        | 2023<br>RM        |
| <b>Types of goods or services</b>                                                |                    |                    |                   |                   |
| Sale of equipment                                                                |                    |                    |                   |                   |
| - Automated test equipment                                                       | 224,389,437        | 452,253,971        | -                 | -                 |
| - Factory automation solutions                                                   | 398,043,523        | 239,596,181        | -                 | -                 |
| - Smart control solution system                                                  | 591,100            | 93,910             | -                 | -                 |
| Dividend income received from a subsidiary                                       | -                  | -                  | 18,424,070        | 17,608,221        |
| <b>Total revenue from contracts with customer, recognised at a point in time</b> | <b>623,024,060</b> | <b>691,944,062</b> | <b>18,424,070</b> | <b>17,608,221</b> |

### Geographical segment

|                                                                                    | COMPANY    |            |
|------------------------------------------------------------------------------------|------------|------------|
|                                                                                    | 2024<br>RM | 2023<br>RM |
| <b>Geographical markets</b>                                                        |            |            |
| PRC (including Hong Kong), representing total revenue from contracts with customer | 18,424,070 | 17,608,221 |

The geographical markets of the Group's revenue are disclosed in Note 35 to the financial statements.

### 28.2 Performance obligations

#### **Sale of equipment**

Revenue from sale of equipment usually includes the customised system/equipment and installation. The sale of the customised system/equipment and installation service are considered as one performance obligation because the promises to transfer customised system/equipment and provide installation service are not capable of being distinct and they are highly interrelated.

The performance obligation for sale of equipment is satisfied at a point in time because the customer does not control the equipment and the customer does not simultaneously receive and consume the benefits from the equipment manufactured by the Group.

# NOTES TO THE FINANCIAL STATEMENTS

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## 28. REVENUE (CONT'D)

### 28.2 Performance obligations (Cont'd)

#### *Sale of equipment (Cont'd)*

Revenue is recognised upon shipment or at delivery destination point, provided that the product meets the performance acceptance criteria which is normally carried out prior to shipment. Under certain circumstances, customer acceptance is conducted at customer's site i.e. to ensure that the equipment purchased can be integrated with the customer's existing production flow. Under such circumstance, revenue is only recognised once customer acceptance has been received at customer's site.

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

## 29. PROFIT BEFORE TAX

This is arrived at:

|                                                        | GROUP      |            | COMPANY    |            |
|--------------------------------------------------------|------------|------------|------------|------------|
|                                                        | 2024<br>RM | 2023<br>RM | 2024<br>RM | 2023<br>RM |
| After charging:                                        |            |            |            |            |
| Amortisation of intangible assets:                     |            |            |            |            |
| - computer software                                    | 1,244,488  | 811,592    | -          | -          |
| - development expenditure                              | 4,340,753  | 3,208,347  | -          | -          |
| - technical know-how                                   | 2,239,300  | 2,239,300  | -          | -          |
| Depreciation:                                          |            |            |            |            |
| - investment properties                                | 199,426    | 244,515    | -          | -          |
| - property, plant and equipment                        | 13,540,388 | 11,231,207 | -          | -          |
| Directors' fees                                        |            |            |            |            |
| - Directors of the Company:                            |            |            |            |            |
| - executive directors                                  | 171,476    | 159,528    | 63,888     | 58,080     |
| - non-executive directors                              | 399,002    | 353,064    | 255,552    | 217,800    |
| - Director of a subsidiary:                            |            |            |            |            |
| - non-executive directors                              | 295,866    | 278,982    | -          | -          |
| Fees for statutory audit:                              |            |            |            |            |
| - Grant Thornton Malaysia PLT                          | 416,000    | 409,000    | 75,000     | 73,000     |
| - Member firms of Grant Thornton International Limited | 472,452    | 478,702    | -          | -          |
| - Other auditor                                        | 12,357     | 18,329     | -          | -          |
| Fees for assurance related and non-audit services:     |            |            |            |            |
| - Grant Thornton Malaysia PLT                          |            |            |            |            |
| - current year                                         | 47,000     | 58,000     | 15,000     | 15,000     |
| - under provision in prior year                        | 6,500      | 12,000     | -          | 12,000     |
| Impairment loss on:                                    |            |            |            |            |
| - amount due from subsidiaries                         | -          | -          | 1,279,059  | 5,116,234  |
| - investment in a subsidiary                           | -          | -          | 1,431,976  | -          |
| - investment properties                                | 284,372    | -          | -          | -          |
| Intangible assets written off                          | 365        | 2,997      | -          | -          |

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## 29. PROFIT BEFORE TAX (CONT'D)

|                                                                        | GROUP       |             | COMPANY    |            |
|------------------------------------------------------------------------|-------------|-------------|------------|------------|
|                                                                        | 2024<br>RM  | 2023<br>RM  | 2024<br>RM | 2023<br>RM |
| After charging: (Cont'd)                                               |             |             |            |            |
| Inventories written down to net realisable value                       |             |             |            |            |
| - addition                                                             | 4,280,229   | 869,478     | -          | -          |
| - reversal                                                             | (1,205,719) | (214,096)   | -          | -          |
| Inventories written off                                                | 3,523,788   | -           | -          | -          |
| Loss on changes in fair value of foreign<br>currency forward contracts | 3,912,442   | -           | -          | -          |
| Loss on disposal of:                                                   |             |             |            |            |
| - interest in an associate                                             | -           | 25,526      | -          | -          |
| - investment properties                                                | 523,128     | -           | -          | -          |
| Loss on foreign exchange                                               |             |             |            |            |
| - realised                                                             | 6,974,525   | 16,918,214  | -          | -          |
| - unrealised                                                           | 1,720,084   | 1,185,908   | 1,418,398  | 629,517    |
| Property, plant and equipment written off                              | 64          | 4,257       | -          | -          |
| Provision for warranty                                                 |             |             |            |            |
| - addition                                                             | 3,046,509   | 2,499,289   | -          | -          |
| - reversal                                                             | (2,499,289) | (1,515,000) | -          | -          |
| * Rental of hostel                                                     | 496,866     | 381,951     | -          | -          |
| * Rental of office                                                     | 415,448     | 308,114     | -          | -          |
| * Rental of plant and equipment                                        | 234,711     | 41,839      | -          | -          |
| * Rental of premises                                                   | 122,593     | 124,089     | 22,320     | 33,468     |
| ** Staff cost                                                          | 115,729,350 | 111,457,157 | 231,899    | 306,486    |
| After crediting:                                                       |             |             |            |            |
| Gain on changes in:                                                    |             |             |            |            |
| - fair value of foreign currency forward<br>contracts                  | -           | 6,908,611   | -          | -          |
| - fair value of other investments                                      | 28,546      | 12,467      | -          | -          |
| Gain on disposal of:                                                   |             |             |            |            |
| - investment in a subsidiary                                           | -           | -           | -          | 5,929,367  |
| - other investments                                                    | -           | 17,796      | -          | -          |
| Gain on foreign exchange                                               |             |             |            |            |
| - realised                                                             | -           | -           | 518,415    | 1,138,836  |
| Rental income                                                          | 562,113     | 425,557     | -          | -          |

\* The Group's and the Company's total cash outflows for leases during the financial year are amounted to **RM1,269,618** and **RM22,320** (2023: RM855,993 and RM33,468) respectively.

|                                                          | GROUP              |                    | COMPANY        |                |
|----------------------------------------------------------|--------------------|--------------------|----------------|----------------|
|                                                          | 2024<br>RM         | 2023<br>RM         | 2024<br>RM     | 2023<br>RM     |
| ** <b>Staff costs</b>                                    |                    |                    |                |                |
| - Salaries, allowances, bonus, incentive and<br>overtime | 98,731,166         | 91,126,238         | 202,935        | 262,827        |
| - Defined contribution plans ("EPF")                     | 10,764,408         | 9,801,778          | 27,650         | 30,950         |
| - Employment insurance ("EIS")                           | 90,920             | 80,523             | 36             | 119            |
| - Social security contributions ("SOCSO")                | 1,722,945          | 1,576,118          | 1,278          | 1,783          |
| - Equity-settled ESS expenses                            | 4,419,911          | 8,872,500          | -              | 10,807         |
|                                                          | <b>115,729,350</b> | <b>111,457,157</b> | <b>231,899</b> | <b>306,486</b> |

# NOTES TO THE FINANCIAL STATEMENTS

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## 29. PROFIT BEFORE TAX (CONT'D)

Included in the staff costs are Directors' emoluments as shown below:

|                                             | GROUP            |                  | COMPANY        |               |
|---------------------------------------------|------------------|------------------|----------------|---------------|
|                                             | 2024<br>RM       | 2023<br>RM       | 2024<br>RM     | 2023<br>RM    |
| <b>Directors of the Company:</b>            |                  |                  |                |               |
| Executive:                                  |                  |                  |                |               |
| - Salaries, allowances, bonus and incentive | 3,301,505        | 3,356,541        | 120,000        | -             |
| - EPF                                       | 625,764          | 634,691          | 22,800         | -             |
| - Equity-settled ESS expenses               | 66,399           | 144,702          | -              | -             |
|                                             | <b>3,993,668</b> | <b>4,135,934</b> | <b>142,800</b> | <b>-</b>      |
| Non-executive:                              |                  |                  |                |               |
| - Allowances                                | 27,506           | 25,799           | 21,000         | 20,000        |
| Total                                       | <b>4,021,174</b> | <b>4,161,733</b> | <b>163,800</b> | <b>20,000</b> |
| <b>Represented by:</b>                      |                  |                  |                |               |
| - Executive directors                       | 3,993,668        | 4,135,934        | 142,800        | -             |
| - Non-executive directors                   | 27,506           | 25,799           | 21,000         | 20,000        |
|                                             | <b>4,021,174</b> | <b>4,161,733</b> | <b>163,800</b> | <b>20,000</b> |
| <b>Directors of subsidiaries:</b>           |                  |                  |                |               |
| Executive:                                  |                  |                  |                |               |
| - Salaries, allowances, bonus and incentive | 761,118          | 744,500          | -              | -             |
| - EPF                                       | 91,017           | 89,336           | -              | -             |
| - Equity-settled ESS expenses               | 19,933           | 37,004           | -              | -             |
|                                             | <b>872,068</b>   | <b>870,840</b>   | <b>-</b>       | <b>-</b>      |
| Non-executive:                              |                  |                  |                |               |
| Allowances                                  | 18,381           | 16,206           | -              | -             |
|                                             | <b>890,449</b>   | <b>887,046</b>   | <b>-</b>       | <b>-</b>      |

### Material accounting policy information

#### Equity-settled ESS expenses

A subsidiary of the Company operates an equity-settled share-based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the equity instruments awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 29. PROFIT BEFORE TAX (CONT'D)

### Material accounting policy information (Cont'd)

#### Equity-settled ESS expenses (Cont'd)

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

For the share award scheme, the Group purchases its own shares through the trustee of the share award scheme from the open market for the shares to be vested under the share award scheme. The shares purchased by the Group that are not yet vested for this share award scheme were recorded as "Shares held for share award scheme" as a deduction under equity. Upon vesting of the awarded shares, the related costs of the purchased shares are reduced from the "Shares held for share award scheme", and the related fair value of the awarded shares are debited to share-based compensation reserve with the difference charged/credited to retained profits.

## 30. TAXATION

|                                                                                  | GROUP       |             | COMPANY    |            |
|----------------------------------------------------------------------------------|-------------|-------------|------------|------------|
|                                                                                  | 2024<br>RM  | 2023<br>RM  | 2024<br>RM | 2023<br>RM |
| Malaysia income tax:                                                             |             |             |            |            |
| Based on results for the financial year                                          |             |             |            |            |
| - Current tax                                                                    | (2,679,721) | (3,059,103) | -          | -          |
| - Deferred tax relating to the origination and reversal of temporary differences | 537,432     | -           | -          | -          |
|                                                                                  | (2,142,289) | (3,059,103) | -          | -          |
| Over provision in prior year                                                     |             |             |            |            |
| - Current tax                                                                    | 607,156     | 494,204     | -          | -          |
| - Deferred tax                                                                   | -           | 1,612,296   | -          | -          |
|                                                                                  | 607,156     | 2,106,500   | -          | -          |
|                                                                                  | (1,535,133) | (952,603)   | -          | -          |

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 30. TAXATION (CONT'D)

The reconciliation of taxation of the Group and of the Company is as follows:

|                                                              | GROUP              |                    | COMPANY           |                   |
|--------------------------------------------------------------|--------------------|--------------------|-------------------|-------------------|
|                                                              | 2024<br>RM         | 2023<br>RM         | 2024<br>RM        | 2023<br>RM        |
| Profit before tax                                            | 105,418,373        | 141,426,186        | 15,506,080        | 19,940,468        |
| Share of loss/(profit) of associates                         | 556,747            | (39,365)           | -                 | -                 |
|                                                              | <b>105,975,120</b> | <b>141,386,821</b> | <b>15,506,080</b> | <b>19,940,468</b> |
| Income tax at Malaysian statutory tax rate of 24%            | (25,434,029)       | (33,932,837)       | (3,721,459)       | (4,785,712)       |
| Income no subject to tax                                     | 2,684,064          | 3,395,169          | 5,176,452         | 6,367,251         |
| Effect of difference tax rates in foreign jurisdiction       | (826,854)          | 172,958            | -                 | -                 |
| Exempt pioneer income <sup>(i)</sup>                         | 32,170,684         | 32,386,687         | -                 | -                 |
| Expenses not deductible for tax purposes                     | (10,297,746)       | (7,403,488)        | (1,454,993)       | (1,581,539)       |
| Deferred tax movement not recognised                         | (1,556,840)        | 1,786,000          | -                 | -                 |
| Utilisation of deferred tax assets previously not recognised | 581,000            | 536,408            | -                 | -                 |
| Annual crystallisation of deferred tax on technical know-how | 537,432            | -                  | -                 | -                 |
|                                                              | <b>(2,142,289)</b> | <b>(3,059,103)</b> | <b>-</b>          | <b>-</b>          |
| Over provision in prior year                                 | 607,156            | 2,106,500          | -                 | -                 |
|                                                              | <b>(1,535,133)</b> | <b>(952,603)</b>   | <b>-</b>          | <b>-</b>          |

(i) Certain subsidiaries of the Group have been granted pioneer status under the Promotion of Investments Act, 1986 by the Malaysian Industrial Development Authority which exempts 100% of statutory income in relation to production of certain products.

(ii) Taxation for other jurisdiction is calculated at the rate prevailing in respective jurisdiction.

## 31. EARNINGS PER SHARE

### GROUP

#### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:

|                                                   | 2024               | 2023        |
|---------------------------------------------------|--------------------|-------------|
| Profit attributable to owners of the Company (RM) | <b>65,211,065</b>  | 89,127,479  |
| Weighted average number of ordinary shares        | <b>711,317,121</b> | 711,317,121 |
| Basic earnings per share (sen)                    | <b>9.17</b>        | 12.53       |

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 31. EARNINGS PER SHARE (CONT'D)

### GROUP (CONT'D)

#### (b) Diluted

There is no dilutive potential ordinary shares outstanding during the current and previous financial year.

## 32. DIVIDEND

### GROUP AND COMPANY

| 2024 | 2023 |
|------|------|
| RM   | RM   |

In respect of financial year ended 31 December 2023:

- A single tier dividend of 2.0 sen per ordinary share declared on 22 February 2024 and paid on 26 July 2024

|            |   |
|------------|---|
| 14,226,342 | - |
|------------|---|

In respect of financial year ended 31 December 2022:

- A single tier dividend of 2.0 sen per ordinary share declared on 23 February 2023 and paid on 28 July 2023

|   |            |
|---|------------|
| - | 14,226,342 |
|---|------------|

|            |            |
|------------|------------|
| 14,226,342 | 14,226,342 |
|------------|------------|

## 33. RELATED PARTY DISCLOSURES

### (i) Identity of related parties

The Company has related party relationship with its subsidiaries, associate, key management personnel and the following parties:

| Related parties                       | Relationship                                                                                                                 |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Maarij Development Sdn. Bhd. ("MDSB") | A company in which a director of a subsidiary has substantial financial interest.                                            |
| Pingspace Sdn. Bhd. ("Pingspace")     | A company in which a person connected to a director of the Company, Mr. Chuah Choon Bin, has substantial financial interest. |

# NOTES TO THE FINANCIAL STATEMENTS

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## 33. RELATED PARTY DISCLOSURES (CONT'D)

### (ii) Related party transactions

|                                                         | GROUP      |            | COMPANY    |            |
|---------------------------------------------------------|------------|------------|------------|------------|
|                                                         | 2024<br>RM | 2023<br>RM | 2024<br>RM | 2023<br>RM |
| <b>Transactions with an associate:</b>                  |            |            |            |            |
| Purchase of goods                                       | 3,076,258  | 7,708,887  | -          | -          |
| <b>Transactions with related parties:</b>               |            |            |            |            |
| Maintenance services received/receivable from MDSB      | 49,565     | 39,849     | -          | -          |
| Maintenance services received/receivable from Pingspace | 12,000     | -          | -          | -          |
| Purchase of goods from Pingspace                        | 200,000    | -          | -          | -          |
| Rental income received/receivable from Pingspace        | 24,000     | 36,000     | -          | -          |
| Sale of goods to Pingspace                              | 13,996,136 | 38,000     | -          | -          |
| <b>Transactions with subsidiaries:</b>                  |            |            |            |            |
| Dividend income received from a subsidiary              | -          | -          | 18,424,070 | 17,608,221 |
| Rental expenses paid/payable to a subsidiary            | -          | -          | 22,320     | 33,468     |
| Maintenance services paid/payable to a subsidiary       | -          | -          | 11,148     | -          |
| Advances received from subsidiaries                     | -          | -          | 42,061,480 | -          |
| Advances provided to subsidiaries                       | -          | -          | -          | 3,125,000  |
| Payment on behalf to subsidiaries                       | -          | -          | 35,940     | 29,511     |

### (iii) Compensation of key management personnel

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly. The remuneration of key management personnel during the financial year is as follows:

|                                           | GROUP             |                   | COMPANY        |                |
|-------------------------------------------|-------------------|-------------------|----------------|----------------|
|                                           | 2024<br>RM        | 2023<br>RM        | 2024<br>RM     | 2023<br>RM     |
| Salaries, allowances, bonus and incentive | 12,880,124        | 12,180,908        | 141,000        | 20,000         |
| EPF                                       | 1,681,473         | 1,652,845         | 22,800         | -              |
| Benefits-in-kind                          | 15,500            | 15,500            | -              | -              |
| Directors' fee                            | 866,344           | 791,574           | 319,440        | 275,880        |
| Equity-settled ESS expenses               | 1,037,828         | 1,847,138         | -              | -              |
|                                           | <b>16,481,269</b> | <b>16,487,965</b> | <b>483,240</b> | <b>295,880</b> |
| Analysed as:                              |                   |                   |                |                |
| - Directors                               | 5,793,467         | 5,855,853         | 483,240        | 295,880        |
| - Other key management personnel          | 10,687,802        | 10,632,112        | -              | -              |
|                                           | <b>16,481,269</b> | <b>16,487,965</b> | <b>483,240</b> | <b>295,880</b> |

# NOTES TO THE FINANCIAL STATEMENTS

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## 34. CAPITAL COMMITMENT

|                                   | <b>GROUP</b>            |                           |
|-----------------------------------|-------------------------|---------------------------|
|                                   | <b>2024</b>             | <b>2023</b>               |
|                                   | <b>RM</b>               | <b>RM</b>                 |
| Contracted but not provided for:- |                         |                           |
| - Construction of factory         | <b>1,176,852</b>        | 144,102,091               |
| - Machinery and equipment         | <b>633,275</b>          | 3,843,090                 |
|                                   | <b><u>1,810,127</u></b> | <b><u>147,945,181</u></b> |

## 35. SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business and geographical segments.

### (i) Business segments

The Group has three reportable segments which comprised its major business segments. These business segments are involved in different activities and are managed by segment managers who report directly to the Group's executive directors. The reportable segments are as follows:-

- Automated Test Equipment ("ATE")
  - Designing, development and manufacturing of standard and non-standard automated equipment.
- Factory Automation Solutions ("FAS")
  - Designing, development and installation of integrated automated manufacturing solutions.
- Smart Control Solution System
  - Project management, smart building solutions and trading of materials

Inter-segment transactions have been accounted for on a basis that is consistent with the Group's accounting policies.

No other operating segments have been aggregated to form the above reportable segments. Investment holding activities are not considered as reporting segment and the related financial information has been included under "Adjustment".

The Board of Directors monitors the performance of the business segments through regular discussions held with the segment managers and reviews of internal management reports. The performance of each business segment is evaluated based on the segment's profit or loss which is measured on a basis not significantly different from the profit or loss included in the consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 35. SEGMENTAL INFORMATION (CONT'D)

### (i) Business segments (Cont'd)

#### By business segments

|                                                         | Automated<br>Test<br>Equipment<br>RM | Factory<br>Automation<br>Solutions<br>RM | Smart Control<br>Solution<br>System<br>RM | Adjustment<br>RM | Note | Total<br>RM          |
|---------------------------------------------------------|--------------------------------------|------------------------------------------|-------------------------------------------|------------------|------|----------------------|
| <b>2024</b>                                             |                                      |                                          |                                           |                  |      |                      |
| <b>Revenue</b>                                          |                                      |                                          |                                           |                  |      |                      |
| External customers                                      | 224,389,437                          | 398,043,523                              | 591,100                                   | -                |      | 623,024,060          |
| Inter-segment revenue                                   | 9,929,335                            | 7,328,282                                | 778,560                                   | (18,036,177)     | A    | -                    |
| <b>Total revenue</b>                                    | <b>234,318,772</b>                   | <b>405,371,805</b>                       | <b>1,369,660</b>                          |                  |      | <b>623,024,060</b>   |
| <b>Results</b>                                          |                                      |                                          |                                           |                  |      |                      |
| Segment results                                         | 2,209,911                            | 120,841,967                              | (2,906,281)                               | (26,965,460)     |      | 93,180,137           |
| Finance income                                          | 9,102,171                            | 908,537                                  | -                                         | 2,784,275        |      | 12,794,983           |
| Share of loss of an associate                           | -                                    | -                                        | -                                         | (556,747)        |      | (556,747)            |
| <b>Profit/(Loss) before tax</b>                         | <b>11,312,082</b>                    | <b>121,750,504</b>                       | <b>(2,906,281)</b>                        |                  |      | <b>105,418,373</b>   |
| Taxation                                                | (899,515)                            | (540,921)                                | (83,729)                                  | (10,968)         |      | (1,535,133)          |
| <b>Profit/(Loss) for the financial year</b>             | <b>10,412,567</b>                    | <b>121,209,583</b>                       | <b>(2,990,010)</b>                        |                  |      | <b>103,883,240</b>   |
| <b>Assets</b>                                           |                                      |                                          |                                           |                  |      |                      |
| Segment assets                                          | 294,423,164                          | 449,382,937                              | 14,192,764                                | 111,743,381      |      | 869,742,246          |
| Investment in an associate                              | -                                    | -                                        | -                                         | 19,945,932       |      | 19,945,932           |
| Other investments                                       | -                                    | -                                        | -                                         | 11,246,444       |      | 11,246,444           |
| Tax recoverable                                         | 2,055,514                            | 61,080                                   | 8,104                                     | 2,046            |      | 2,126,744            |
| Cash and cash equivalents                               | 222,896,068                          | 36,342,852                               | 10,805,487                                | 178,613,732      |      | 448,658,139          |
| <b>Total assets</b>                                     | <b>519,374,746</b>                   | <b>485,786,869</b>                       | <b>25,006,355</b>                         |                  |      | <b>1,351,719,505</b> |
| <b>Liabilities</b>                                      |                                      |                                          |                                           |                  |      |                      |
| Segment liabilities                                     | 107,450,339                          | 155,043,992                              | 867,253                                   | 5,111,168        |      | 268,472,752          |
| Deferred tax liabilities                                | -                                    | 1,612,296                                | -                                         | -                |      | 1,612,296            |
| Tax payable                                             | 64,955                               | 535,832                                  | -                                         | 2,085            |      | 602,872              |
| <b>Total liabilities</b>                                | <b>107,515,294</b>                   | <b>157,192,120</b>                       | <b>867,253</b>                            |                  |      | <b>270,687,920</b>   |
| <b>Other information</b>                                |                                      |                                          |                                           |                  |      |                      |
| Addition to non-current assets                          | 3,216,464                            | 180,331,779                              | 70,198                                    | 13,427,035       | B    | 197,045,476          |
| Depreciation and amortisation                           | 8,134,370                            | 4,241,890                                | 1,906,521                                 | 7,281,574        |      | 21,564,355           |
| Non-cash items other than depreciation and amortisation | 10,769,473                           | 2,860,974                                | 807,857                                   | 5,876,237        | C    | 20,314,541           |

# NOTES TO THE FINANCIAL STATEMENTS

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## 35. SEGMENTAL INFORMATION (CONT'D)

### (i) Business segments (Cont'd)

By business segments

|                                                         | Automated<br>Test<br>Equipment<br>RM | Factory<br>Automation<br>Solutions<br>RM | Smart Control<br>Solution<br>System<br>RM | Adjustment<br>RM   | Note | Total<br>RM          |
|---------------------------------------------------------|--------------------------------------|------------------------------------------|-------------------------------------------|--------------------|------|----------------------|
| 2023                                                    |                                      |                                          |                                           |                    |      |                      |
| Revenue                                                 |                                      |                                          |                                           |                    |      |                      |
| External customers                                      | 452,253,971                          | 239,596,181                              | 93,910                                    |                    |      | 691,944,062          |
| Inter-segment revenue                                   | 537,716                              | 15,942,546                               | 674,114                                   | (17,154,376)       | A    | -                    |
| Total revenue                                           | <u>452,791,687</u>                   | <u>255,538,727</u>                       | <u>768,024</u>                            |                    |      | <u>691,944,062</u>   |
| Results                                                 |                                      |                                          |                                           |                    |      |                      |
| Segment results                                         | 99,897,610                           | 52,662,408                               | (3,171,145)                               | (20,965,457)       |      | 128,423,416          |
| Finance income                                          | 9,101,530                            | 861,543                                  | -                                         | 3,000,332          |      | 12,963,405           |
| Share of profit of associates                           | -                                    | -                                        | -                                         | 39,365             |      | 39,365               |
| Profit/(Loss) before tax                                | 108,999,140                          | 53,523,951                               | (3,171,145)                               |                    |      | 141,426,186          |
| Taxation                                                | (2,363,585)                          | 1,490,261                                | (76,872)                                  | (2,407)            |      | (952,603)            |
| Profit/(Loss) for the financial year                    | <u>106,635,555</u>                   | <u>55,014,212</u>                        | <u>(3,248,017)</u>                        |                    |      | <u>140,473,583</u>   |
| Assets                                                  |                                      |                                          |                                           |                    |      |                      |
| Segment assets                                          | 352,041,050                          | 321,429,096                              | 26,298,605                                | 97,342,090         |      | 797,110,841          |
| Investment in associates                                | -                                    | -                                        | -                                         | 17,577,679         |      | 17,577,679           |
| Other investments                                       | -                                    | -                                        | -                                         | 10,038,906         |      | 10,038,906           |
| Tax recoverable                                         | 2,228,731                            | 49,674                                   | 13,917                                    | 306                |      | 2,292,628            |
| Cash and cash equivalents                               | <u>347,668,518</u>                   | <u>39,257,784</u>                        | <u>2,413,041</u>                          | <u>101,530,484</u> |      | <u>490,869,827</u>   |
| Total assets                                            | <u>701,938,299</u>                   | <u>360,736,554</u>                       | <u>28,725,563</u>                         |                    |      | <u>1,317,889,881</u> |
| Liabilities                                             |                                      |                                          |                                           |                    |      |                      |
| Segment liabilities                                     | 173,724,887                          | 74,109,258                               | 772,870                                   | 61,518,178         |      | 310,125,193          |
| Deferred tax liabilities                                | -                                    | 2,149,728                                | -                                         | -                  |      | 2,149,728            |
| Tax payable                                             | 53,055                               | 3,782                                    | -                                         | 168                |      | 57,005               |
| Total liabilities                                       | <u>173,777,942</u>                   | <u>76,262,768</u>                        | <u>772,870</u>                            |                    |      | <u>312,331,926</u>   |
| Other information                                       |                                      |                                          |                                           |                    |      |                      |
| Addition to non-current assets                          | 2,919,470                            | 91,206,692                               | 1,103                                     | 38,519,572         | B    | 132,646,837          |
| Depreciation and amortisation                           | 6,635,111                            | 3,517,704                                | 2,104,739                                 | 5,477,407          |      | 17,734,961           |
| Non-cash items other than depreciation and amortisation | (3,100,655)                          | (2,829,899)                              | 107                                       | 9,541,839          | C    | 3,611,392            |

# NOTES TO THE FINANCIAL STATEMENTS

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## 35. SEGMENTAL INFORMATION (CONT'D)

### (i) Business segments (Cont'd)

Notes to segment information:

- A Inter-segment revenues are eliminated on consolidation.
- B Additions to non-current assets consist of property, plant and equipment, intangible assets, other investments, investment in an associate and investment properties.
- C Other non-cash items other than depreciation and amortisation consist of the following items:

|                                                                            | <b>GROUP</b>       |                  |
|----------------------------------------------------------------------------|--------------------|------------------|
|                                                                            | <b>2024</b>        | <b>2023</b>      |
|                                                                            | <b>RM</b>          | <b>RM</b>        |
| Equity-settled ESS expenses                                                | <b>4,419,911</b>   | 8,872,500        |
| Expected credit loss on receivables - additions                            | <b>2,374,918</b>   | 485,786          |
| - reversal                                                                 | <b>(594,462)</b>   | (1,627,014)      |
| Gain on changes in fair value of other investments                         | <b>(28,546)</b>    | (12,467)         |
| Gain on disposal of other investments                                      | -                  | (17,796)         |
| Impairment loss on investment properties                                   | <b>284,372</b>     | -                |
| Intangible assets written off                                              | <b>365</b>         | 2,997            |
| Inventories written down - additions                                       | <b>4,280,229</b>   | 869,478          |
| - reversal                                                                 | <b>(1,205,719)</b> | (214,096)        |
| Inventories written off                                                    | <b>3,523,788</b>   | -                |
| Loss/(Gain) on changes in fair value of foreign currency forward contracts | <b>3,912,442</b>   | (6,908,611)      |
| Loss on disposal of interest in an associate                               | -                  | 25,526           |
| Loss on disposal of investment properties                                  | <b>523,128</b>     | -                |
| Property, plant and equipment written off                                  | <b>64</b>          | 4,257            |
| Provision for warranty - additions                                         | <b>3,046,509</b>   | 2,499,289        |
| - reversal                                                                 | <b>(2,499,289)</b> | (1,515,000)      |
| Share of loss/(profit) of associates                                       | <b>556,747</b>     | (39,365)         |
| Unrealised loss on foreign exchange                                        | <b>1,720,084</b>   | 1,185,908        |
|                                                                            | <b>20,314,541</b>  | <b>3,611,392</b> |

# NOTES TO THE FINANCIAL STATEMENTS

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## 35. SEGMENTAL INFORMATION (CONT'D)

### (ii) Geographical Information

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

|                              | Revenue            |                    | Non-Current Assets |                    |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
|                              | 2024<br>RM         | 2023<br>RM         | 2024<br>RM         | 2023<br>RM         |
| Malaysia                     | 337,454,744        | 208,426,688        | 537,543,434        | 384,626,605        |
| PRC (including Hong Kong)    | 93,911,107         | 142,977,832        | 426,672            | 603,823            |
| The United States of America | 60,551,367         | 102,172,239        | 2,982              | 3                  |
| Singapore                    | 48,657,285         | 22,700,552         | -                  | -                  |
| Taiwan                       | 25,296,045         | 28,081,266         | 6,047,301          | 4,868,309          |
| Japan                        | 13,120,089         | 23,067,529         | 36,917             | 61,566             |
| Belize                       | 10,804,690         | 55,127,117         | -                  | -                  |
| Republic of Ireland          | 9,111,224          | 18,007,304         | -                  | -                  |
| Philippines                  | 8,322,735          | 3,549,399          | -                  | -                  |
| India                        | 4,806,060          | 2,072,129          | -                  | -                  |
| Others                       | 10,988,714         | 85,762,007         | 107,575            | 48,660             |
|                              | <b>623,024,060</b> | <b>691,944,062</b> | <b>544,164,881</b> | <b>390,208,966</b> |

### (iii) Information about major customers

The followings are major customers with revenue equal or more than 10% of the Group's total revenue:

|                                         | Revenue            |                    | Segment |
|-----------------------------------------|--------------------|--------------------|---------|
|                                         | 2024<br>RM         | 2023<br>RM         |         |
| <b>All common control companies of:</b> |                    |                    |         |
| Customer A                              | 299,586,918        | 92,195,330         | FAS     |
| Customer B                              | *                  | 99,311,844         | ATE     |
| Customer C                              | *                  | 79,685,780         | ATE     |
|                                         | <b>299,586,918</b> | <b>271,192,954</b> |         |

\* Revenue from these customers during the respective year did not exceed 10% of the Group's revenue.

A customer is defined as a company or a group of companies having the same ultimate holding company.

# NOTES TO THE FINANCIAL STATEMENTS

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## 36. FINANCIAL INSTRUMENTS

### 36.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC"), FVTPL and FVOCI.

|                                           | Carrying<br>amount<br>RM | AC<br>RM           | FVTPL<br>RM       | FVOCI<br>RM       |
|-------------------------------------------|--------------------------|--------------------|-------------------|-------------------|
| <b>2024</b>                               |                          |                    |                   |                   |
| <b>GROUP</b>                              |                          |                    |                   |                   |
| <b>Financial assets</b>                   |                          |                    |                   |                   |
| Investment in RCPS of an associate        | 15,500,000               | -                  | 15,500,000        | -                 |
| Trade receivables                         | 167,856,326              | 167,856,326        | -                 | -                 |
| Other receivables and refundable deposits | 48,546,297               | 48,546,297         | -                 | -                 |
| Other investments                         | 11,246,444               | -                  | 199,143           | 11,047,301        |
| Cash and cash equivalents                 | 448,658,139              | 448,658,139        | -                 | -                 |
|                                           | <b>691,807,206</b>       | <b>665,060,762</b> | <b>15,699,143</b> | <b>11,047,301</b> |
| <b>Financial liabilities</b>              |                          |                    |                   |                   |
| Trade payables                            | 128,929,155              | 128,929,155        | -                 | -                 |
| Other payables and accruals               | 73,435,611               | 73,435,611         | -                 | -                 |
| Derivative financial liabilities          | 3,361,509                | -                  | 3,361,509         | -                 |
|                                           | <b>205,726,275</b>       | <b>202,364,766</b> | <b>3,361,509</b>  | <b>-</b>          |
| <b>COMPANY</b>                            |                          |                    |                   |                   |
| <b>Financial assets</b>                   |                          |                    |                   |                   |
| Refundable deposits                       | 1,000                    | 1,000              | -                 | -                 |
| Amount due from subsidiaries              | 61,241,024               | 61,241,024         | -                 | -                 |
| Cash and cash equivalents                 | 138,595,495              | 138,595,495        | -                 | -                 |
|                                           | <b>199,837,519</b>       | <b>199,837,519</b> | <b>-</b>          | <b>-</b>          |
| <b>Financial liabilities</b>              |                          |                    |                   |                   |
| Other payables and accruals               | 505,584                  | 505,584            | -                 | -                 |
| Amount due to subsidiaries                | 46,505,346               | 46,505,346         | -                 | -                 |
|                                           | <b>47,010,930</b>        | <b>47,010,930</b>  | <b>-</b>          | <b>-</b>          |

# NOTES TO THE FINANCIAL STATEMENTS

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## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.1 Categories of financial instruments (Cont'd)

|                                           | Carrying<br>amount<br>RM | AC<br>RM           | FVTPL<br>RM       | FVOCI<br>RM      |
|-------------------------------------------|--------------------------|--------------------|-------------------|------------------|
| 2023                                      |                          |                    |                   |                  |
| GROUP                                     |                          |                    |                   |                  |
| Financial assets                          |                          |                    |                   |                  |
| Investment in RCPS of an associate        | 15,500,000               | -                  | 15,500,000        | -                |
| Trade receivables                         | 196,289,435              | 196,289,435        | -                 | -                |
| Other receivables and refundable deposits | 31,355,762               | 31,355,762         | -                 | -                |
| Derivative financial assets               | 2,384,171                | -                  | 2,384,171         | -                |
| Other investments                         | 10,038,906               | -                  | 170,597           | 9,868,309        |
| Cash and cash equivalents                 | 490,869,827              | 490,869,827        | -                 | -                |
|                                           | <b>746,438,101</b>       | <b>718,515,024</b> | <b>18,054,768</b> | <b>9,868,309</b> |
| Financial liabilities                     |                          |                    |                   |                  |
| Trade payables                            | 118,029,653              | 118,029,653        | -                 | -                |
| Other payables and accruals               | 48,631,901               | 48,631,901         | -                 | -                |
| Derivative financial liabilities          | 1,833,238                | -                  | 1,833,238         | -                |
|                                           | <b>168,494,792</b>       | <b>166,661,554</b> | <b>1,833,238</b>  | <b>-</b>         |
| COMPANY                                   |                          |                    |                   |                  |
| Financial assets                          |                          |                    |                   |                  |
| Other receivables and refundable deposits | 36,466                   | 36,466             | -                 | -                |
| Amount due from subsidiaries              | 57,968,191               | 57,968,191         | -                 | -                |
| Cash and cash equivalents                 | 92,599,175               | 92,599,175         | -                 | -                |
|                                           | <b>150,603,832</b>       | <b>150,603,832</b> | <b>-</b>          | <b>-</b>         |
| Financial liabilities                     |                          |                    |                   |                  |
| Other payables and accruals               | 481,199                  | 481,199            | -                 | -                |
| Amount due to subsidiaries                | 3,886                    | 3,886              | -                 | -                |
|                                           | <b>485,085</b>           | <b>485,085</b>     | <b>-</b>          | <b>-</b>         |

# NOTES TO THE FINANCIAL STATEMENTS

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## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency exchange risk and equity price risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

### 36.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade and other receivables whilst the Company's exposure to credit risk arises principally from advances to its subsidiaries.

#### 36.3.1 Receivables

##### *Trade receivables*

Credit risk arising from trade customers is addressed by the application of credit evaluation and close monitoring procedures by the management. The Group extends to existing customers credit terms that range between **30 to 120 days** (2023: 30 to 120 days). In deciding whether credit terms shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness.

New customers are subject to a credit evaluation process and existing customers' risk profiles are reviewed regularly with a view to setting appropriate terms of trade and credit limits. Where appropriate, further sales are suspended and legal actions are taken to attempt recoveries and mitigate losses.

In addition, the Group assesses ECL under MFRS 9 on trade receivables based on provision matrix, the expected loss rates are based on the payment profile for sales in the past 5 years as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

The Group applies the MFRS 9 simplified approach to measuring ECL, which uses a lifetime ECL for all trade receivables using a provision matrix. The ECL rate of collectively assessed trade receivables that were neither past due nor impaired is **0.00 %** (2023: 0.00%), past due between 0 to 30 days is ranged from **0.00% to 1.54%** (2023: 0.00% to 0.74%), past due between 31 to 90 days is ranged from **0.02% to 1.74%** (2023: 0.04% to 1.82%), past due between 91 to 365 days is ranged from **0.18% to 8.47%** (2023: 0.27% to 9.61%). The Group's ECL allowance computed using provision matrix is provided for **RM339,000** (2023: RM1,121,000) for the financial year. Meanwhile, the Group has individually impaired trade receivables amounted to **RM2,035,918** (2023: RM485,786) for the financial year in view that these debts are due more than one year and collection is remote.

It is inherent in the Group's business to make individually large sales to its customers that may lead to significant concentration of credit risks. Such risks are managed by ensuring that transactions are only carried out with customers with a reliable financial profile.

# NOTES TO THE FINANCIAL STATEMENTS

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## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.3 Credit risk (Cont'd)

#### 36.3.1 Receivables (Cont'd)

##### *Trade receivables (Cont'd)*

The following provides an analysis of the concentration of credit risk in trade receivables:

|                                                | GROUP      |            |
|------------------------------------------------|------------|------------|
|                                                | 2024<br>%  | 2023<br>%  |
| Customers with debts of RM10,000,000 and above | 45         | 50         |
| Customers with debts of less than RM10,000,000 | 55         | 50         |
|                                                | <b>100</b> | <b>100</b> |

Customers with debts of RM10,000,000 and above were due from **3 customers** (2023: 5 customers).

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

The ageing of trade receivables of the Group is as follows:

|                             | Gross<br>RM        | Expected<br>credit loss<br>RM | Net<br>RM          |
|-----------------------------|--------------------|-------------------------------|--------------------|
| <b>2024</b>                 |                    |                               |                    |
| Not past due                | 83,991,617         | -                             | 83,991,617         |
| 1 to 30 days past due       | 6,769,237          | (658,454)                     | 6,110,783          |
| 31 to 120 days past due     | 21,192,997         | (212,237)                     | 20,980,760         |
| Past due more than 120 days | 58,968,528         | (2,195,362)                   | 56,773,166         |
|                             | 86,930,762         | (3,066,053)                   | 83,864,709         |
| Individually impaired       | 880,668            | (880,668)                     | -                  |
|                             | <b>171,803,047</b> | <b>(3,946,721)</b>            | <b>167,856,326</b> |
| <b>2023</b>                 |                    |                               |                    |
| Not past due                | 98,683,159         | (33,426)                      | 98,649,733         |
| 1 to 30 days past due       | 15,400,096         | (33,779)                      | 15,366,317         |
| 31 to 120 days past due     | 49,830,099         | (298,711)                     | 49,531,388         |
| Past due more than 120 days | 33,975,449         | (1,233,452)                   | 32,741,997         |
|                             | 99,205,644         | (1,565,942)                   | 97,639,702         |
| Individually impaired       | 594,459            | (594,459)                     | -                  |
|                             | <b>198,483,262</b> | <b>(2,193,827)</b>            | <b>196,289,435</b> |

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.3 Credit risk (Cont'd)

#### 36.3.1 Receivables (Cont'd)

##### *Other receivables*

The Group finances the property development project in which it is managing as part of the project financing and management agreement entered into between one of the Company's subsidiary and the developer. The outstanding balance financed is exposed to credit risk with the maximum exposure being represented by the carrying amount as disclosed in Note 11(ii) to the financial statements.

The credit risk exposure is mitigated as the provisions of the agreement entered with the developer allows the subsidiary to be entitled to purchase or sell on behalf of the developer, certain units of the development project at a price substantially below the launching or market price to settle the outstanding advances and if such sale proceeds are insufficient to settle the outstanding amount, the subsidiary shall cause the developer to sell a property belonging to the developer at a reserved price and such proceeds are to be used to settle the remaining outstanding amount.

#### 36.3.2 Intercompany balances

The Company provides advances to its subsidiaries and monitors the result of the subsidiaries regularly.

The maximum exposure to credit risk is represented by their carrying amount in the statement of financial position of the Company.

As at the end of the reporting period, there was indication that the amount due from its subsidiaries is not recoverable. Hence, an impairment loss on intercompany balances has been provided for as disclosed in Note 12 to the financial statements.

### 36.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company actively manage its debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by maintaining credit facilities with its bankers.

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

|                                   | Carrying<br>amount<br>RM | Contractual<br>cash flows<br>RM | Within<br>one year<br>RM | More<br>than one<br>year and<br>less than<br>two years<br>RM |
|-----------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------------------------------------------|
| <b>GROUP</b>                      |                          |                                 |                          |                                                              |
| <b>2024</b>                       |                          |                                 |                          |                                                              |
| Trade payables                    | 128,929,155              | 128,929,155                     | 128,929,155              | -                                                            |
| Other payables and accruals       | 73,435,611               | 73,435,611                      | 62,590,226               | 10,845,385                                                   |
| Derivatives financial liabilities | 3,361,509                | 3,361,509                       | 3,361,509                | -                                                            |
|                                   | <b>205,726,275</b>       | <b>205,726,275</b>              | <b>194,880,890</b>       | <b>10,845,385</b>                                            |
| <b>2023</b>                       |                          |                                 |                          |                                                              |
| Trade payables                    | 118,029,653              | 118,029,653                     | 118,029,653              | -                                                            |
| Other payables and accruals       | 48,631,901               | 48,631,901                      | 41,914,632               | 6,717,269                                                    |
| Derivatives financial liabilities | 1,833,238                | 1,833,238                       | 1,833,238                | -                                                            |
|                                   | <b>168,494,792</b>       | <b>168,494,792</b>              | <b>161,777,523</b>       | <b>6,717,269</b>                                             |

# NOTES TO THE FINANCIAL STATEMENTS

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## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.4 Liquidity risk (Cont'd)

|                             | Carrying<br>amount<br>RM | Contractual<br>cash flows<br>RM | Within<br>one year<br>RM | More<br>than one<br>year and<br>less than<br>two years<br>RM |
|-----------------------------|--------------------------|---------------------------------|--------------------------|--------------------------------------------------------------|
| <b>COMPANY</b>              |                          |                                 |                          |                                                              |
| <b>2024</b>                 |                          |                                 |                          |                                                              |
| Other payables and accruals | 505,584                  | 505,584                         | 505,584                  | -                                                            |
| Amount due to subsidiaries  | 46,505,346               | 46,505,346                      | 46,505,346               | -                                                            |
|                             | <b>47,010,930</b>        | <b>47,010,930</b>               | <b>47,010,930</b>        | -                                                            |
| <b>2023</b>                 |                          |                                 |                          |                                                              |
| Other payables and accruals | 481,199                  | 481,199                         | 481,199                  | -                                                            |
| Amount due to subsidiaries  | 3,886                    | 3,886                           | 3,886                    | -                                                            |
|                             | <b>485,085</b>           | <b>485,085</b>                  | <b>485,085</b>           | -                                                            |

### 36.5 Interest rate risk

The Group's floating rate instrument is exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's interest-bearing financial instruments based on the carrying amounts as at the end of the reporting period is as follows:

|                                 | <b>GROUP</b>       |             | <b>COMPANY</b>    |            |
|---------------------------------|--------------------|-------------|-------------------|------------|
|                                 | 2024<br>RM         | 2023<br>RM  | 2024<br>RM        | 2023<br>RM |
| <b>Floating rate instrument</b> |                    |             |                   |            |
| Financial assets                | <b>202,484,728</b> | 360,071,524 | <b>46,557,221</b> | 85,012,094 |

### Cash flow sensitivity analysis for variable rate instruments

An increase/decrease of 25 basis points would have increased the profit before tax and equity of the Group and of the Company by the amount shown below and a corresponding decrease would have an equal but opposite effect:

|                               | <b>GROUP</b>   |            | <b>COMPANY</b> |            |
|-------------------------------|----------------|------------|----------------|------------|
|                               | 2024<br>RM     | 2023<br>RM | 2024<br>RM     | 2023<br>RM |
| Increase in profit before tax | <b>506,212</b> | 900,179    | <b>116,393</b> | 212,530    |
| Increase in equity            | <b>506,212</b> | 900,179    | <b>116,393</b> | 212,530    |

# NOTES TO THE FINANCIAL STATEMENTS

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## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.6 Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal trading activities whereby sales and purchases that are principally transacted in United States Dollar ("USD"), Chinese Renminbi ("RMB") and Euro. The Group also holds cash and bank balances denominated in RMB, USD, Hong Kong Dollar ("HKD"), Singapore Dollar ("SGD") and Euro and other investments denominated in USD for working capital purpose. The Group mitigates the exposure to this risk by maintaining USD, RMB and Euro denominated bank accounts and entering into foreign currency forward contracts.

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the various foreign currency exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before tax and equity. A 5% strengthening of the RM against the following currencies at the end of the reporting period would decrease the Group's profit before tax and equity by the amount shown below and a corresponding weakening would have an equal but opposite effect. This analysis confines to the carrying amounts of financial assets and liabilities denominated in the following currencies as at the end of the reporting period and assumes that all other variables remain constant.

|      | GROUP              |                            |                    |                            |
|------|--------------------|----------------------------|--------------------|----------------------------|
|      | 2024               |                            | 2023               |                            |
|      | Equity<br>RM       | Profit before<br>tax<br>RM | Equity<br>RM       | Profit before<br>tax<br>RM |
| HKD  | (4,411,884)        | (5,805,110)                | (987,815)          | (1,299,756)                |
| USD  | (3,328,513)        | (4,379,622)                | (5,062,722)        | (6,661,476)                |
| RMB  | (2,208,490)        | (2,905,908)                | (2,124,272)        | (2,795,095)                |
| Euro | 407,235            | 535,835                    | 1,066,838          | 1,403,734                  |
|      | <u>(9,541,652)</u> | <u>(12,554,805)</u>        | <u>(7,107,971)</u> | <u>(9,352,593)</u>         |

Effect of strengthening of the RM against the Swiss Franc, SGD and Japanese Yen would have insignificant impact to the profit before tax and equity and hence is not presented.

### 36.7 Equity price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial assets designated at FVTPL and FVOCI will fluctuate because of changes in market prices. Equity price risk arises from the Group's investment in RCPS in an associate and other investments.

Management of the Group monitors these equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Company.

#### Sensitivity analysis for equity price risk

As at the end of the reporting period, if the prices of the investment in RCPS and other investments have been 5% higher/lower, with all other variables held constant, the Group's profit before tax and equity would have been **RM784,957** (2023: RM783,530) and **RM1,337,322** (2023: RM1,276,945) higher/lower respectively, arising as a result of higher/lower fair value gain on investments in RCPS and other investments.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.8 Fair value information

The carrying amounts of financial assets and financial liabilities (other than those disclosed below) of the Group and of the Company as at the end of the reporting period approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

#### Fair value hierarchy

The table below analyses financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

#### GROUP

|                                | Level 1<br>RM  | Level 2<br>RM     | Level 3<br>RM     | Total<br>RM       |
|--------------------------------|----------------|-------------------|-------------------|-------------------|
| <b>2024</b>                    |                |                   |                   |                   |
| <b>Assets</b>                  |                |                   |                   |                   |
| Investment in quoted shares    | 199,143        | -                 | -                 | 199,143           |
| Investment in RCPS             | -              | -                 | 15,500,000        | 15,500,000        |
| Investments in unquoted shares | -              | 6,047,301         | 5,000,000         | 11,047,301        |
| Investment properties          | -              | 10,070,000        | -                 | 10,070,000        |
|                                | <b>199,143</b> | <b>16,117,301</b> | <b>20,500,000</b> | <b>36,816,444</b> |

#### Liability

|                                         |   |           |   |   |
|-----------------------------------------|---|-----------|---|---|
| Forward contract ( <i>liabilities</i> ) | - | 3,361,509 | - | - |
|-----------------------------------------|---|-----------|---|---|

#### 2023

#### Assets

|                                    |                |                   |                   |                   |
|------------------------------------|----------------|-------------------|-------------------|-------------------|
| Investment in quoted shares        | 170,597        | -                 | -                 | 170,597           |
| Forward contract ( <i>assets</i> ) | -              | 2,384,171         | -                 | 2,384,171         |
| Investment in RCPS                 | -              | -                 | 15,500,000        | 15,500,000        |
| Investments in unquoted shares     | -              | 4,868,309         | 5,000,000         | 9,868,309         |
| Investment properties              | -              | 24,013,000        | -                 | 24,013,000        |
|                                    | <b>170,597</b> | <b>31,265,480</b> | <b>20,500,000</b> | <b>51,936,077</b> |

#### Liability

|                                         |   |           |   |           |
|-----------------------------------------|---|-----------|---|-----------|
| Forward contract ( <i>liabilities</i> ) | - | 1,833,238 | - | 1,833,238 |
|-----------------------------------------|---|-----------|---|-----------|

There were no transfers between Level 1, Level 2 and Level 3 during the financial year ended 31 December 2024 and 2023.

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.8 Fair value information (Cont'd)

#### Fair value measurement

##### Investment in quoted shares

Fair value of the quoted shares is determined by reference to published price quoted in an active market.

##### Forward contract

The derivative financial assets and liabilities arising from the fair value changes on the foreign currency forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the current contract using a risk-free interest rate.

##### Investment in RCPS

| Description of valuation technique and inputs used                                                                                                        | Significant unobservable inputs                                     | Inter-relationship between significant unobservable inputs and fair value measurement |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| The fair value of investment in RCPS is determined using the price/book ratio of comparable listed companies adjusted for lack of marketability discount. | - Discount of lack of marketability at <b>15.60%</b> (2023: 15.00%) | An increase in the discount for lack of marketability would decrease the fair value.  |

As at 31 December 2024, it is estimated that with all other variables held constant, an increase/decrease in the discount of lack of marketability by **10%** (2023: 10%) would decrease/increase the Group's profit or loss by **RM3,417,000/RM3,417,000** (2023: RM1,713,000/RM1,713,000).

##### Investments in unquoted shares

| Description of valuation technique and inputs used                                                                       | Significant unobservable inputs                                                                                                                                                                                   | Inter-relationship between significant unobservable inputs and fair value measurement                                                 |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| The fair value of investment is determined using the income approach by way of discounted cash flows valuation analysis. | - Weighted average cost of capital ("WACC") at <b>8.50%</b> (2023: 8.60%)<br>- Discount of lack of marketability at <b>60%</b> (2023: 60%)<br>- Discount for uncertainty of projections at <b>20%</b> (2023: 20%) | An increase in the WACC, discount of lack of marketability and discount for uncertainty of projections would decrease the fair value. |

As at 31 December 2024, it is estimated that with all other variables held constant, an increase/decrease the WACC by **0.5%** would decrease/increase the Group's total comprehensive income by **(RM406,000)/RM576,000** (2023: (RM397,000)/RM654,000).

##### Investment properties

The fair value for investment properties for disclosure purposes is categorised under Level 2 of the fair value hierarchy. The fair value is derived based on appraisal performed by independent professional valuers using the market comparison approach. Selling prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size, age and condition of the building. The most significant input into this valuation approach is the price per square metre ("sqm") of comparable properties.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.8 Fair value information (Cont'd)

#### Description of valuation techniques used and key inputs to valuation of investment properties:

| Valuation techniques     | Significant unobservable inputs                                                                                                                  | Range                              |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| <b>2024</b>              |                                                                                                                                                  |                                    |
| Market comparison method | Difference in location, size, shape of the building, age and condition of the building, tenure, accessibility, title restrictions and facilities | RM2,900 per sqm to RM6,400 per sqm |
| <b>2023</b>              |                                                                                                                                                  |                                    |
| Market comparison method | Difference in location, size, shape of the building, age and condition of the building, tenure, accessibility, title restrictions and facilities | RM2,900 per sqm to RM6,400 per sqm |

## 37. CAPITAL MANAGEMENT

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

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

There were no changes in the Group's approach to capital management as compared to the previous year and the Group is not subject to any externally imposed capital requirements by its lenders.

## 38. MATERIAL LITIGATION

### Ocado Innovation Limited ("Ocado") vs Pingspace Sdn. Bhd. ("Pingspace") and Pentamaster Corporation Berhad ("the Company")

On 23 December 2024, Ocado, a company incorporated under the laws of England and Wales and a wholly owned subsidiary of Ocado Group PLC, filed a Writ and Statement of Claim against Pingspace and the Company (collectively known as "the Defendants") at High Court of Malaya in Kuala Lumpur.

Ocado alleged that the Defendants have infringed the patents owned by Ocado in Malaysia ("Disputed Patents"), which is comprised of a warehouse and robotics storage system. In this regard, Ocado has claimed for the following reliefs:

- (i) a declaration that the Disputed Patents have been infringed;
- (ii) an injunction to restrain the Defendants (through respective directors, officers, agents, partners, representatives, or servants) or any of them otherwise howsoever from infringing the Disputed Patents through any actions involving the development, use, sale or facilitation of systems or products that infringe the Disputed Patents;
- (iii) an order to deliver up to Ocado, their solicitors or their authorised representatives for destruction or, at the option of Ocado, the destruction of all Infringing System or which may infringe the Disputed Patents in the possession, power, custody or control of the Defendants, or of their respective agents, related companies, or contractors;
- (iv) an order for the Defendants to affirm, file into Court and serve on Ocado's solicitors an affidavit stating compliance with the terms in paragraph (iii) above within fourteen (14) days of the Court's order;

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 38. MATERIAL LITIGATION (CONT'D)

### **Ocado Innovation Limited ("Ocado") vs Pingspace Sdn. Bhd. ("Pingspace") and Pentamaster Corporation Berhad ("the Company") (Cont'd)**

- (v) an inquiry as to damages or, at Ocado's option, an account of profits by the Defendants in respect of the Infringing System and any other product and system that infringes the Disputed Patents or as otherwise claimed in the Disputed Patents and payment by the Defendants of all such sums as may be due upon the taking of such inquiry or account of such amount to Ocado;
- (vi) interests; and
- (vii) costs.

However, the Company denies the allegations and asserts that it has not engaged in any acts of infringement. Furthermore, the Company maintains that it has no involvement with the specific technologies or systems described in the claim. Accordingly, the Company intends to take the necessary steps to make the application to strike out this claim against it.

The Board, having obtained advice from its solicitors, is of the opinion that there is a reasonable and arguable defence against the claim above. Thus, no provision has been made in respect of the claim.

## 39. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

### (i) **Incorporation of PV**

On 29 March 2024, PQ, a subsidiary of the Company, subscribed to 85 shares in a newly incorporated subsidiary, PV, for a total consideration of RM85. PQ held an 85% equity interest in PV. The principal activities of PV are equipment design, project management, manufacturing and production of automation solutions specifically for automotive and aerospace industry.

### (ii) **Privatisation of PIL**

On 19 December 2024, Puga Holdings Limited ("Puga") and the Company as joint offerors (the "Joint Offerors") and PIL has entered into an implementation agreement pursuant to which the Joint Offerors requested the board of directors of PIL, to put forward a proposal (the "Proposal") for the privatisation of PIL by the Joint Offerors by way of a scheme of arrangement pursuant to the Cayman Islands Companies Act (the "Scheme") involving:

- (a) cancellation of all ordinary shares of PIL ("PIL Shares") other than those held by the Company (the "Scheme Shares") in exchange for the payment of cancellation price (the "Cancellation Price") by the Joint Offerors in proportion to the percentage of the Scheme Shares to be acquired by each of the Joint Offerors to the holder of the Scheme Shares; and
- (b) simultaneous maintenance of the issued share capital of PIL at the amount immediately prior to the cancellation of the Scheme Shares by the issuance at par to the Joint Offerors, credited as fully paid, of the aggregate number of PIL Shares as is equal to the number of Scheme Shares cancelled pursuant to the Scheme. The reserve created in the PIL's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new PIL Shares so issued, credited as fully paid, to the Joint Offerors.

Under the Proposal, PIL will also declare a special dividend (the "Special Dividend"), which subject to:

- (a) the passing of an ordinary resolution by a simple majority of the votes cast by the shareholders of PIL present and voting in person or by proxy at the extraordinary general meeting of PIL (the "EGM") to approve the Special Dividend; and

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 39. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (CONT'D)

### (ii) Privatisation of PIL (Cont'd)

- (b) the Scheme having become binding and effective in accordance with its terms and conditions, shall be payable to the shareholders of PIL whose names appear on the register of members of PIL on an appropriate record date to be announced, including the Company.

Upon the Scheme becoming effective, PIL will apply to the Main Board of The Stock Exchange of Hong Kong Limited ("HKSE") for the withdrawal of the listing of the PIL Shares on the Main Board of the HKSE. In addition, the Company will acquire a further 170,400,000 PIL shares (representing approximately 7.1% of PIL shares) under the Proposal, thereby increasing its shareholding in PIL from 1,533,549,989 to 1,703,949,989 PIL shares, which representing approximately 71% of the equity interest in PIL.

On 28 February 2025, the proposed special dividend of HK\$0.07 per share, totaling HK\$60,651,501, has been approved at an extraordinary general meeting held.

The Scheme was sanctioned without modification by the Grand Court on 6 March 2025 (Cayman Islands time).

All of the conditions as set out in the Proposal and the Scheme have been fulfilled, and the Scheme became effective on 20 March 2025 (Cayman Islands time). PIL was delisted from HKSE on 19 March 2025.

### (iii) Disposal of investment properties

OV, a wholly owned subsidiary of the Company, has entered into Sale and Purchase Agreements dated 6 January 2025, 20 January 2025, 25 February 2025 and 28 March 2025, with Gracious Jewel Sdn. Bhd. to dispose of leasehold commercial shop lots for a total cash consideration of RM6,249,000.

The disposal has been completed subsequent to the financial year end.

### (iv) Incorporation of Mirak Medica Sdn. Bhd. ("MM")

On 20 January 2025, PD, a subsidiary of the Company, subscribed to 2 shares in a newly incorporated wholly-owned subsidiary, MM, for a total consideration of RM2. The principal activities of MM are manufacturing and trading of medical products.

### (v) Implementation of reciprocal tariff by the United States of America ("US") government

On 2 April 2025, the US government announced a reciprocal tariff on imported goods from all countries. The reciprocal tariff imposed a baseline of 10% tariff on all imports from countries worldwide effective 5 April 2025 whilst higher tariffs were imposed on specific countries whereby Malaysia was imposed a tariff rate of 24%, which will take effect from 9 April 2025. On the same day, the US government further announced a temporary suspension of the higher tariffs for a period of 90 days for all countries, except for China. The 10% baseline tariff will remain in effect during this period.

Given that a portion of the Group's revenue is derived from exports to the US, these newly announced tariff measures could potentially have an adverse effect on the Group's future sales, pricing strategy, and overall competitiveness in the US market. The directors and management of the Group are actively assessing the potential impacts and developing contingency measures, including supply chain diversification, customer engagement, and pricing strategies to mitigate any negative implications arising from these reciprocal tariffs.

The degree of the impacts will depend on how the situation evolves. Any financial impact, if any, will be reflected in the Group performance for the financial year ending 31 December 2025. At this juncture, the management is monitoring and assessing the potential financial impacts arising from this event due to the prevailing global uncertainties.

Notwithstanding the environment is challenging, the Group remains optimistic about its business outlook with the expectation of continued strong demand for its products.

## LIST OF LANDED PROPERTIES

| Location of Landed Properties                                                                                                                                                    | Date of Acquisition                   | Description and Existing Use                          | Tenure                                                               | Land Area   | Approximate Age of Building | Net Book Value as at 31 December 2024 (RM) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-------------------------------------------------------|----------------------------------------------------------------------|-------------|-----------------------------|--------------------------------------------|
| H.S. (D) 19135 & H.S.(D) 19121, Mukim of 12, South West District, Plot 18 & 19, Technoplex, Medan Bayan Lepas, Taman Perindustrian Bayan Lepas, Phase IV, 11900 Penang, Malaysia | 23/12/2000 and 21/3/2001 respectively | Industrial lot / factory building and office building | Leasehold (60 years expiring on 1/7/2062 and 21/7/2062 respectively) | 4.03 acres  | 21 years                    | 49,856,186                                 |
| H.S. (D) 47991, PT 5917, Mukim of 13, District of Seberang Perai Selatan, 749, Persiaran Cassia Selatan 4, Taman Perindustrian Batu Kawan, 14110 Simpang Ampat, Penang, Malaysia | 19/3/2015                             | Industrial lot / factory building and office building | Leasehold (60 years expiring on 6/12/2075)                           | 3.23 acres  | 10 years                    | 29,711,157                                 |
| Plot 1(b), PT 4083, Mukim 13, District of Seberang Perai Selatan, PMT861, Persiaran Cassia Selatan 6, Taman Perindustrian Batu Kawan, 14110 Simpang Ampat, Penang, Malaysia      | 11/3/2021                             | Industrial lot / factory building and office building | Leasehold (60 years expiring on 28/4/2083)                           | 11.80 acres | -                           | 27,533,045                                 |

## ANALYSIS OF SHAREHOLDINGS

### AS AT 2 APRIL 2025

|                            |                                |
|----------------------------|--------------------------------|
| Issued Share Capital       | : 711,317,121* Ordinary Shares |
| Class of Equity Securities | : Ordinary Shares ("Shares")   |
| Voting Rights              | : One vote per Share           |

\* Excluding a total of 1,000,000 Shares retained as treasury shares

#### Distribution Schedule of Shareholders

| No. of Holders | Size of Shareholdings                    | No. of Issued Shares | % <sup>(1)</sup> |
|----------------|------------------------------------------|----------------------|------------------|
| 1,062          | Less than 100 shares                     | 49,620               | 0.01             |
| 3,304          | 100 – 1,000 shares                       | 2,009,270            | 0.28             |
| 4,612          | 1,001 – 10,000 shares                    | 18,105,426           | 2.55             |
| 1,448          | 10,001 - 100,000 shares                  | 42,357,602           | 5.95             |
| 347            | 100,001 to less than 5% of issued shares | 472,683,295          | 66.45            |
| 2              | 5% and above of issued shares            | 176,111,908          | 24.76            |
| <b>10,775</b>  | <b>Total</b>                             | <b>711,317,121</b>   | <b>100.00</b>    |

Note:

<sup>(1)</sup> Excluding a total of 1,000,000 Shares retained as treasury shares

#### 30 Largest Securities Account Holders

(without aggregating the securities from different securities accounts belonging to the same person)

| No. | Name                                                                                                     | No. of Shares held | % <sup>(1)</sup> |
|-----|----------------------------------------------------------------------------------------------------------|--------------------|------------------|
| 1   | HSBC NOMINEES (TEMPATAN) SDN BHD<br><i>EXEMPT AN FOR BANK JULIUS BAER &amp; CO. LTD. (SINGAPORE BCH)</i> | 139,920,120        | 19.67            |
| 2   | KUMPULAN WANG PERSARAAN (DIPERBADANKAN)                                                                  | 36,191,788         | 5.09             |
| 3   | LEMBAGA TABUNG HAJI                                                                                      | 35,546,200         | 4.99             |
| 4   | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br><i>EMPLOYEES PROVIDENT FUND BOARD (NOMURA)</i>                  | 21,239,200         | 2.99             |
| 5   | RESOLUTE ACCOMPLISHMENT SDN. BHD.                                                                        | 18,575,150         | 2.61             |
| 6   | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br><i>PLEDGED SECURITIES ACCOUNT FOR CHUAH CHONG EWE</i>             | 15,000,000         | 2.11             |
| 7   | CITIGROUP NOMINEES (ASING) SDN BHD<br><i>EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)</i>            | 13,896,532         | 1.95             |
| 8   | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br><i>EXEMPT AN FOR AIA BHD.</i>                                   | 12,633,800         | 1.78             |
| 9   | AMANAHRAYA TRUSTEES BERHAD<br><i>AMANAH SAHAM BUMIPUTERA</i>                                             | 12,000,000         | 1.69             |
| 10  | CITIGROUP NOMINEES (ASING) SDN BHD<br><i>EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)</i>            | 10,386,200         | 1.46             |

# ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025

## 30 Largest Securities Account Holders (cont'd)

(without aggregating the securities from different securities accounts belonging to the same person) (cont'd)

| No. | Name                                                                                                                                            | No. of Shares held | % <sup>(1)</sup> |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------|
| 11  | PERMODALAN NASIONAL BERHAD                                                                                                                      | 10,144,500         | 1.43             |
| 12  | AMANAHRAYA TRUSTEES BERHAD<br>PUBLIC ISLAMIC SELECT TREASURES FUND                                                                              | 9,677,600          | 1.36             |
| 13  | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR CHUAH CHONG EWE                                                           | 8,265,053          | 1.16             |
| 14  | DB (MALAYSIA) NOMINEE (ASING) SDN BHD<br>EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)                                        | 8,214,850          | 1.15             |
| 15  | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br>EMPLOYEES PROVIDENT FUND BOARD (AHAM AM)                                                               | 8,130,300          | 1.14             |
| 16  | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br>EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)                                                             | 7,905,900          | 1.11             |
| 17  | HSBC NOMINEES (ASING) SDN BHD<br>JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND                                                        | 7,883,450          | 1.11             |
| 18  | HSBC NOMINEES (ASING) SDN BHD<br>JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND                                                     | 7,735,550          | 1.09             |
| 19  | DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD<br>DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DIVIDEND FUND                             | 6,800,000          | 0.96             |
| 20  | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br>URUSHARTA JAMAAH SDN. BHD. (2)                                                                         | 6,628,900          | 0.93             |
| 21  | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br>EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)                                                          | 6,105,800          | 0.86             |
| 22  | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br>EMPLOYEES PROVIDENT FUND BOARD (BNP NAJMAH EQ)                                                         | 5,826,800          | 0.82             |
| 23  | AMANAHRAYA TRUSTEES BERHAD<br>PUBLIC ISLAMIC DIVIDEND FUND                                                                                      | 5,711,500          | 0.80             |
| 24  | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br>KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)                                                     | 5,443,700          | 0.77             |
| 25  | CIMB GROUP NOMINEES (TEMPATAN) SDN BHD<br>CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)               | 5,414,250          | 0.76             |
| 26  | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br>EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)                                                              | 4,866,700          | 0.68             |
| 27  | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR CHUAH CHONG EWE (7014292)                                           | 4,670,000          | 0.66             |
| 28  | AMANAHRAYA TRUSTEES BERHAD<br>AMANA SAHAM MALAYSIA                                                                                              | 4,169,300          | 0.59             |
| 29  | HSBC NOMINEES (ASING) SDN BHD<br>JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK<br>MARKET INDEX TRUST II | 4,083,300          | 0.57             |
| 30  | HSBC NOMINEES (TEMPATAN) SDN BHD<br>BNPP SIN/2S FOR PERTUBUHAN KESELAMATAN SOSIAL (AHAM EQ)                                                     | 3,985,100          | 0.56             |

## ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025

### Directors' Shareholdings based on Register of Director's Shareholdings (Direct & Indirect)

#### a) In the Company

| Name of Directors    | No. of Shares beneficially held |                  |                        |                  |
|----------------------|---------------------------------|------------------|------------------------|------------------|
|                      | Direct                          | % <sup>(1)</sup> | Indirect               | % <sup>(1)</sup> |
| CHUAH CHOON BIN      | 140,420,120                     | 19.74            | 138,510 <sup>(2)</sup> | 0.02             |
| GAN PEI JOO          | 50,486                          | 0.01             | -                      | -                |
| DATO' LOH NAM HOOI   | 437,400                         | 0.06             | -                      | -                |
| LENG KEAN YONG       | 55,000                          | 0.01             | -                      | -                |
| LEE KEAN CHEONG      | 10,000                          | _(3)             | -                      | -                |
| ROSLINDA BINTI AHMAD | -                               | -                | -                      | -                |

**Notes:**

<sup>(1)</sup> Excluding a total of 1,000,000 Shares retained as treasury shares

<sup>(2)</sup> Deemed interested through the shareholding of his spouse pursuant to Section 59(11)(c) of the Act

<sup>(3)</sup> Negligible

### Substantial Shareholders' Shareholdings based on Register of Substantial Shareholders

| Name of Substantial Shareholders | No. of Shares beneficially held |                  |                           |                  |
|----------------------------------|---------------------------------|------------------|---------------------------|------------------|
|                                  | Direct                          | % <sup>(1)</sup> | Indirect                  | % <sup>(1)</sup> |
| CHUAH CHOON BIN                  | 140,420,120                     | 19.74            | 138,510 <sup>(2)</sup>    | 0.02             |
| EMPLOYEES PROVIDENT FUND BOARD   | -                               | -                | 70,018,550 <sup>(3)</sup> | 9.84             |
| KUMPULAN WANG PERSARAAN          | 37,015,375                      | 5.20             | 18,072,000 <sup>(4)</sup> | 2.54             |
| LEMBAGA TABUNG HAJI              | 35,546,200                      | 5.00             | 3,416,400 <sup>(5)</sup>  | 0.48             |
| CHUAH CHONG EWE                  | 19,026,483                      | 2.67             | 34,031,650 <sup>(6)</sup> | 4.78             |

**Notes:**

<sup>(1)</sup> Exclude 1,000,000 Shares which are currently held as treasury shares.

<sup>(2)</sup> Deemed interested through the shareholding of his spouse pursuant to Section 59(11)(c) of the Act

<sup>(3)</sup> Shares held by Citigroup Nominees (Tempatan) Sdn Bhd

<sup>(4)</sup> Shares held by Kumpulan Wang Persaraan (Diperbadankan) (Fund Managers)

<sup>(5)</sup> Shares held by Lembaga Tabung Haji

<sup>(6)</sup> Deemed interested by virtue of his indirect shareholding in Resolute Accomplishment Sdn Bhd (18,575,150 ordinary shares – 2.61%) and Triumphant View Sdn Bhd (15,456,500 ordinary shares – 2.17%) pursuant to Section 8(4) of the Act.

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty Third Annual General Meeting of Pentamaster Corporation Berhad will be held at PMT 861, Persiaran Cassia Selatan 6, Taman Perindustrian Batu Kawan, 14110 Simpang Ampat, Pulau Pinang on Friday, 23 May 2025 at 10:30 a.m. for the following purposes:

### AS ORDINARY BUSINESSES

- |     |                                                                                                                                                                           |                        |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| 1.  | To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.                | Please refer to Note 3 |
| 2.  | To approve the payment of Directors' fees amounting to RM319,440 to Directors of the Company for the financial year ended 31 December 2024.                               | Ordinary Resolution 1  |
| 3.  | To approve the payment of benefits of up to RM35,000 to the Non-Executive Directors of the Company from 24 May 2025 until the next annual general meeting of the Company. | Ordinary Resolution 2  |
| 4.  | To consider and, if thought fit, to pass with or without modifications the following resolutions as Ordinary Resolutions:                                                 |                        |
| (a) | "THAT Mr. Chuah Choon Bin, who retires pursuant to Clause 109(a) and (b) of the Company's Constitution, be and is hereby re-elected as a Director of the Company."        | Ordinary Resolution 3  |
| (b) | "THAT Mr. Leng Kean Yong, who retires pursuant to Clause 109(a) and (b) of the Company's Constitution, be and is hereby re-elected as a Director of the Company."         | Ordinary Resolution 4  |
| 5.  | To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.                | Ordinary Resolution 5  |

### AS SPECIAL BUSINESSES

6. To consider and, if thought fit, to pass with or without modifications the following resolutions as Ordinary Resolutions:

#### **Proposed power to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

Ordinary Resolution 6

- (a) "THAT subject always to the Companies Act 2016 ("Act"), Constitution of the Company and approvals of the relevant regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company from time to time at such price, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad ("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 annual general meeting of the Company or the expiration of the period within which the next annual general meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

AND THAT pursuant to Section 85 of the Act read together with Clause 67 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to Sections 75 and 76 of the Act."

## NOTICE OF ANNUAL GENERAL MEETING

### **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs")**

Ordinary  
Resolution 7

- (b) "THAT subject always to the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company's subsidiaries to enter into any of the category of recurrent transactions of a revenue or trading nature falling within the types of transactions as detailed in Section 2.2(b) ("Existing Estimate Value") of the Company's Circular to Shareholders dated 25 April 2025 involving the interests of Directors, major shareholders or persons connected with such Directors or major shareholders of the Company ("Related Parties") as detailed therein provided that such transactions are necessary for the day-to-day operations and they are carried out in the ordinary course of business and are made on an arm's length basis on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

(the "Proposed Renewal of Shareholders' Mandate for RRPT").

THAT the Proposed Renewal of Shareholders' Mandate for RRPT is subject to annual renewal and shall continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things as they may consider necessary or expedient to give effect to the Proposed Renewal of Shareholders' Mandate for RRPT."

### **Proposed renewal of shareholders' mandate for the authority to the Company to purchase its own shares of up to ten percent (10%) of its total number of issued shares**

Ordinary  
Resolution 8

- (c) "THAT, subject to the Companies Act 2016 ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares ("Shares") in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors of the Company may deem fit and expedient in the best interest of the Company provided that:
- (i) The aggregate number of Shares in the Company which may be purchased ("Purchased Shares") and/or held by the Company as Treasury Shares shall not exceed ten percent (10%) of the total number of its issued Shares at any point in time; and
  - (ii) The maximum funds to be allocated by the Company for the purpose of purchasing its own Shares shall not exceed the total available retained profits of the Company based on its latest audited financial statements available up to the date of the transaction.

## NOTICE OF ANNUAL GENERAL MEETING

THAT, upon the purchase by the Company of its own Shares, the Directors are authorised to retain the Shares so purchased as Treasury Shares or cancel the Shares so purchased or retain part of the Shares so purchased as Treasury Shares and cancel the remainder. The Directors are further authorised to distribute the Treasury Shares as dividends to the shareholders of the Company and/or resell the Shares on the Bursa Securities in accordance with the relevant rules of the Bursa Securities or subsequently cancel the Treasury Shares or any combination thereof.

(the “**Proposed Share Buy-Back**”).

THAT the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“**Act**”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:-

- (i) To cancel all or part of the Purchased Shares;
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) To distribute all or part of the Treasury Shares as dividends to the shareholders of the Company;
- (iv) To resell all or part of the Treasury Shares;
- (v) To transfer all or part of the Treasury Shares for the purposes of or under the employees’ share scheme established by the Company and/or its subsidiaries;
- (vi) To transfer all or part of the Treasury Shares as purchase consideration;
- (vii) To sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister charged with responsibility for companies may by order prescribe; and/or
- (viii) To deal with the Treasury Shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

## NOTICE OF ANNUAL GENERAL MEETING

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

7. To consider any other business for which due notice shall have been given.

By order of the Board

Ong Lu See  
(LS 0006228)  
SSM PC No. 201908001450

Kong Sown Kaey  
(MAICSA 7047655)  
SSM PC No. 202008001434  
Secretaries

Penang  
Date : 25 April 2025

### NOTES

#### 1. Appointment of Proxy

- (a) Subject to Paragraph (c) below, a member entitled to attend and vote is entitled to appoint more than one (1) proxy to attend and vote instead of him. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
- (b) A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without restriction as to the qualification of the proxy.
- (c) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (d) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- (e) The instrument appointing a proxy may be made in hardcopy form or by electronic means in the following manner not less than 48 hours before the time for holding the meeting or any adjournment thereof:
  - (i) In hardcopy form:  
The proxy form shall be deposited at the office of the Company's Share Registrar at Securities Services (Holdings) Sdn Bhd, Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 Penang.
  - (ii) By electronic means:  
The proxy form shall also be electronically lodged by email to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my).
- (f) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, the resolutions set out above will be put to vote by way of poll.

# NOTICE OF ANNUAL GENERAL MEETING

## NOTES (CONT'D)

### 2. Members entitled to attend Twenty Third Annual General Meeting ("AGM")

For the purpose of determining a member who shall be entitled to attend the Twenty Third AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Clause 78(b) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 16 May 2025. Only a depositor whose name appears in the Record of Depositors as at 16 May 2025 shall be entitled to attend the said meeting or appoint proxies to attend, speak and/or vote on his/her behalf.

### 3. Audited Financial Statements for the financial year ended 31 December 2024

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

### 4. Ordinary Resolutions No. 1 – Proposed payment of Directors' fees

Pursuant to Section 230(1) of the Companies Act 2016, the Company shall at every AGM approve the fees of the Directors of the Company and its subsidiaries. The Directors' fees payable to the Directors have been reviewed by the Remuneration Committee and the Board of Directors of the Company. The Directors' fees are in accordance with the remuneration framework of the Group.

The proposed Ordinary Resolutions No. 1 and 2 are to facilitate the payment of Directors' fees on current year basis. In the event, the Directors' fees proposed is insufficient, the Board will seek the approval from the shareholders at the next AGM for additional fees to meet the shortfall.

### 5. Ordinary Resolutions No. 2 – Proposed payment of Directors' benefits (excluding Directors' fees)

The Directors' benefits (excluding Directors' fees) comprises the allowances and other benefits. The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board and Board Committees meetings for the period from 24 May 2025 until the next AGM. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

### 6. Ordinary Resolutions No. 3 and 4 - Re-election of Director who retires in accordance with Clause 109(a) and (b) of the Company's Constitution

Clause 109(a) and (b) of the Company's Constitution provides that an election of directors shall take place each year. 1/3 of the directors for the time being shall retire from office at each AGM but shall be eligible for re-election at the said meeting. If the total number of the directors is not 3 or a multiple of 3, the number nearest to 1/3 will retire. The Directors to retire in every year shall be those who have been longest in office since their last election.

Mr. Chuah Choon Bin and Mr. Leng Kean Yong who will be retiring and offering themselves for re-election at the Twenty Third AGM was evaluated by the Nominating Committee and the Board. Based on the evaluation outcome, the Nominating Committee and the Board were of the view that their performances were satisfactory and recommended their re-elections for shareholders' approval.

### 7. Ordinary Resolution No. 6 - Proposed power to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed resolution if passed will empower the Directors of the Company to issue and allot shares up to 10% of the total number of issued shares of the Company from time to time. This authority will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next AGM of the Company or the period within which the next AGM of the Company is required by law to be held whichever is the earlier.

As at the date of this notice no shares have been issued pursuant to the mandate granted to the Directors at the last AGM held on 7 June 2024 and which will lapse at the conclusion of the Twenty Third AGM.

The Directors seek a renewal of the mandate to provide flexibility to the Company for possible raising of funds, including but not limited to placing of shares, for purpose of additional working capital, capital expenditure, funding of investments, acquisitions or reduction of borrowings.

### 8. Ordinary Resolution No. 7 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed resolution in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature will eliminate the requirement for the Company to make regular announcements and convene separate general meetings from time to time in respect of the aforesaid Recurrent Related Party Transactions.

## NOTICE OF ANNUAL GENERAL MEETING

### NOTES (CONT'D)

#### **9. Ordinary Resolution No. 8 - Proposed renewal of shareholders' mandate for the authority to the Company to purchase its own shares of up to ten percent (10%) of its total number of issued shares**

The proposed resolution if passed will empower the Directors of the Company to purchase up to ten percent (10%) of the total number of issued shares of the Company at any point in time subject to compliance with Section 127 of the Companies Act 2016, the Main Market Listing Requirements of Bursa Securities and other prevailing laws, rules and regulations.

Please refer to Part B of the Circular and Statement to Shareholders dated 25 April 2025 for further information.

### **Personal Data Privacy**

By registering for the meeting via remote participation and electronic voting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereof); and (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively "the Purpose"); (ii) warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

**PENTAMASTER CORPORATION BERHAD**

Company No.: 200201004644 (572307-U)  
(Incorporated in Malaysia)

**PROXY FORM**

For the 23<sup>rd</sup> Annual General Meeting

|                    |  |
|--------------------|--|
| CDS Account No.    |  |
| No. of shares held |  |

I/We \_\_\_\_\_  
(Full Name in Block Letters)

of \_\_\_\_\_  
(Address)

being a member/members of the above Company appoint (Proxy 1) \_\_\_\_\_

\_\_\_\_\_ (Full Name in Block Letters)

of \_\_\_\_\_  
(Address)

and/or failing him (Proxy 2), \_\_\_\_\_  
(Full Name in Block Letters)

of \_\_\_\_\_  
(Address)

or failing him, the Chairman of the Meeting as my/our Proxy to vote in my/our name(s) on my/our behalf at the Twenty Third Annual General Meeting ("AGM") of the Company to be held on at PMT 861, Persiaran Cassia Selatan 6, Taman Perindustrian Batu Kawan, 14110 Simpang Ampat, Pulau Pinang on Friday, 23 May 2025 at 10:30 a.m. and at any adjournment thereof in the manner indicated below :-

| Resolution                                                                                                                                                                                                         |                       | For | Against |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----|---------|
| To approve the payment of Directors' fees amounting to RM319,440 to Directors of the Company for the financial year ended 31 December 2024.                                                                        | Ordinary Resolution 1 |     |         |
| To approve the payment of benefits of up to RM35,000 to the Non-Executive Directors of the Company from 24 May 2025 until the next Annual General Meeting of the Company.                                          | Ordinary Resolution 2 |     |         |
| To re-elect Mr. Chuah Choon Bin who retires in accordance with Clause 109(a) and (b) of the Company's Constitution as a Director of the Company.                                                                   | Ordinary Resolution 3 |     |         |
| To re-elect Mr. Leng Kean Yong who retires in accordance with Clause 109(a) and (b) of the Company's Constitution as a Director of the Company.                                                                    | Ordinary Resolution 4 |     |         |
| To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.                                                         | Ordinary Resolution 5 |     |         |
| To empower the Directors to issue and allot shares up to 10% of the total number of issued shares of the Company.                                                                                                  | Ordinary Resolution 6 |     |         |
| To approve the proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature as set out in Section 2.2(b) of the Circular to Shareholders dated 25 April 2025. | Ordinary Resolution 7 |     |         |
| To approve the purchase by the Company of its own shares of up to 10% of its total number of issued shares.                                                                                                        | Ordinary Resolution 8 |     |         |

(Please indicate with an "X" in the appropriate box against each Resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote or abstain from voting at his/her discretion.)

The proportion of my/our holding to be represented by my/our proxies are as follows:-

|         |              |
|---------|--------------|
| Proxy 1 | %            |
| Proxy 2 | %            |
|         | <u>100 %</u> |

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

\_\_\_\_\_  
Signature of Shareholder or Common Seal

Notes :

- (a) Only a Depositor whose name appears in the Record of Depositors as at 16 May 2025 shall be entitled to attend the Twenty Third AGM or appoint proxies to attend, speak and/or vote on his/her behalf.
- (b) Subject to Paragraph (f) below, a member entitled to attend and vote is entitled to appoint more than one (1) proxy to attend and vote instead of him. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
- (c) A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without restriction as to the qualification of the proxy.
- (d) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- (f) The instrument appointing a proxy may be made in hardcopy form or by electronic means in the following manner not less than 48 hours before the time for holding the meeting or any adjournment thereof:

*In hardcopy form:*

*The proxy form shall be deposited at the office of the Company's Share Registrar at Securities Services (Holdings) Sdn Bhd, Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 Penang.*

*By electronic means:*

*The proxy form shall also be electronically lodged by email to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my).*

- (g) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, the resolutions set out above will be put to vote by way of poll.

Please fold across the lines and close

Affix  
stamp

The Share Registrar  
**PENTAMASTER CORPORATION BERHAD**  
200201004644 (572307-U)

Suite 18.05, MWE Plaza,  
No. 8, Lebuhr Farquhar,  
10200 Penang

Please fold across the lines and close

**PENTAMASTER CORPORATION BERHAD**

200201004644 (572307-U)



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Taman Perindustrian Bayan Lepas, Phase IV, 11900 Penang, Malaysia.

 604-646 9212  604-646 7212

 [penta-online@pentamaster.com.my](mailto:penta-online@pentamaster.com.my)